One Hundred Eighteenth Annual Report

of the

State Corporation Commission

of

Virginia

For the Year Ending December 31, 2020

GENERAL REPORT

---

intentionally blank

Letter of Transmittal

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

RICHMOND, VIRGINIA, *December 31, 2020*

To the Honorable Ralph S. Northam

Governor of Virginia

Sir:

We have the honor to transmit herewith the one hundred eighteenth Annual Report of the State Corporation Commission for the year 2020.

Respectfully submitted,

Mark C. Christie, Chairman

Judith Williams Jagdmann, Commissioner

Jehmal T. Hudson, Commissioner

intentionally blank

TABLE OF CONTENTS

State Corporation Commission

COMMISSIONERS

Mark C. Christie[1]	Chairman
Judith Williams Jagdmann[2]	Chairman
Patricia L. West[3]	Commissioner
Jehmal T. Hudson[4]	Commissioner

Bernard J. Logan[5]

Clerk of the Commission

[1] Elected Chairman effective for term of one year, February 1, 2020
[2] Term as Chairman expired January 31, 2020
[3] Term Ended January 31, 2020
[4] Term began July 6, 2020
[5] Appointed Clerk of the Commission effective December 25, 2020

Commissioners

The three initial Commissioners took office March 1, 1903. From 1903 to 1919 the Commissioners were appointed by the Governor subject to confirmation by the General Assembly. Between 1919 and 1926 they were elected by popular vote. Between 1926 and 1928 they were appointed by the Governor subject to confirmation by the General Assembly. Since 1928 they have been elected by the General Assembly.

The names and terms of office of the Commissioners:

		Years
Beverley T. Crump	March 1, 1903 to June 1, 1907	4
Henry C. Stuart	March 1, 1903 to February 28, 1908	5
Henry Fairfax	March 1, 1903 to October 1, 1905	3
Jos. E. Willard	October 1, 1905 to February 18, 1910	4
Robert R. Prentis	June 1, 1907 to November 17, 1916	9
Wm. F. Rhea	February 28, 1908 to November 15, 1925	18
J. R. Wingfield	February 18, 1910 to January 31, 1918	8
C. B. Garnett	November 17, 1916 to October 28, 1918	2
Alexander Forward	February 1, 1918 to December 5, 1923	5
Robert E. Williams	November 12, 1918 to July 1, 1919	1
(Temporary Appointment during absence of Forward on military service)		
S. L. Lupton	October 28, 1918 to June 1, 1919	1
Berkley D. Adams	June 12, 1919 to January 31, 1928	9
Oscar L. Shewmake	December 16, 1923 to November 24, 1924	1
H. Lester Hooker	November 25, 1924 to January 31, 1972	47
Louis S. Epes	November 16, 1925 to November 16, 1929	4
Wm. Meade Fletcher	February 1, 1928 to December 19, 1943	16
George C. Peery	November 29, 1929 to April 17, 1933	3
Thos. W. Ozlin	April 17, 1933 to July 14, 1944	11
Harvey B. Apperson	January 31, 1944 to October 5, 1947	4
Robert O. Norris	August 30, 1944 to November 20, 1944	
L. McCarthy Downs	December 16, 1944 to April 18, 1949	5
W. Marshall King	October 7, 1947 to June 24, 1957	10
Ralph T. Catterall	April 28, 1949 to January 31, 1973	24
Jesse W. Dillon	July 16, 1957 to January 28, 1972	14
Preston C. Shannon	March 10, 1972 to January 31, 1996	25
Junie L. Bradshaw	March 10, 1972 to January 31, 1985	13
Thomas P. Harwood, Jr.	February 20, 1973 to February 20, 1992	19
Elizabeth B. Lacy	April 1, 1985 to December 31, 1988	4
Theodore V. Morrison, Jr.	February 15, 1989 to December 31, 2007	19
Hullihen Williams Moore	February 26, 1992 to January 31, 2004	13
Clinton Miller	February 15, 1996 to January 31, 2006	11
James C. Dimitri	September 3, 2008 to February 28, 2018	10
Patricia L. West	March 1, 2019 to January 31, 2020	
Mark C. Christie	February 1, 2004 to	
Judith Williams Jagdmann	February 1, 2006 to	
Jehmal T. Hudson	July 6, 2020	

From 1903 through 2020 the lines of succession were:

	Years		Years		Years
Crump	4	Stuart	5	Fairfax	3
Prentis	9	Rhea	18	Willard	4
Garnett	2	Epes	4	Wingfield	8
Lupton	1	Peery	3	Forward	5
Adams	9	Ozlin	11	Williams	1
Fletcher	16	Norris	0	Shewmake	1
Apperson	4	Downs	5	Hooker	47
King	10	Catterall	24	Bradshaw	13
Dillon	14	Harwood	19	Lacy	4
Shannon	25	Moore	13	Morrison	19
Miller	11	Christie	17	Dimitri	10
Jagdmann	15	West	1	Hudson	0

Preface

The State Corporation Commission is vested with regulatory authority over many businesses and economic interests in Virginia. These interests are as varied as the SCC's powers, which are derived from the Constitution of Virginia and state statutes. The SCC's authority ranges from setting rates charged by public utilities to serving as the central filing office in Virginia for corporate charters.

Established by the Virginia Constitution of 1902 to oversee the railroad and telephone and telegraph industries operating in the Commonwealth, the SCC's jurisdiction now includes supervision of many businesses that have a direct impact on Virginia consumers. The SCC is charged with administering the Virginia laws related to the regulation of public utilities, insurance, state-chartered financial institutions, investment securities, retail franchising, and utility and railroad safety. In addition, it is the state's central filing office for Uniform Commercial Code financing statements and for documents that create corporations, limited liability companies, business trusts, and limited partnerships.

The SCC's structure is unique. No other state has placed in a single agency such a broad array of regulatory responsibility. Created by the state constitution as a permanent department of government, the SCC possesses legislative, judicial, and administrative powers. The decisions of the SCC can be appealed only to the Supreme Court of Virginia.

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

RULES OF PRACTICE AND PROCEDURE

TABLE OF CONTENTS

PART I.
GENERAL PROVISIONS

PART II.
COMMENCEMENT OF FORMAL PROCEEDINGS

PART III.
PROCEDURES IN FORMAL PROCEEDINGS

PART IV.
DISCOVERY AND HEARING PREPARATION PROCEDURES

CHAPTER 20

STATE CORPORATION COMMISSION RULES OF PRACTICE AND PROCEDURE

PART I.

GENERAL PROVISIONS.

5 VAC 5-20-10. Applicability.

The State Corporation Commission Rules of Practice and Procedure are promulgated pursuant to the authority of § 12.1-25 of the Code of Virginia and are applicable to the regulatory and adjudicatory proceedings of the State Corporation Commission except where superseded by more specific rules for particular types of cases or proceedings. When necessary to serve the ends of justice in a particular case, the commission may grant, upon motion or its own initiative, a waiver or modification of any of the provisions of these rules, except 5 VAC 5-20-220, under terms and conditions and to the extent it deems appropriate. These rules do not apply to the internal administration or organization of the commission in matters such as the procurement of goods and services, personnel actions, and similar issues, nor to matters that are being handled administratively by a division or bureau of the commission.

5 VAC 5-20-20. Good faith pleading and practice.

Every pleading, written motion, or other document presented for filing by a party represented by an attorney shall be signed by at least one attorney of record in the attorney's individual name, and the attorney's mailing address and telephone number, and where available, telefax number and email address, shall be stated. An individual not represented by an attorney shall sign the individual's pleading, motion, or other document, and shall state the individual's mailing address and telephone number. A partnership not represented by an attorney shall have a partner sign the partnership's pleading, motion, or other document, and shall state the partnership's mailing address and telephone number. A nonlawyer may only represent the interests of another before the commission in the presentation of facts, figures, or factual conclusions, as distinguished from legal arguments or conclusions. In the case of an individual or entity not represented by counsel, each signature shall be that of the individual or a qualified officer or agent of the entity. Documents signed pursuant to this rule need not be under oath unless so required by statute.

The commission allows electronic filing. Before filing electronically, the filer shall complete an electronic document filing authorization form, establish a filer authentication password with the Clerk of the State Corporation Commission and otherwise comply with the electronic filing procedures adopted by the commission. Upon establishment of a filer authentication password, a filer may make electronic filings in any case. All documents submitted electronically must be capable of being printed as paper documents without loss of content or appearance.

The signature of an attorney or party constitutes a certification that (i) the attorney or party has read the pleading, motion, or other document; (ii) to the best of the attorney's or party's knowledge, information, and belief formed after reasonable inquiry, the pleading, motion or other document is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; and (iii) the pleading, motion or other document is not interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation. A pleading, written motion, or other document will not be accepted for filing by the Clerk of the Commission if it is not signed.

An oral motion made by an attorney or party in a commission proceeding constitutes a representation that the motion (i) is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; and (ii) is not interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation.

5 VAC 5-20-30. Counsel.

Except as otherwise provided in 5 VAC 5-20-20, no person other than a properly licensed attorney at law shall file pleadings or papers or appear at a hearing to represent the interests of another person or entity before the commission. An attorney admitted to practice in another jurisdiction, but not licensed in Virginia, may be permitted to appear in a particular proceeding pending before the commission in association with a member of the Virginia State Bar. The Virginia State Bar member will be counsel of record for every purpose related to the conduct and disposition of the proceeding.

In all appropriate proceedings before the Commission, the Division of Consumer Counsel, Office of the Attorney General, may appear and represent and be heard on behalf of consumers' interests, and investigate matters relating to such appearance, and otherwise may participate to the extent reasonably necessary to discharge its statutory duties.

5 VAC 5-20-40. Photographs and broadcasting of proceedings.

Electronic media and still photography coverage of commission hearings will be allowed at the discretion of the commission.

5 VAC 5-20-50. Consultation by parties with commissioners and hearing examiners.

No commissioner or hearing examiner shall consult with any party or any person acting on behalf of any party with respect to a pending formal proceeding without giving adequate notice and opportunity for all parties to participate.

5 VAC 5-20-60. Commission staff.

The commissioners and hearing examiners shall be free at all times to confer with any member of the commission staff. However, no facts nor legal arguments likely to influence a pending formal proceeding and not of record in that proceeding shall be furnished ex parte to any commissioner or hearing examiner by any member of the commission staff.

5 VAC 5-20-70. Informal complaints.

All correspondence and informal complaints shall be referred to the appropriate division or bureau of the commission. The head of the division or bureau receiving this correspondence or complaint shall attempt to resolve the matter presented. Matters not resolved to the satisfaction of all participating parties by the informal process may be reviewed by the full commission upon the proper filing of a formal proceeding in accordance with the rules by any party to the informal process.

PART II.

COMMENCEMENT OF FORMAL PROCEEDINGS.

5 VAC 5-20-80. Regulatory proceedings.

A. Application. Except where otherwise provided by statute, rule or commission order, a person or entity seeking to engage in an industry or business subject to the commission's regulatory authority, or to make changes in any previously authorized service, rate, facility, or other aspect of such industry or business that, by statute or rule, must be approved by the commission, shall file an application requesting authority to do so. The application shall contain (i) a specific statement of the action sought; (ii) a statement of the facts that the applicant is prepared to prove that would warrant the action sought; (iii) a statement of the legal basis for such action; and (iv) any other information required by law or regulation. Any person or entity filing an application shall be a party to that proceeding.

B. Participation as a respondent. A notice of participation as a respondent is the proper initial response to an application. A notice of participation shall be filed within the time prescribed by the commission and shall contain (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 person or entity filing a notice of participation as a respondent shall be a party to that proceeding.

C. Public witnesses. Any person or entity not participating in a matter pursuant to subsection A or B of this section may make known their position in any regulatory proceeding by filing written comments in advance of the hearing if provided for by commission order or by attending the hearing, noting an appearance in the manner prescribed by the commission, and giving oral testimony. Public witnesses may not otherwise participate in the proceeding, be included in the service list, or be considered a party to the proceeding.

D. Commission staff. The commission staff may appear and participate in any proceeding in order to see that pertinent issues on behalf of the general public interest are clearly presented to the commission. The staff may, inter alia, conduct investigations and discovery, evaluate the issues raised, testify and offer exhibits, file briefs and make argument, and be subject to cross-examination when testifying. Neither the commission staff collectively nor any individual member of the commission staff shall be considered a party to the case for any purpose by virtue of participation in a proceeding.

5 VAC 5-20-90. Adjudicatory proceedings.

A. Initiation of proceedings. Investigative, disciplinary, penal, and other adjudicatory proceedings may be initiated by motion of the commission staff or upon the commission's own motion. Further proceedings shall be controlled by the issuance of a rule to show cause, which shall give notice to the defendant, state the allegations against the defendant, provide for a response from the defendant and, where appropriate, set the matter for hearing. A rule to show cause shall be served in the manner provided by § 12.1-19.1 or § 12.1-29 of the Code of Virginia. The commission staff shall prove the case by clear and convincing evidence.

B. Answer. An answer or other responsive pleading shall be filed within 21 days of service of the rule to show cause, unless the commission shall order otherwise. The answer shall state, in narrative form, each defendant's responses to the allegations in the rule to show cause and any affirmative defenses asserted by the defendant. Failure to file a timely answer or other responsive pleading may result in the entry of judgment by default against the party failing to respond.

5 VAC 5-20-100. Other proceedings.

A. Promulgation of general orders, rules, or regulations. Before promulgating a general order, rule, or regulation, the commission shall, by order upon an application or upon its own motion, require reasonable notice of the contents of the proposed general order, rule, or regulation, including publication in the Virginia Register of Regulations, and afford interested persons an opportunity to comment, present evidence, and be heard. A copy of each general order, rule, and regulation adopted in final form by the commission shall be filed with the Registrar of Regulations for publication in the Virginia Register of Regulations.

B. Petitions in other matters. Persons having a cause before the commission, whether by statute, rule, regulation, or otherwise, against a defendant, including the commission, a commission bureau, or a commission division, shall proceed by filing a written petition containing (i) the identity of the parties; (ii) a statement of the action sought and the legal basis for the commission's jurisdiction to take the action sought; (iii) a statement of the facts, proof of which would warrant the action sought; (iv) a statement of the legal basis for the action; and (v) a certificate showing service upon the defendant.

Within 21 days of service of a petition under this rule, the defendant shall file an answer or other responsive pleading containing, in narrative form, (i) a response to each allegation of the petition and (ii) a statement of each affirmative defense asserted by the defendant. Failure to file a timely

answer may result in entry of judgment by default against the defendant failing to respond. Upon order of the commission, the commission staff may participate in any proceeding under this rule in which it is not a defendant to the same extent as permitted by 5 VAC 5-20-80 D.

C. Declaratory judgments. Persons having no other adequate remedy may petition the commission for a declaratory judgment. The petition shall meet the requirements of subsection B of this section and, in addition, contain a statement of the basis for concluding that an actual controversy exists. In the proceeding, the commission shall by order provide for the necessary notice, responsive pleadings, and participation by interested parties and the commission staff.

PART III.

PROCEDURES IN FORMAL PROCEEDINGS.

5 VAC 5-20-110. Motions. Motions may be filed for the same purposes recognized by the courts of record in the Commonwealth. Unless otherwise ordered by the commission, any response to a motion must be filed within 14 days of the filing of the motion, and any reply by the moving party must be filed within ten days of the filing of the response.

5 VAC 5-20-120. Procedure before hearing examiners.

A. Assignment. The commission may, by order, assign a matter pending before it to a hearing examiner. Unless otherwise ordered, the hearing examiner shall conduct all further proceedings in the matter on behalf of the commission in accordance with these rules. In the discharge of his duties, the hearing examiner shall exercise all the adjudicatory powers possessed by the commission including, inter alia, the power to administer oaths; require the attendance of witnesses and parties; require the production of documents; schedule and conduct pre-hearing conferences; admit or exclude evidence; grant or deny continuances; and rule on motions, matters of law, and procedural questions. The hearing examiner shall, upon conclusion of all assigned duties, issue a written final report and recommendation to the commission at the conclusion of the proceedings.

B. Objections and certification of issues. An objection to a ruling by the hearing examiner during a hearing shall be stated with the reasons therefor at the time of the ruling. Any objection to a hearing examiner's ruling may be argued to the commission as part of a response to the hearing examiner's report. A ruling by the hearing examiner that denies further participation by a party in interest or the commission staff in a proceeding that has not been concluded may be immediately appealed to the commission by filing a written motion with the commission for review. Upon the motion of any party or the staff, or upon the hearing examiner's own initiative, the hearing examiner may certify any other material issue to the commission for its consideration and resolution. Pending resolution by the commission of a ruling appealed or certified, the hearing examiner shall retain procedural control of the proceeding.

C. Responses to hearing examiner reports. Unless otherwise ordered by the hearing examiner, responses supporting or objecting to the hearing examiner's final report must be filed within 21 days of the issuance of the report. A reply to a response to the hearing examiner's report may only be filed with leave of the commission. The commission may accept, modify, or reject the hearing examiner's recommendations in any manner consistent with law and the evidence, notwithstanding an absence of objections to the hearing examiner's report.

5 VAC 5-20-130. Amendment of pleadings.

No amendment shall be made to any pleading after it is filed except by leave of the commission, which leave shall be liberally granted in the furtherance of justice. The commission shall make such provision for notice and for opportunity to respond to the amended pleadings as it may deem necessary and proper.

5 VAC 5-20-140. Filing and service.

A pleading or other document shall be considered filed with the commission upon receipt of the original and required copies by the Clerk of the Commission no later than the time established for the closing of business of the clerk's office on the day the item is due. The original and copies shall be stamped by the Clerk to show the time and date of receipt.

Electronic filings may be submitted at any time and will be deemed filed on the date and at the time the electronic document is received by the commission's database; provided, that if a document is received when the clerk's office is not open for public business, the document shall be deemed filed on the next regular business day. A filer will receive an electronic notification identifying the date and time the document was received by the commission's database. An electronic document may be rejected if it is not submitted in compliance with these rules.

When a filing would otherwise be due on a day when the clerk's office is not open for public business during all or part of a business day, the filing will be timely if made on the next regular business day that the office is open to the public. Except as otherwise ordered by the commission, when a period of 15 days or fewer is permitted to make a filing or take other action pursuant to commission rule or order, intervening weekends or holidays shall not be counted in determining the due date.

Service of a pleading, brief, or other document filed with the commission required to be served on the parties to a proceeding or upon the commission staff, shall be effected by delivery of a true copy to the party or staff, or by deposit of a true copy into the United States mail or overnight express mail delivery service properly addressed and postage prepaid, or via hand-delivery, on or before the date of filing. Service on a party may be made by service on the party's counsel. Alternatively, electronic service shall be permitted on parties or staff in cases where all parties and staff have agreed to such service, or where the commission has provided for such service by order. At the foot of a formal pleading, brief, or other document required to be served, the party making service shall append a certificate of counsel of record that copies were mailed or delivered as required. Notices, findings of fact, opinions, decisions, orders, or other documents to be served by the commission may be served by United States mail. However, all writs, processes, and orders of the commission, when acting in conformity with § 12.1-27 of the Code of Virginia, shall be attested by the Clerk of the Commission and served in compliance with § 12.1-19.1 or 12.1-29 of the Code of Virginia.

5 VAC 5-20-150. Copies and format.

Applications, petitions, motions, responsive pleadings, briefs, and other documents filed by parties must be filed in an original and 15 copies unless otherwise directed by the commission. Except as otherwise stated in these rules, submissions filed electronically are exempt from the copy requirement. One copy of each responsive pleading or brief must be served on each party and the commission staff counsel assigned to the matter, or, if no counsel has been assigned, on the general counsel.

Each document must be filed on standard size white opaque paper, 8-1/2 by 11 inches in dimension, must be capable of being reproduced in copies of archival quality, and only one side of the paper may be used. Submissions filed electronically shall be made in portable document format (PDF).

Each document shall be bound or attached on the left side and contain adequate margins. Each page following the first page shall be numbered. If necessary, a document may be filed in consecutively numbered volumes, each of which may not exceed three inches in thickness. Submissions filed electronically may not exceed 100 pages of printed text of 8-1/2 by 11 inches.

Each document containing more than one exhibit should have dividers separating each exhibit and should contain an index. Exhibits such as maps, plats, and photographs not easily reduced to standard size may be filed in a different size, as necessary. Submissions filed electronically that otherwise would incorporate large exhibits impractical for conversion to electronic format shall be identified in the filing and include a statement that the exhibit was filed in hardcopy and is available for viewing at the commission or that a copy may be obtained from the filing party. Such exhibit shall be filed in an original and 15 copies.

All filed documents shall be fully collated and assembled into complete and proper sets ready for distribution and use, without the need for further assembly, sorting, or rearrangement.

The Clerk of the Commission may reject the filing of any document not conforming to the requirements of this rule.

5 VAC 5-20-160. Memorandum of completeness.

With respect to the filing of a rate application or an application seeking actions, that by statute or rule must be completed within a certain number of days, a memorandum shall be filed by an appropriate member of the commission staff within ten days of the filing of the application stating whether all necessary requirements imposed by statute or rule for filing the application have been met and all required information has been filed. If the requirements have not been met, the memorandum shall state with specificity the remaining items to be filed. The Clerk of the Commission immediately shall serve a copy of the memorandum on the filing party. The first day of the period within which action on the application must be concluded shall be set forth in the memorandum and shall be the initial date of filing of applications that are found to be complete upon filing. Applications found to require supplementation shall be complete upon the date of filing of the last item identified in the staff memorandum. Applications shall be deemed complete upon filing if the memorandum of completeness is not timely filed.

5 VAC 5-20-170. Confidential information.

A person who proposes in good faith in a formal proceeding that information to be filed with or delivered to the commission be withheld from public disclosure on the ground that it contains trade secrets, privileged, or confidential commercial or financial information shall file this information under seal with the Clerk of the Commission, or otherwise deliver the information under seal to the commission staff, or both, as may be required. Items filed or delivered under seal shall be securely sealed in an opaque container that is clearly labeled "UNDER SEAL," and, if filed, shall meet the other requirements for filing contained in these rules. An original and 15 copies of all such information shall be filed with the clerk. One additional copy of all such information shall also be delivered under seal to the commission staff counsel assigned to the matter, or, where no counsel has been assigned, to the general counsel who, until ordered otherwise by the commission, shall disclose the information only to the members of the commission staff directly assigned to the matter as necessary in the discharge of their duties. Staff counsel and all members of the commission staff, until otherwise ordered by the commission, shall maintain the information in strict confidence and shall not disclose its contents to members of the public, or to other staff members not assigned to the matter. The commission staff or any party may object to the proposed withholding of the information.

When an application (including supporting documents and prefiled testimony) contains information that the applicant claims to be confidential, the filing shall be made under seal and accompanied by a motion for protective order or other confidential treatment. The provision to a party of information claimed to be trade secrets, privileged, or confidential commercial or financial information shall be governed by a protective order or other individual arrangements for confidential treatment.

On every document filed or delivered under seal, the producing party shall mark each individual page of the document that contains confidential information, and on each such page shall clearly indicate the specific information requested to be treated as confidential by use of highlighting, underscoring, bracketing or other appropriate marking. All remaining materials on each page of the document shall be treated as nonconfidential and available for public use and review. If an entire document is confidential, or if all information provided in electronic format under Part IV of these rules is confidential, a marking prominently displayed on the first page of such document or at the beginning of any information provided in electronic format, indicating that the entire document is confidential shall suffice.

Upon challenge, the information shall be treated as confidential pursuant to these rules only where the party requesting confidential treatment can demonstrate to the satisfaction of the commission that the risk of harm of publicly disclosing the information outweighs the presumption in favor of public disclosure. If the commission determines that the information should be withheld from public disclosure, it may nevertheless require the information to be disclosed to parties to a proceeding under appropriate protective order.

Whenever a document is filed with the clerk under seal, an original and one copy of an expurgated or redacted version of the document deemed by the filing party or determined by the commission to be confidential shall be filed with the clerk for use and review by the public. A document containing confidential information shall not be submitted electronically. An expurgated or redacted version of the document may be filed electronically. Documents containing confidential information must be filed in hardcopy and in accordance with all requirements of these rules. Upon a determination by the

commission or a hearing examiner that all or portions of any materials filed under seal are not entitled to confidential treatment, the filing party shall file one original and one copy of the expurgated or redacted version of the document reflecting the ruling.

When the information at issue is not required to be filed or made a part of the record, a party who wishes to withhold confidential information from filing or production may move the commission for a protective order without filing the materials. In considering such a motion, the commission may require production of the confidential materials for inspection in camera, if necessary.

A party may request additional protection for extraordinarily sensitive information by motion filed pursuant to 5 VAC 5-20-110, and filing the information with the Clerk of the Commission under seal and delivering a copy of the information to commission staff counsel under seal as directed above. Whenever such treatment has been requested under Part IV of these rules, the commission may make such orders as necessary to permit parties to challenge the requested additional protection.

The commission, hearing examiners, any party and the commission staff may make use of confidential material in orders, filing pleadings, testimony, or other documents, as directed by order of the commission. When a party or commission staff uses confidential material in a filed pleading, testimony, or other document, the party or commission staff must file both confidential and nonconfidential versions of the pleading, testimony, or other document. Confidential versions of filed pleadings, testimony, or other documents shall clearly indicate the confidential material contained within by highlighting, underscoring, bracketing or other appropriate marking. When filing confidential pleadings, testimony, or other documents, parties must submit the confidential version to the Clerk of the Commission securely sealed in an opaque container that is clearly labeled "UNDER SEAL." Nonconfidential versions of filed pleadings, testimony, or other documents shall expurgate, redact, or otherwise omit all references to confidential material.

The commission may issue such order as it deems necessary to prevent the use of confidentiality claims for the purpose of delay or obstruction of the proceeding.

A person who proposes in good faith that information to be delivered to the commission staff outside of a formal proceeding be withheld from public disclosure on the ground that it contains trade secrets, privileged, or confidential commercial or financial information may deliver the information under seal to the commission staff, subject to the same protections afforded confidential information in formal proceedings.

5 VAC 5-20-180. Official transcript of hearing.

The official transcript of a hearing before the commission or a hearing examiner shall be that prepared by the court reporters retained by the commission and certified by the court reporter as a true and correct transcript of the proceeding. Transcripts of proceedings shall not be prepared except in cases assigned to a hearing examiner, when directed by the commission, or when requested by a party desiring to purchase a copy. Parties desiring to purchase copies of the transcript shall make arrangement for purchase with the court reporter. When a transcript is prepared, a copy thereof shall be made available for public inspection in the clerk's office. If the transcript includes confidential information, an expurgated or redacted version of the transcript shall be made available for public inspection in the clerk's office. Only the parties who have executed an agreement to adhere to a protective order or other arrangement for access to confidential treatment in such proceeding and the commission staff shall be entitled to access to an unexpurgated or unredacted version of the transcript. By agreement of the parties, or as the commission may by order provide, corrections may be made to the transcript.

5 VAC 5-20-190. Rules of evidence.

In proceedings under 5 VAC 5-20-90, and all other proceedings in which the commission shall be called upon to decide or render judgment only in its capacity as a court of record, the common law and statutory rules of evidence shall be as observed and administered by the courts of record of the Commonwealth. In other proceedings, evidentiary rules shall not be unreasonably used to prevent the receipt of evidence having substantial probative effect.

5 VAC 5-20-200. Briefs.

Written briefs may be authorized at the discretion of the commission, except in proceedings under 5 VAC 5-20-100 A, where briefs may be filed by right. The time for filing briefs and reply briefs, if authorized, shall be set at the time they are authorized. The commission may limit the length of a brief. The commission may by order provide for the electronic filing or service of briefs.

5 VAC 5-20-210. Oral argument.

The commission may authorize oral argument, limited as the commission may direct, on any pertinent matter at any time during the course of the proceeding.

5 VAC 5-20-220. Petition for rehearing or reconsideration.

Final judgments, orders, and decrees of the commission, except judgments prescribed by § 12.1-36 of the Code of Virginia, and except as provided in §§ 13.1-614 and 13.1-813 of the Code of Virginia, shall remain under the control of the commission and subject to modification or vacation for 21 days after the date of entry. Except for good cause shown, a petition for rehearing or reconsideration must be filed not later than 20 days after the date of entry of the judgment, order, or decree. The filing of a petition will not suspend the execution of the judgment, order, or decree, nor extend the time for taking an appeal, unless the commission, within the 21-day period following entry of the final judgment, order or decree, shall provide for a suspension in an order or decree granting the petition. A petition for rehearing or reconsideration must be served on all parties and delivered to commission staff counsel on or before the day on which it is filed. The commission will not entertain responses to, or requests for oral argument on, a petition. An order granting a rehearing or reconsideration will be served on all parties and commission staff counsel by the Clerk of the Commission.

5 VAC 5-20-230. Extension of time.

The commission may, at its discretion, grant a continuance, postponement, or extension of time for the filing of a document or the taking of an action required or permitted by these rules, except for petitions for rehearing or reconsideration filed pursuant to 5 VAC 5-20-220. Except for good cause

shown, motions for extensions shall be made in writing, served on all parties and commission staff counsel, and filed with the commission at least three days prior to the date the action sought to be extended is due.

PART IV.

DISCOVERY AND HEARING PREPARATION PROCEDURES.

5 VAC 5-20-240. Prepared testimony and exhibits.

Following the filing of an application dependent upon complicated or technical proof, the commission may direct the applicant to prepare and file the testimony and exhibits by which the applicant expects to establish its case. In all proceedings in which an applicant is required to file testimony, respondents shall be permitted and may be directed by the commission or hearing examiner to file, on or before a date certain, testimony and exhibits by which they expect to establish their case. Any respondent that chooses not to file testimony and exhibits by that date may not thereafter present testimony or exhibits except by leave of the commission, but may otherwise fully participate in the proceeding and engage in cross-examination of the testimony and exhibits of commission staff and other parties. The commission staff also shall file testimony and exhibits when directed to do so by the commission. Failure to comply with the directions of the commission, without good cause shown, may result in rejection of the testimony and exhibits by the commission. With leave of the commission and unless a timely objection is made, the commission staff or a party may correct or supplement any prepared testimony and exhibits before or during the hearing. In all proceedings, all evidence must be verified by the witness before introduction into the record, and the admissibility of the evidence shall be subject to the same standards as if the testimony were offered orally at hearing, unless, with the consent of the commission, the staff and all parties stipulate the introduction of testimony without need for verification. An original and 15 copies of prepared testimony and exhibits shall be filed unless otherwise specified in the commission's scheduling order and public notice, or unless the testimony and exhibits are filed electronically and otherwise comply with these rules. Documents of unusual bulk or weight and physical exhibits other than documents need not be filed in advance, but shall be described and made available for pretrial examination.

5 VAC 5-20-250. Process, witnesses, and production of documents and things.

A. Subpoenas. Commission staff and any party to a proceeding shall be entitled to process, to convene parties, to compel the attendance of witnesses, and to compel the production of books, papers, documents, or things provided in this rule.

B. Commission issuance and enforcement of other regulatory agency subpoenas. Upon motion by commission staff counsel, the commission may issue and enforce subpoenas at the request of a regulatory agency of another jurisdiction if the activity for which the information is sought by the other agency, if occurring in the Commonwealth, would be a violation of the laws of the Commonwealth that are administered by the commission.

A motion requesting the issuance of a commission subpoena shall include:

1. A copy of the original subpoena issued by the regulatory agency to the named defendant;

2. An affidavit of the requesting agency administrator stating the basis for the issuance of the subpoena under that state's laws; and

3. A memorandum from the commission's corresponding division director providing the basis for the issuance of the commission subpoena.

C. Document subpoenas. In a pending proceeding, at the request of commission staff or any party, the Clerk of the Commission shall issue a subpoena. When a matter is under investigation by commission staff, before a formal proceeding has been established, whenever it appears to the commission by affidavit filed with the Clerk of the Commission by the commission staff or an individual, that a book, writing, document, or thing sufficiently described in the affidavit, is in the possession, or under the control, of an identified person and is material and proper to be produced, the commission may order the Clerk of the Commission to issue a subpoena and to have the subpoena duly served, together with an attested copy of the commission's order compelling production at a reasonable place and time as described in the commission's order.

D. Witness subpoenas. In a pending proceeding, at the request of commission staff or any party, the Clerk of the Commission shall issue a subpoena.

5 VAC 5-20-260. Interrogatories or requests for production of documents and things.

The commission staff and any party in a formal proceeding before the commission, other than a proceeding under 5VAC5-20-100 A, may serve written interrogatories or requests for production of documents upon a party, to be answered by the party served, or if the party served is an entity, by an officer or agent of the entity, who shall furnish to the staff or requesting party information as is known. Interrogatories or requests for production of documents, including workpapers pursuant to 5VAC5-20-270, that cannot be timely answered before the scheduled hearing date may be served only with leave of the commission for good cause shown and upon such conditions as the commission may prescribe. Such otherwise untimely interrogatories or requests for production of documents, including workpapers pursuant to 5VAC5-20-270, may not be served until such leave is granted. Interrogatories or requests for production of documents may be served upon a member of the commission staff, or an expert or consultant filing testimony on behalf of the commission staff, in a proceeding under 5 VAC 5-20-80 to discover: (i) factual information that supports the workpapers submitted by the staff pursuant to 5VAC5-20-270, including electronic spreadsheets that include underlying formulas and assumptions; (ii) any other documents relied upon as a basis for recommendations or assertions in prefiled testimony, staff reports or exhibits filed by staff, or by an expert or consultant filing testimony on behalf of the staff; or (iii) the identity of other formal proceedings in which an expert or consultant filing testimony on behalf of the staff testified regarding the same or a substantially similar subject matter. The disclosure of communications within the commission shall not be required and, except for good cause shown, no interrogatories or requests for production of documents may be served upon a member of the commission staff, or an expert or consultant filing testimony on behalf of the staff, prior to the filing of staff's testimony. All interrogatories and requests for production of documents shall be filed with the Clerk of the Commission. Responses to interrogatories and requests for production of documents shall not be filed with the Clerk of the Commission.

The response to each interrogatory or document request shall identify by name the person making the response. Any objection to an interrogatory or document request shall identify the interrogatory or document request to which the objection is raised, and shall state with specificity the basis and supporting legal theory for the objection. Objections shall be served with the list of responses or in such manner as the commission may designate by order. Responses and objections to interrogatories or requests for production of documents shall be served within 10 days of receipt, unless otherwise ordered by the commission. Upon motion promptly made and accompanied by a copy of the interrogatory or document request and the response or objection that is subject to the motion, the commission will rule upon the validity of the objection; the objection otherwise will be considered sustained.

Interrogatories or requests for production of documents may relate to any matter not privileged, which is relevant to the subject matter involved, including the existence, description, nature, custody, condition, and location of any books, documents, or other tangible things, and the identity and location of persons having knowledge of evidentiary value. It is not grounds for objection that the information sought will be inadmissible at the hearing if the information appears reasonably calculated to lead to the discovery of admissible evidence.

Where the response to an interrogatory or document request may only be derived or ascertained from the business records of the party questioned, from an examination, audit, or inspection of business records, or from a compilation, abstract, or summary of business records, and the burden of deriving or ascertaining the response is substantially the same for one entity as for the other, a response is sufficient if it (i) identifies by name and location all records from which the response may be derived or ascertained; and (ii) tenders to the inquiring party reasonable opportunity to examine, audit, or inspect the records subject to objection as to their proprietary or confidential nature. The inquiring party bears the expense of making copies, compilations, abstracts, or summaries.

5 VAC 5-20-270. Hearing preparation.

In a formal proceeding, a party or the commission staff may serve on a party a request to examine the workpapers supporting the testimony or exhibits of a witness whose prepared testimony has been filed in accordance with 5 VAC 5-20-240. The movant may request abstracts or summaries of the workpapers, and may request copies of the workpapers upon payment of the reasonable cost of duplication or reproduction. Copies requested by the commission staff shall be furnished without payment of copying costs. In actions pursuant to 5 VAC 5-20-80 A, the commission staff shall, upon the filing of its testimony, exhibits, or report, provide (in either paper or electronic format) a copy of any workpapers that support the recommendations made in its testimony or report to any party upon request and may additionally file a copy of such workpapers with the Clerk of the Commission. The Clerk of the Commission shall make any filed workpapers available for public inspection and copying during regular business hours.

5 VAC 5-20-280. Discovery applicable only to 5 VAC 5-20-90 proceedings.

This rule applies only to a proceeding in which a defendant is subject to a monetary penalty or injunction, or revocation, cancellation, or curtailment of a license, certificate of authority, registration, or similar authority previously issued by the commission to the defendant:

1. Discovery of material in possession of the commission staff. Upon written motion of the defendant, the commission shall permit the defendant to inspect and, at the defendant's expense, copy or photograph (exclusive of investigative notes): (i) any relevant written or recorded statements, the existence of which is known, after reasonable inquiry, by the commission staff counsel assigned to the matter to be within the custody, possession, or control of commission staff, made by (a) the defendant, or representatives or agents of the defendant if the defendant is other than an individual, or (b) any witness whom the commission staff intends, or does not intend, to call to testify at the hearing, to a commission staff member or law enforcement officer; (ii) designated books, tangible objects, papers, documents, or copies or portions thereof, that are within the custody, possession, or control of commission staff and that commission staff intends to introduce into evidence at the hearing or that the commission staff obtained for the purpose of the instant proceeding; and (iii) the list of the witnesses that commission staff intends to call to testify at the hearing. Upon good cause shown to protect the identity of persons not named as a defendant, the commission or hearing examiner may direct the commission staff to withhold disclosure of material requested under this rule. The term "statement" as used in relation to any witness (other than a defendant) described in clause (i) of this subdivision includes a written statement made by said witness and signed or otherwise adopted or approved by him, and verbatim transcriptions or recordings of a witness' statement that are made contemporaneously with the statement by the witness.

A motion by the defendant or staff under this rule shall be filed and served at least 30 days before the hearing date. The motion shall include all relief sought. A subsequent motion may be made only upon a showing of cause as to why the motion would be in the interest of justice. An order or ruling granting relief under this rule shall specify the time, place, and manner of making discovery and inspection permitted, and may prescribe such terms and conditions as the commission may determine.

Upon written motion of the commission staff, staff may also obtain the list of witnesses that the defendant intends to call to testify at the hearing, and inspect, copy, and photograph, at commission staff's expense, the evidence that the defendant intends to introduce into evidence at the hearing.

The commission staff and the defendant shall be required to produce the information described above as directed by the commission or hearing examiner, but not later than 10 days prior to the scheduled hearing; and the admission of any additional evidence not provided in accordance herewith shall not be denied solely on the basis that it was not produced timely, provided the additional evidence was produced to commission staff or the defendant as soon as practicable prior to the hearing, or prior to the introduction of such evidence at the hearing. The requirement to produce the information described in this section shall be in addition to any requirement by commission staff or the defendant to timely respond to an interrogatory or document request made pursuant to 5VAC5-20-260.

Nothing in this rule shall require the disclosure of any information, the disclosure of which is prohibited by statute or other legal privilege. The disclosure of the results of a commission staff investigation or work product of commission staff counsel shall not be required.

2. Depositions. After commencement of a proceeding to which this rule applies, the commission staff or a party may take the testimony of (i) a party, or (ii) a person not a party for good cause shown to the commission or hearing examiner, other than a member of the commission staff, by deposition on oral examination or by written questions. Depositions may be used for any purpose for which they may be used in the courts of record of the

Commonwealth. Except where the commission or hearing examiner finds that an emergency exists, no deposition may be taken later than 10 days in advance of the formal hearing. The attendance of witnesses at depositions may be compelled by subpoena. Examination and cross-examination of the witness shall be as at hearing. Depositions may be taken in the City of Richmond or in the town, city, or county in which the deposed person resides, is employed, or does business. The parties and the commission staff, by agreement, may designate another place for the taking of the deposition. Reasonable notice of the intent to take a deposition must be given in writing to the commission staff counsel and to each party to the action, stating the time and place where the deposition is to be taken. A deposition may be taken before any person (the "officer") authorized to administer oaths by the laws of the jurisdiction in which the deposition is to be taken. The officer shall certify his authorization in writing, administer the oath to the deponent, record or cause to be recorded the testimony given, and note any objections raised. In lieu of participating in the oral examination, a party or the commission staff may deliver sealed written questions to the officer, who shall propound the questions to the witness. The officer may terminate the deposition if convinced that the examination is being conducted in bad faith or in an unreasonable manner. Costs of the deposition shall be borne by the party noticing the deposition, unless otherwise ordered by the commission.

3. Requests for admissions. The commission staff or a party to a proceeding may serve upon a party written requests for admission. Each matter on which an admission is requested shall be stated separately. A matter shall be deemed admitted unless within 21 days of the service of the request, or some other period the commission may designate, the party to whom the request is directed serves upon the requesting party a written answer addressing or objecting to the request. The response shall set forth in specific terms a denial of the matter set forth or an explanation as to the reasons the responding party cannot truthfully admit or deny the matter set forth. Requests for admission shall be filed with the Clerk of the Commission and simultaneously served on commission staff counsel and on all parties to the proceeding.

- - - - - -
Adopted: September 1, 1974
Revised: May 1, 1985 by Case No. CLK850262
Revised: August 1, 1986 by Case No. CLK860572 and Repealed June 1, 2001 by Case No. CLK000311
Adopted: June 1, 2001 by Case No. CLK000311
Revised: January 15, 2008 by Case No. CLK-2007-00005
Revised: February 24, 2009 by Case No. CLK-2008-00002
Revised: August 9, 2011 by Case No. CLK-2011-00001

This page intentionally left blank.

LEADING MATTERS DISPOSED OF BY FORMAL ORDERS

BUREAU OF FINANCIAL INSTITUTIONS

CASE NO. BAN20190051
MARCH 3, 2020

APPLICATION OF
CASHFLASH FINANCIAL SERVICES, LLC

For a license to engage in business as a motor vehicle title lender

ORDER GRANTING A LICENSE

CashFlash Financial Services, LLC ("Applicant"), a Virginia limited liability company, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2203 of the Code of Virginia, for a license to engage in the business of making motor vehicle title loans at 2004 South Sycamore Street, Petersburg, Virginia 23805. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau"). The Commissioner of Financial Institutions ("Commissioner") has recommended that the Commission enter an order granting a license.

NOW THE COMMISSION, having considered the application, the Bureau's report, and the recommendation of the Commissioner, finds that the application meets the criteria in Chapter 22 of Title 6.2 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the application is APPROVED provided that the Applicant begins business within one (1) year from the date of this Order and the Applicant gives written notice to the Bureau stating the date business was begun within ten (10) days thereafter.

CASE NO. BAN20190056
MARCH 3, 2020

APPLICATION OF
CASHFLASH FINANCIAL SERVICES, LLC

For authority for an other business operator to conduct an open-end credit business from the licensee's motor vehicle title lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

CashFlash Financial Services, LLC ("Licensee"), a licensed motor vehicle title lender, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2215 (18) of the Code of Virginia and 10 VAC 5-210-70 of the Commission's rules governing Motor Vehicle Title Lending, 10 VAC 5-210-10 *et seq.* ("Rules"), for authority for an other business operator to conduct an open-end credit business from the Licensee's motor vehicle title lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau"). The Commissioner of Financial Institutions ("Commissioner") has recommended that the Commission enter an order granting other business authority.

NOW THE COMMISSION, having considered the application, the Bureau's report, and the recommendation of the Commissioner, finds that the application meets the criteria in Rule 10 VAC 5-210-70 B.

Accordingly, IT IS ORDERED THAT the application is APPROVED subject to the following conditions:

1. The Licensee shall not make a motor vehicle title loan to a borrower to enable the borrower to purchase or pay any amount owed in connection with the (i) goods or services sold, or (ii) loans offered, facilitated, or made, by the other business operator at the Licensee's motor vehicle title lending offices.

2. The other business operator shall comply with all federal and state laws and regulations applicable to its other business, including any applicable licensing requirements.

3. The other business operator shall not use or cause to be published any advertisement or other information that contains any false, misleading, or deceptive statement or representation concerning its other business, including the rates, terms, or conditions of the products, services, or loans that it offers. The other business operator shall not make or cause to be made any misrepresentation as to (i) it being licensed to conduct the other business, or (ii) the extent to which it is subject to supervision or regulation.

4. The Licensee shall not make a motor vehicle title loan or vary the terms of a motor vehicle title loan on the condition or requirement that a person also (i) purchase a good or service from, or (ii) obtain a loan from or through, the other business operator. The other business operator shall not (a) sell its goods or services, (b) offer, facilitate, or make loans, or (c) vary the terms of its goods, services, or loans, on the condition or requirement that a person also obtain a motor vehicle title loan from the Licensee.

5. The other business operator shall maintain books and records for its other business separate and apart from the Licensee's motor vehicle title lending business and in a different location within the Licensee's motor vehicle title lending offices. The Bureau shall be given access to all such books and records and be furnished with any information and records that it may require in order to determine compliance with all applicable conditions, laws, and regulations.

6. The other business operator shall not conduct an open-end credit business if it is licensed as a payday lender under Chapter 18 (§ 6.2-1800 *et seq.*) of Title 6.2 of the Code of Virginia.

7. The other business operator shall not conduct an open-end credit business at any office, suite, room, or place of business where a person licensed under Chapter 18 of Title 6.2 of the Code of Virginia conducts the business of making payday loans.

8. The other business operator shall not make an open-end loan that is secured by a non-purchase money security interest in a motor vehicle, as such term is defined in § 6.2-2200 of the Code of Virginia.

9. The Licensee shall not make a motor vehicle title loan to a person if (i) the person has an outstanding open-end loan from the other business operator or (ii) on the same day the person repaid or satisfied in full an open-end loan from the other business operator.

10. The other business operator shall not make an open-end loan to a person if (i) the person has an outstanding motor vehicle title loan from the Licensee or (ii) on the same day the person repaid or satisfied in full a motor vehicle title loan from the Licensee.

11. The other business operator and the Licensee shall not make an open-end loan and a motor vehicle title loan contemporaneously or in response to a single request for a loan or credit.

12. The Licensee and other business operator shall provide each person seeking a motor vehicle title loan or open-end loan with a separate disclosure, signed by such person, that clearly identifies all of the loan products available in the Licensee's motor vehicle title lending offices along with the corresponding Annual Percentage Rate, interest rate, and other costs associated with each loan product. The disclosure shall also identify the collateral, if any, that will be used to secure repayment of each loan product.

CASE NO. BAN20190065
JANUARY 24, 2020

APPLICATION OF
BUCKEYE TITLE LOANS OF VIRGINIA, LLC D/B/A CHECKSMART CONSUMER LOANS

For authority to relocate an office

CORRECTING AND LICENSE REISSUANCE ORDER

On May 22, 2019, the State Corporation Commission ("Commission") entered an Order Approving Relocation of an Office ("Approving Order") in this case granting Buckeye Title Loans of Virginia, LLC d/b/a Checksmart Consumer Loans ("Licensee") authority to relocate an office pursuant to Chapter 22 of Title 6.2 of the Code of Virginia. Thereafter, the Bureau of Financial Institutions ("Bureau") reported to the Commission that the new office address contained in the Approving Order is incorrect as a result of information supplied by the Licensee.

Accordingly, IT IS ORDERED THAT:

(1) The new office location in the Approving Order is hereby corrected to read "706 Airline Boulevard, Portsmouth, Virginia 23707" rather than "704 Airline Boulevard, Portsmouth, Virginia 23707."

(2) All other provisions of the Approving Order shall remain in full force and effect.

(3) The Bureau shall issue and deliver to the Licensee a corrected license certificate.

CASE NO. BAN20190066
JANUARY 24, 2020

APPLICATION OF
BUCKEYE CHECK CASHING OF VIRGINIA, INC. D/B/A CHECK$MART

For authority to relocate an office

CORRECTING AND LICENSE REISSUANCE ORDER

On May 22, 2019, the State Corporation Commission ("Commission") entered an Order Approving Relocation of an Office ("Approving Order") in this case granting Buckeye Check Cashing of Virginia d/b/a Check$mart ("Licensee") authority to relocate an office pursuant to Chapter 18 of Title 6.2 of the Code of Virginia. Thereafter, the Bureau of Financial Institutions ("Bureau") reported to the Commission that the new office address contained in the Approving Order is incorrect as a result of information supplied by the Licensee.

Accordingly, IT IS ORDERED THAT:

(1) The new office location in the Approving Order is hereby corrected to read "706 Airline Boulevard, Portsmouth, Virginia 23707" rather than "704 Airline Boulevard, Portsmouth, Virginia 23707."

(2) All other provisions of the Approving Order shall remain in full force and effect.

(3) The Bureau shall issue and deliver to the Licensee a corrected license certificate.

CASE NO. BAN20200002
FEBRUARY 24, 2020

APPLICATION OF
UNITED BANKSHARES, INC.

To acquire CresCom Bank

ORDER OF APPROVAL

United Bankshares, Inc., an out-of-state bank holding company that controls a Virginia state-chartered bank, has filed with the State Corporation Commission ("Commission") the notice required by § 6.2-715 of the Code of Virginia of its proposed acquisition of CresCom Bank, a South Carolina state-chartered bank. The Bureau of Financial Institutions ("Bureau") investigated the proposed acquisition. The Commissioner of Financial Institutions ("Commissioner") has recommended that the Commission enter an order approving the proposed acquisition.

NOW THE COMMISSION, having considered the notice, the report of the Bureau, and the Commissioner's recommendation, finds that the proposed acquisition will not have a detrimental effect on the safety or soundness of the Virginia bank subsidiary of United Bankshares, Inc.

Accordingly, IT IS ORDERED THAT the proposed acquisition of CresCom Bank by United Bankshares, Inc., is APPROVED, provided that: (i) the authority granted herein shall expire one (1) year from the date of this Order unless extended by order of the Commission prior to the expiration date; and (ii) United Bankshares, Inc., notifies the Bureau of the effective date of the transaction within ten (10) days thereof. The Commission shall retain jurisdiction over this matter pending consummation of the transaction.

CASE NO. BAN20200003
FEBRUARY 24, 2020

APPLICATION OF
UNITED BANK

To merge with CresCom Bank

ORDER APPROVING A MERGER

United Bank ("Applicant"), a Virginia state-chartered bank, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-850 of the Code of Virginia, to merge with CresCom Bank, a South Carolina state-chartered bank ("Application"). The Applicant proposes to be the surviving bank in the merger. The Application was investigated by the Commission's Bureau of Financial Institutions ("Bureau"). The Commissioner of Financial Institutions ("Commissioner") has recommended that the Commission enter an order approving the proposed merger.

NOW THE COMMISSION, having considered the Application, the report of the Bureau, and the recommendation of the Commissioner, finds that the Application meets the criteria in § 6.2-850 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT, provided the merging banks comply with the applicable provisions of Article 12 (§ 13.1-715.1 et seq.) of the Virginia Stock Corporation Act of the Code of Virginia, the proposed merger of CresCom Bank into the Applicant is APPROVED, effective upon the issuance by the Clerk of the Commission of a certificate of merger. Following the merger, the Applicant shall be authorized to maintain and operate, in addition to its current offices and facilities, the offices of CresCom Bank listed in Attachment A. The Commission shall retain jurisdiction over this matter pending consummation of the transaction. The authority granted herein shall expire one (1) year from the date of this Order unless extended by order of the Commission prior to the expiration date.

NOTE: A copy of Attachment A is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. BAN20200028
FEBRUARY 20, 2020

REQUEST BY
CENTRAL VALLEY HABITAT FOR HUMANITY, INC.

To be designated as a bona fide nonprofit organization

ORDER GRANTING DESIGNATION

Central Valley Habitat for Humanity, Inc., a Virginia corporation, has requested that the State Corporation Commission ("Commission") designate it as a bona fide nonprofit organization pursuant to § 6.2-1701.1 of the Code of Virginia and 10 VAC 5-161-75 of the Commission's rules governing mortgage loan originators, 10 VAC 5-161-10 et seq. ("Rules"). The request was investigated by the Commission's Bureau of Financial Institutions ("Bureau"). The Commissioner of Financial Institutions ("Commissioner") has recommended that Central Valley Habitat for Humanity, Inc., be designated as a bona fide nonprofit organization for purposes of Chapter 17 of Title 6.2 and the Commission's Rules.

NOW THE COMMISSION, having considered the organization's request, the report of the Bureau, and the recommendation of the Commissioner, finds that the request meets the criteria in Rule 10 VAC 5-161-75.

Accordingly, IT IS ORDERED THAT Central Valley Habitat for Humanity, Inc., is designated as a bona fide nonprofit organization for purposes of Chapter 17 of Title 6.2 of the Code of Virginia and the Commission's Rules.

CASE NO. BAN20200111
SEPTEMBER 22, 2020

APPLICATIONS OF
CBT MERGER SUB, INC.
CARTER BANK & TRUST and
CARTER BANKSHARES, INC.

CASE NUMBERS: BAN20200111
BAN20200112
BAN20200113

ORDER REDUCING FEES

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Carter Bankshares, Inc., a proposed Virginia financial institution holding company, CBT Merger Sub, Inc., a proposed interim Virginia state-chartered bank and financial institution, and Carter Bank & Trust, a Virginia state-chartered bank and financial institution, have filed applications (collectively, "Applications") with the Bureau of Financial Institutions ("Bureau") to effect a reorganization wherein Carter Bank & Trust will become a wholly-owned subsidiary of Carter Bankshares, Inc. The Commissioner has also reported that (i) CBT Merger Sub, Inc. filed an application to obtain a certificate of authority pursuant to § 6.2-816 of the Code of Virginia ("Code"), and the fee incident to such application is Ten Thousand Dollars ($10,000); (ii) Carter Bank & Trust filed an application pursuant to § 6.2-822 of the Code to merge into it CBT Merger Sub, Inc., and the fee incident to such application is Seven Thousand Five Hundred Dollars ($7,500); and (iii) Carter Bankshares, Inc. filed an application pursuant to § 6.2-704 of the Code to acquire control of Carter Bank & Trust, and the fee incident to such application is Seven Thousand Dollars ($7,000). The Commissioner has further reported to the Commission that the total fees incident to the Applications as prescribed by §§ 6.2-704 A, 6.2-908 B 2, and 6.2-908 B 4 of the Code and the Commission's October 25, 1990 Administrative Order and April 5, 2016 Clarifying Order would be Twenty-Four Thousand Five Hundred Dollars ($24,500); and that Carter Bankshares, Inc., Carter Bank & Trust, and CBT Merger Sub, Inc. have requested that the Commission reduce the total fees by Fourteen Thousand Five Hundred Dollars ($14,500) pursuant to its authority granted under § 6.2-908 C of the Code. The Commissioner has further reported to the Commission that the basis for the requested reduction in fees is that the proposed reorganization is essentially a single transaction, is reasonable, and that such reduction would not be detrimental to the Bureau's effectiveness. The Commissioner has recommended that the Commission grant the requested fee reduction.

GOOD CAUSE having been shown, the fees payable by Carter Bank & Trust and Carter Bankshares, Inc. in connection with the Applications are hereby waived, and the total fees payable in connection with the Applications shall be Ten Thousand Dollars ($10,000) for the application filed by CBT Merger Sub, Inc. Notwithstanding this reduction, the Commission's October 25, 1990 Administrative Order and April 5, 2016 Clarifying Order shall remain in full force and effect.

CASE NO. BAN20200111
OCTOBER 14, 2020

APPLICATION OF
CBT MERGER SUB, INC.

For a certificate of authority to begin business as a bank at 4 East Commonwealth Boulevard, City of Martinsville, Virginia

ORDER GRANTING AUTHORITY

CBT Merger Sub, Inc. ("Applicant"), a Virginia corporation, has applied to the State Corporation Commission ("Commission"), pursuant to § 76.2-816 of the Code of Virginia, for a certificate of authority to begin business as a Virginia state-chartered bank at 4 East Commonwealth Boulevard, City of Martinsville, Virginia. The application facilitates the merger of the Applicant into Carter Bank & Trust, a Virginia state-chartered bank.

The Commission's Bureau of Financial Institutions ("Bureau") investigated the application. The Commissioner of Financial Institutions ("Commissioner") has recommended that the Commission enter an order granting a certificate of authority.

NOW THE COMMISSION, having considered the application, the report of the Bureau, and the Commissioner's recommendation, finds that the application meets the criteria in § 6.2-816 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT a certificate of authority for CBT Merger Sub, Inc. to begin business as a bank at the specified location is GRANTED, provided that the Applicant shall not engage in banking business prior to merging with and into Carter Bank & Trust, as approved by the Commission in Case No. BAN20200112. If the Applicant does not merge into Carter Bank & Trust within one (1) year from the date of this Order, the authority granted herein shall expire unless extended by Commission order prior to the expiration date.

CASE NO. BAN20200112
SEPTEMBER 22, 2020

APPLICATIONS OF
CBT MERGER SUB, INC.
CARTER BANK & TRUST and
CARTER BANKSHARES, INC.

CASE NUMBERS: BAN20200111
BAN20200112
BAN20200113

ORDER REDUCING FEES

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Carter Bankshares, Inc., a proposed Virginia financial institution holding company, CBT Merger Sub, Inc., a proposed interim Virginia state-chartered bank and financial institution, and Carter Bank & Trust, a Virginia state-chartered bank and financial institution, have filed applications (collectively, "Applications") with the Bureau of Financial Institutions ("Bureau") to effect a reorganization wherein Carter Bank & Trust will become a wholly-owned subsidiary of Carter Bankshares, Inc. The Commissioner has also reported that (i) CBT Merger Sub, Inc. filed an application to obtain a certificate of authority pursuant to § 6.2-816 of the Code of Virginia ("Code"), and the fee incident to such application is Ten Thousand Dollars ($10,000); (ii) Carter Bank & Trust filed an application pursuant to § 6.2-822 of the Code to merge into it CBT Merger Sub, Inc., and the fee incident to such application is Seven Thousand Five Hundred Dollars ($7,500); and (iii) Carter Bankshares, Inc. filed an application pursuant to § 6.2-704 of the Code to acquire control of Carter Bank & Trust, and the fee incident to such application is Seven Thousand Dollars ($7,000). The Commissioner has further reported to the Commission that the total fees incident to the Applications as prescribed by §§ 6.2-704 A, 6.2-908 B 2, and 6.2-908 B 4 of the Code and the Commission's October 25, 1990 Administrative Order and April 5, 2016 Clarifying Order would be Twenty-Four Thousand Five Hundred Dollars ($24,500); and that Carter Bankshares, Inc., Carter Bank & Trust, and CBT Merger Sub, Inc. have requested that the Commission reduce the total fees by Fourteen Thousand Five Hundred Dollars ($14,500) pursuant to its authority granted under § 6.2-908 C of the Code. The Commissioner has further reported to the Commission that the basis for the requested reduction in fees is that the proposed reorganization is essentially a single transaction, is reasonable, and that such reduction would not be detrimental to the Bureau's effectiveness. The Commissioner has recommended that the Commission grant the requested fee reduction.

GOOD CAUSE having been shown, the fees payable by Carter Bank & Trust and Carter Bankshares, Inc. in connection with the Applications are hereby waived, and the total fees payable in connection with the Applications shall be Ten Thousand Dollars ($10,000) for the application filed by CBT Merger Sub, Inc. Notwithstanding this reduction, the Commission's October 25, 1990 Administrative Order and April 5, 2016 Clarifying Order shall remain in full force and effect.

CASE NO. BAN20200112
OCTOBER 14, 2020

CARTER BANK & TRUST

For a certificate of authority to begin a banking and trust business following a merger with CBT Merger Sub, Inc.

ORDER GRANTING AUTHORITY

Carter Bank & Trust, a Virginia state-chartered bank with trust powers, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-822 of the Code of Virginia, for a certificate of authority to begin a banking and trust business following a merger with CBT Merger Sub, Inc., a Virginia state-chartered bank. Carter Bank & Trust proposes to be the surviving bank in the merger. The application facilitates an acquisition of Carter Bank & Trust by Carter Bankshares, Inc. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau"). The Commissioner of Financial Institutions ("Commissioner") has recommended that the Commission enter an order approving the proposed merger and granting a certificate of authority.

NOW THE COMMISSION, having considered the application, the report of the Bureau, and the Commissioner's recommendation, finds that the application meets the criteria in § 6.2-816 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the proposed merger of CBT Merger Sub, Inc. into Carter Bank & Trust is APPROVED and a certificate of authority to begin a banking and trust business is GRANTED to Carter Bank & Trust, effective upon the issuance by the Clerk of the Commission of a certificate of merger in the proposed transaction. The resulting bank is authorized to operate a main office at 4 East Commonwealth Boulevard, City of Martinsville, Virginia. The Commission shall retain jurisdiction over this matter pending consummation of the transaction. The authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date.

CASE NO. BAN20200113
SEPTEMBER 22, 2020

APPLICATIONS OF
CBT MERGER SUB, INC.
CARTER BANK & TRUST and
CARTER BANKSHARES, INC.

CASE NUMBERS: BAN20200111
BAN20200112
BAN20200113

ORDER REDUCING FEES

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Carter Bankshares, Inc., a proposed Virginia financial institution holding company, CBT Merger Sub, Inc., a proposed interim Virginia state-chartered bank and financial institution, and Carter Bank & Trust, a Virginia state-chartered bank and financial institution, have filed applications (collectively, "Applications") with the Bureau of Financial Institutions ("Bureau") to effect a reorganization wherein Carter Bank & Trust will become a wholly-owned subsidiary of Carter Bankshares, Inc. The Commissioner has also reported that (i) CBT Merger Sub, Inc. filed an application to obtain a certificate of authority pursuant to § 6.2-816 of the Code of Virginia ("Code"), and the fee incident to such application is Ten Thousand Dollars ($10,000); (ii) Carter Bank & Trust filed an application pursuant to § 6.2-822 of the Code to merge into it CBT Merger Sub, Inc., and the fee incident to such application is Seven Thousand Five Hundred Dollars ($7,500); and (iii) Carter Bankshares, Inc. filed an application pursuant to § 6.2-704 of the Code to acquire control of Carter Bank & Trust, and the fee incident to such application is Seven Thousand Dollars ($7,000). The Commissioner has further reported to the Commission that the total fees incident to the Applications as prescribed by §§ 6.2-704 A, 6.2-908 B 2, and 6.2-908 B 4 of the Code and the Commission's October 25, 1990 Administrative Order and April 5, 2016 Clarifying Order would be Twenty-Four Thousand Five Hundred Dollars ($24,500); and that Carter Bankshares, Inc., Carter Bank & Trust, and CBT Merger Sub, Inc. have requested that the Commission reduce the total fees by Fourteen Thousand Five Hundred Dollars ($14,500) pursuant to its authority granted under § 6.2-908 C of the Code. The Commissioner has further reported to the Commission that the basis for the requested reduction in fees is that the proposed reorganization is essentially a single transaction, is reasonable, and that such reduction would not be detrimental to the Bureau's effectiveness. The Commissioner has recommended that the Commission grant the requested fee reduction.

GOOD CAUSE having been shown, the fees payable by Carter Bank & Trust and Carter Bankshares, Inc. in connection with the Applications are hereby waived, and the total fees payable in connection with the Applications shall be Ten Thousand Dollars ($10,000) for the application filed by CBT Merger Sub, Inc. Notwithstanding this reduction, the Commission's October 25, 1990 Administrative Order and April 5, 2016 Clarifying Order shall remain in full force and effect.

CASE NO. BAN20200113
OCTOBER 14, 2020

APPLICATION OF
CARTER BANKSHARES, INC.

To acquire control of Carter Bank & Trust

ORDER OF APPROVAL

Carter Bankshares, Inc., a Virginia corporation, has filed with the State Corporation Commission ("Commission") an application pursuant to § 6.2-704 of the Code of Virginia to acquire control of Carter Bank & Trust, a Virginia financial institution. The Commission's Bureau of Financial Institutions ("Bureau") investigated the proposed acquisition. The Commissioner of Financial Institutions ("Commissioner") has recommended that the Commission enter an order approving the proposed acquisition.

NOW THE COMMISSION, having considered the application, the report of the Bureau, and the Commissioner's recommendation, finds that the application satisfies the criteria in § 6.2-705 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the proposed acquisition of Carter Bank & Trust by Carter Bankshares, Inc. is APPROVED, provided that: (i) the authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date; and (ii) the applicant notifies the Bureau of the effective date of the transaction within ten (10) days thereof. The Commission shall retain jurisdiction over this matter pending consummation of the transaction.

CASE NO. BAN20200039
APRIL 28, 2020

APPLICATION OF
LEGACY BANK

For a certificate of authority to engage in business as a state-chartered bank upon the conversion of Grundy National Bank

ORDER GRANTING AUTHORITY

Legacy Bank, a Virginia corporation, has applied to the State Corporation Commission ("Commission"), pursuant to Chapter 8 of Title 6.2 of the Code of Virginia, for a certificate of authority to engage in business as a Virginia state-chartered bank. Legacy Bank was formed to be the successor to Grundy National Bank, which has its main office at 20957 Riverside Drive, Grundy, Buchanan County, Virginia and operates five branches (see attached

Exhibit A for branch locations). The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau"). The Commissioner of Financial Institutions ("Commissioner") has recommended that the Commission enter an order granting a certificate of authority.

NOW THE COMMISION, having considered the application, the report of the Bureau, and the recommendation of the Commissioner, finds that the requirements of 6.2-816 and 6.2-823 of the Code of Virginia have been met, and that a certificate of authority should be granted.

Accordingly, IT IS ORDERED THAT a certificate of authority for Legacy Bank to conduct a banking business at the specified locations is GRANTED, provided that the following conditions are met before the bank commences business as a state-chartered bank:

(1) The capital stock of the bank shall be at least $10 million, and its surplus shall be at least $10 million;

(2) The bank obtains insurance for its deposits from the Federal Deposit Insurance Corporation; and

(3) The bank notifies the Bureau of the date on which it will commence business as a state-chartered bank. The authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date.

NOTE: A copy of Exhibit A is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. BAN20200051
MAY 19, 2020

APPLICATION OF
TOUCHSTONE BANKSHARES, INC.

To acquire control of Touchstone Bank

ORDER OF APPROVAL

Touchstone Bankshares, Inc., a Virginia financial institution holding company, has filed with the State Corporation Commission ("Commission") the application required by § 6.2-704 of the Code of Virginia to acquire control of Touchstone Bank, a Virginia state chartered bank. The Commission's Bureau of Financial Institutions ("Bureau") investigated the proposed acquisition. The Commissioner of Financial Institutions ("Commissioner") has recommended that the Commission enter an order approving the proposed acquisition.

NOW THE COMMISSION, having considered the application, the report of the Bureau, and the Commissioner's recommendation, finds that the application meets the criteria in § 6.2-705 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the proposed acquisition of Touchstone Bank by Touchstone Bankshares, Inc. is APPROVED, provided that: (i) the authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date; and (ii) the applicant notifies the Bureau of the effective date of the transaction within ten (10) days thereof. The Commission shall retain jurisdiction over this matter pending consummation of the transaction.

CASE NO. BAN20200134
NOVEMBER 24, 2020

APPLICATION OF
BLUE RIDGE BANKSHARES, INC.

To acquire control of Bay Banks of Virginia, Inc.

ORDER OF APPROVAL

Blue Ridge Bankshares, Inc., a Virginia financial institution holding company, has filed with the State Corporation Commission ("Commission") an application pursuant to § 6.2-704 of the Code of Virginia to acquire control of Bay Banks of Virginia, Inc., a Virginia financial institution holding company. The Commission's Bureau of Financial Institutions ("Bureau") investigated the proposed acquisition pursuant to § 6.2-705 of the Code of Virginia. The Commissioner of Financial Institutions ("Commissioner") has recommended that the Commission enter an order approving the application.

NOW THE COMMISSION, having considered the application, the report of the Bureau, and the Commissioner's recommendation, finds that the application should be approved.

Accordingly, IT IS ORDERED THAT the application of Blue Ridge Bankshares, Inc. to acquire control of Bay Banks of Virginia, Inc. is APPROVED, provided that: (i) the authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date; and (ii) the applicant notifies the Bureau of the effective date of the transaction within ten (10) days thereof. The Commission shall retain jurisdiction over this matter pending consummation of the transaction.

CASE NO. BAN20200148
DECEMBER 16, 2020

APPLICATION OF
ANYKIND CHECK CASHING, LC D/B/A CHECK CITY

For approval to open an additional office

ORDER APPROVING AN ADDITIONAL OFFICE

Anykind Check Cashing, LC d/b/a Check City, a licensed payday lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to Chapter 18 of Title 6.2 of the Code of Virginia, for approval to open an additional office at 2729-B W Broad Street, Richmond, Virginia 23220. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau"). The Commissioner of Financial Institutions ("Commissioner") has recommended that the Commission enter an order approving the application.

NOW THE COMMISSION, having considered the application, the report of the Bureau, and the recommendation of the Commissioner, finds that the application meets the criteria in 6.2-1807 C of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the application is APPROVED provided that the Licensee opens the office within one (1) year from the date of this Order and the Licensee gives written notice to the Bureau stating the date business was begun at the new office location within ten (10) days thereafter.

CASE NO. BFI-2018-00023
JANUARY 3, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
SEAFARER HOME CORPORATION,
Defendant

SETTLEMENT ORDER

The Bureau of Financial Institutions ("Bureau") of the Virginia State Corporation Commission ("Commission") examined Seafarer Home Corporation ("Defendant") pursuant to § 6.2-1611 of the Code of Virginia ("Code"). The Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.2 (§ 6.2-1600 *et seq.*) of the Code. The Defendant's sole owner and officer is Christopher Lilly ("Lilly"). Based on the findings of the Bureau's examination and the Defendant's subsequent actions, the Commission issued a Rule to Show Cause on September 20, 2019.[1] In the Rule to Show Cause, the Bureau alleged that the Defendant committed seventeen (17) violations of laws applicable to Virginia-licensed mortgage brokers.

First, the Bureau alleged that the Defendant violated 12 C.F.R. § 1002.9 (b)(1) and 10 VAC 5-160-20 (9) of the Commission's Rules Governing Mortgage Lenders and Brokers ("Rules"), (10 VAC 5-160-10 *et seq.*) on at least two (2) occasions by failing to disclose to a consumer the federal agency administering compliance with the Equal Credit Opportunity Act with respect to the creditor.

Second, the Bureau alleged that the Defendant failed to disclose the address for the Nationwide Mortgage Licensing System and Registry ("NMLS") Consumer Access website in its advertisement on at least one (1) occasion, in violation of Rule 10 VAC 5-160-60 A (2).

Third, the Bureau alleged that the Defendant failed to timely file its quarterly mortgage call reports with the Bureau through NMLS on at least nine (9) occasions, in violation of Rule 10 VAC 5-160-90 B and other applicable state and federal law.

Fourth, the Bureau alleged that the Defendant failed to timely file the financial condition components of its mortgage call reports on at least two (2) occasions, in violation of Rule 10 VAC 5-160-90 B and other applicable state and federal law.

Fifth, the Bureau alleged that the Defendant failed to respond to the Bureau's requests for information on at least two (2) occasions, in violation of Rule 10 VAC 5-160-50 B.

Sixth, the Bureau alleged that the Defendant failed to timely pay its annual fee due May 25, 2018, in violation of § 6.2-1612 of the Code.

The Commission is authorized by §§ 6.2-1619, 6.2-1622, and 6.2-1624 of the Code to revoke the Defendant's license, order the Defendant to cease and desist from violating the applicable law, and impose civil penalties upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid violations.

The Defendant has been advised of its right to a hearing in this matter. The Defendant has waived its right to a hearing, and has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and conditions:

(1) The Defendant has agreed to pay to the Commonwealth of Virginia a civil penalty in the sum of $5,000.

[1] Doc. Con. Cen. No. 190940043.

(2) The Defendant's license to engage in business as a mortgage broker in Virginia shall be suspended for a period of two (2) years from December 31, 2019.

(3) The Defendant shall comply with Chapter 16 of Title 6.2 of the Code and the regulations adopted by the Commission pursuant thereto.

(4) Lilly shall not serve as officer, director, member, partner, or principal of another Virginia-licensed mortgage broker or a Virginia-licensed mortgage lender for two (2) years from December 31, 2019.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted under § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The Defendant's offer in settlement set forth herein is hereby accepted.

(2) The Defendant shall pay the Commonwealth of Virginia a civil penalty in the sum of $5,000 by the date of this Order.

(3) The Defendant's license to engage in business as a mortgage broker in Virginia shall be suspended for a period of two (2) years from December 31, 2019.

(4) The Defendant shall comply with Chapter 16 of Title 6.2 of the Code and the regulations adopted by the Commission pursuant thereto.

(5) Lilly shall not serve as an officer, director, member, partner, or principal of another Virginia-licensed mortgage broker or a Virginia-licensed mortgage lender for two (2) years from December 31, 2019.

(6) This case is dismissed, and the papers filed herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. BFI-2019-00049
DECEMBER 29, 2020

VIRGINIA BANKERS ASSOCIATION, FARMERS BANK, AMERICAN NATIONAL BANK & TRUST COMPANY, FIRST BANK & TRUST COMPANY, FIRST NATIONAL BANK, CHESAPEAKE BANK, THE BANK OF CHARLOTTE COUNTY, and BLUE RIDGE BANK, N.A.,
Petitioners,
v.
VIRGINIA CREDIT UNION, INC., and COMMISSIONER OF FINANCIAL INSTITUTIONS, E. JOSEPH FACE, JR.,
Respondents.

ORDER REMANDING

The State Corporation Commission ("Commission"), upon consideration of this matter, is of the opinion and finds as follows.

Code §§ 6.2-1327 and 6.2-1328 require the "Commission" to make certain findings attendant to credit union field of membership expansions. As permitted by Code §§ 12.1-13 and 12.1-16, the Commission has previously "delegated to the Commissioner of Financial Institutions the authority to exercise its powers and to act for it in the following matters: … To make such findings as are required by §§ 6.2-1327 and 6.2-1328 of the Code of Virginia relating to fields of membership of credit unions and the expansion of such fields of membership."[1]

Such delegation, however, is not absolute. Rather, "[a]ll actions taken by the Commissioner of Financial Institutions pursuant to the authority granted here are subject to review by the commission in accordance with the Rules of Practice and Procedure of the State Corporation Commission."[2]

Virginia Credit Union, Inc. ("VACU") sought an expansion of its field of membership under Code §§ 6.2-1327 and 6.2-1328. After the Commissioner of Financial Institutions exercised the delegated authority noted above, the Virginia Bankers Association and seven banks from across the Commonwealth sought the Commission's review in accordance with 10 VAC 5-10-10(C) and the Commission's Rules of Practice and Procedure.

Accordingly, the Commission will determine whether to grant or deny VACU's request to expand its field of membership. The Commission has considered the record in this proceeding, including the unprecedented nature of this particular matter and the process initially employed by the Commission's

[1] 10 VAC 5-10-10(A)(22).

[2] 10 VAC 5-10-10(C).

Bureau of Financial Institutions in response to VACU's request.[3] Based on the specific record developed in the instant case, the Commission hereby finds that prior to making a final determination on VACU's requested expansion, this matter shall be remanded to the Commission's Office of Hearing Examiners for a *de novo* proceeding on such request, wherein VACU shall have the burden to prove compliance with the applicable legal standards in this matter.[4]

Accordingly, IT IS SO ORDERED, and this matter is CONTINUED.

Commissioner Mark C. Christie did not participate in this matter.

[3] The Commission has fully considered the evidence and arguments in the current record. *See also Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

[4] As noted above, the Commission has delegated to the Commissioner of Financial Institutions its authority to make findings under Code §§ 6.2-1327 and 6.2-1328. In addition, Code § 6.2-1323 requires the Commissioner of Financial Institutions to approve or disapprove, within 60 days, proposed changes to VACU's bylaws that include an amendment to expand the field of membership. This authority, however, does not supplant the Commission's explicit authority to make findings under Code §§ 6.2-1327 and 6.2-1328. As set forth in 10 VAC 5-10-10(C), all actions taken by the Commissioner of Financial Institutions pursuant to delegated authority are subject to the Commission's review.

CASE NO. BFI-2019-00059
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00060
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00062
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00063
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00064
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00065
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00066
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00067
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00068
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00069
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00071
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00072
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00074
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00075
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00082
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00083
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00088
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00089
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00090
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00091
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00094
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00095
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00096
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00098
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00099
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*. STATE CORPORATION COMMISSION	
v.	
T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108
Defendants	

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00100
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00101
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00102
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00104
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00106
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00108
FEBRUARY 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

T & H, INC. D/B/A H & H GROCERY	CASE NO. BFI-2019-00059
CASH SERVICES INC. D/B/A CASH N GO	CASE NO. BFI-2019-00060
JEFFERY DOUGHTY D/B/A DOUGHTY'S MKT	CASE NO. BFI-2019-00062
EHAB CORP.	CASE NO. BFI-2019-00063
ZARAFSHAN, INC. D/B/A THE MARKET PLACE # 7	CASE NO. BFI-2019-00064
PALMA FAMILY, INC. D/B/A MULTI SERVICIOS LATINOS	CASE NO. BFI-2019-00065
JORDAN BROTHERS, INC D/B/A DAVIS MARKET	CASE NO. BFI-2019-00066
FAST BREAK CITGO INC.	CASE NO. BFI-2019-00067
OLDE TOWNE, INC. D/B/A OLDE TOWNE MARKET	CASE NO. BFI-2019-00068
DEANA FOODS INC.	CASE NO. BFI-2019-00069
IBO K.Y., INC. D/B/A FAS PIK	CASE NO. BFI-2019-00071
REYNCO ASSOCIATES, INC.	CASE NO. BFI-2019-00072
DPE, INC. D/B/A TU TIENDA AND GIFTS	CASE NO. BFI-2019-00074
P.R.A.G. ENTERPRISES INC.	CASE NO. BFI-2019-00075
MG MULTISERVICIOS LATINOS, INC.	CASE NO. BFI-2019-00082
NAH PARTNERS, INC.	CASE NO. BFI-2019-00083
ISSA ENTERPRISES INC.	CASE NO. BFI-2019-00088
CASA HISPANA LLC	CASE NO. BFI-2019-00089
M FAHAD LLC	CASE NO. BFI-2019-00090
MA HOLLINS, INC.	CASE NO. BFI-2019-00091
PLATINUM 786, INC.	CASE NO. BFI-2019-00094
TYSONS CORNER MART INC.	CASE NO. BFI-2019-00095
DC DISTRIBUTORS LLC	CASE NO. BFI-2019-00096
RED BARN CONVENIENCE STORES, INC.	CASE NO. BFI-2019-00098
SAFE S.T.E.M. INSTITUTE LLC	CASE NO. BFI-2019-00099
FSR & ESN INC.	CASE NO. BFI-2019-00100
DHRUHI ENTERPRISE INC.	CASE NO. BFI-2019-00101
NX GEN RETAIL INC.	CASE NO. BFI-2019-00102
SARAH VENTURES VA INC.	CASE NO. BFI-2019-00104
MPD INCORPORATED	CASE NO. BFI-2019-00106
OM SHRI HARI INC. D/B/A J & G FOOD MART	CASE NO. BFI-2019-00108

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on November 12, 2019, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 12, 2019. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2019-00112
FEBRUARY 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
RETENTION ADVOCACY LEGAL GROUP A/K/A RETENTION ADVOCACY GROUP,
Defendant

CEASE AND DESIST ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Retention Advocacy Legal Group a/k/a Retention Advocacy Group ("Defendant") is engaging in business as a mortgage broker without a license in violation of § 6.2-1601 of the Code of Virginia ("Code"); that the Commissioner, pursuant to § 6.2-1622 of the Code, gave written notice to the Defendant by certified mail on November 26, 2019, (i) of his intention to seek an order from the Commission requiring the Defendant to cease and desist from engaging in business as a mortgage broker without a license, and to comply with the provisions of Chapter 16 of Title 6.2 of the Code, and (ii) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 30, 2019. As of the date of this Order, the Commission has not received a written request for a hearing.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, finds that the Defendant is engaging in business as a mortgage broker without a license in violation of § 6.2-1601 of the Code.

Accordingly, IT IS ORDERED THAT:

(1) The Defendant shall immediately (i) cease and desist from engaging in business as a mortgage broker without a license, and (ii) comply with Chapter 16 of Title 6.2 of the Code.

(2) This case is dismissed.

(3) The papers filed herein shall be placed in the file for ended causes.

CASE NO. BFI-2020-00003
APRIL 23, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
STATE STREET HOME LOANS,
Defendant

CEASE AND DESIST ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that State Street Home Loans ("Defendant") is engaging in business as a mortgage broker without a license in violation of § 6.2-1601 of the Code of Virginia ("Code"); that the Commissioner, pursuant to § 6.2-1622 of the Code, gave written notice to the Defendant by certified mail on March 2, 2020 (i) of his intention to seek an order from the Commission requiring the Defendant to cease and desist from engaging in business as a mortgage broker without a license, and to comply with the provisions of Chapter 16 of Title 6.2 of the Code, and (ii) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 2, 2020. As of the date of this Order, the Commission has not received a written request for a hearing.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, finds that the Defendant is engaging in business as a mortgage broker without a license in violation of § 6.2-1601 of the Code.

Accordingly, IT IS ORDERED THAT:

(1) The Defendant shall immediately (i) cease and desist from engaging in business as a mortgage broker without a license, and (ii) comply with Chapter 16 of Title 6.2 of the Code.

(2) This case is dismissed.

(3) The papers filed herein shall be placed in the file for ended causes.

CASE NO. BFI-2020-00004
APRIL 30, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
APEX LENDING INC.,
Defendant

ORDER REVOKING A LICENSE

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Apex Lending Inc. ("Defendant") is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.2 of the Code of Virginia; that the Defendant failed to file its mortgage call report for the fourth quarter of 2019 in the Nationwide Mortgage Licensing System and Registry, in violation of 10 VAC 5-160-90 B of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq.* ("Rules"); and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail dated March 16, 2020, (1) of his intention to recommend revocation of the Defendant's license, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 16, 2020. As of the date of this Order, the Defendant has not filed its delinquent quarterly mortgage call report, and the Commission has not received a written request for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's license to engage in business as a mortgage lender and broker.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has violated 10 VAC 5-160-90 B of the Commission's Rules.

Accordingly, IT IS ORDERED THAT:

(1) The license granted to the Defendant to engage in business as a mortgage lender and broker is hereby revoked.

(2) This case is dismissed.

(3) The papers filed herein shall be placed in the file for ended causes.

CASE NO. BFI-2020-00006
MARCH 24, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: Certification of Critical Infrastructure Industry Workers – Financial Services

ORDER CERTIFYING CRITICAL INFRASTRUCTURE WORKERS

The State Corporation Commission ("Commission") takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.[1] The Commission also takes judicial notice of the United States Department of Homeland Security, Department of Cybersecurity & Infrastructure Security Agency's Memorandum of March 19, 2020 ("CISA Memorandum").[2]

Accordingly, the Commission takes the following action.

NOW THE COMMISSION ORDERS THAT to support the continued delivery of essential services in Virginia, the Commission hereby declares that the financial service sector workers who are necessary to continue delivering the following services shall be certified as critical infrastructure industry workers as referenced in the CISA Memorandum: (a) processing and maintaining for processing financial transactions and services, such as payment, clearing and settlement services, wholesale funding, insurance services, and capital market activities; (b) providing consumer access to banking and lending services; (c)supporting financial operations; and (d) key third party providers who deliver core services. The purpose of this certification is to enable critical infrastructure service providers to receive priority status to obtain resources necessary to continue uninterrupted delivery of vital services to their Virginia customers. This designation is effective until further orders of the Commission.

IT IS SO ORDERED this 24th day of March 2020.

---

[1] *See, e.g.,* Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Gov. Ralph S. Northam.

[2] *Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response,* from Christopher C. Krebs, Director, CISA.

CASE NO. BFI-2020-00009
APRIL 20, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In re: annual assessment of licensees under Chapter 16 of Title 6.2 of the Code of Virginia

ORDER REDUCING 2020 ANNUAL ASSESSMENT

Pursuant to § 6.2-1612 of the Code of Virginia, the State Corporation Commission ("Commission") prescribed a schedule for the assessment of fees to be paid by licensees under Chapter 16 of Title 6.2 of the Code of Virginia, which is set forth in 10 VAC 5-160-40 of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq.* Thereafter, the Commissioner of Financial Institutions ("Commissioner") reported to the Commission that based on the business volume of the licensees, coupled with internal Bureau of Financial Institutions ("Bureau") operating efficiencies, a reduction in the fees prescribed by 10 VAC 5-160-40 is warranted for the calendar year ending December 31, 2019. The Commissioner recommended that such fees, based on reports filed with the Bureau for the calendar year ending December 31, 2019, be reduced by 55% for each licensee.

NOW THE COMMISSION, having considered the recommendation of the Commissioner and certain financial and operating information offered in support of that recommendation, is of the opinion and finds that the proposed reduction in fees should be approved.

Accordingly, IT IS ORDERED THAT:

(1) The annual fee paid by each licensee for the calendar year ending December 31, 2019, which is due and payable on or before May 25, 2020, is hereby reduced by 55% from that calculated using the schedule set forth in 10 VAC 5-160-40; and

(2) Notwithstanding the reduction authorized herein, 10 VAC 5-160-40 shall remain in full force and effect.

CASE NO. BFI-2020-00014
DECEMBER 22, 2020

PETITION OF
CRYSTAL VL RIVERS

Complaint and Petition of Crystal VL Rivers for Complaint and Resignation of SCC-Bureau of Financial Institutions-Commissioner E. Joseph Face, Jr.

FINAL ORDER

On May 14, 2020, Crystal VL Rivers ("Petitioner") filed with the State Corporation Commission ("Commission") her "Complaint and Petition of Crystal VL Rivers" ("Petition") naming the Commission and the Commissioner of Financial Institutions, E. Joseph Face, Jr., ("Commissioner Face") as respondents (collectively, the "Respondents")[1]. The Petition was filed pursuant to 5 VAC 5-20-70 and 5 VAC 5-20-100 B of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules"). On June 11, 2020, the Petitioner completed the filing of her Petition by providing two additional pages of her Petition that were apparently missing from her May 14, 2020 submission. For the reasons discussed in more detail below, the Commission dismisses the Petition with prejudice and denies any pending motions and requests in this matter.

I. Background

A. The Petition

The Petitioner has previously filed actions against the Respondents as well as the Bureau of Financial Institutions and other agents of the Commission in the Circuit Court for the City of Lynchburg[2] and the United States District Court for the Western District of Virginia ("Federal Case").[3] In these previous actions, the Petitioner has made substantially the same allegations as she now makes in her Petition.

In this current case, the Petitioner alleges that John L. Wynne ("Wynne") and Seth Twery ("Twery") operated Rivermont Banking Company Inc. ("RBC") and Rivermont Consultants Inc. ("RCI") as an illegal banking enterprise from April 2006 to July 2014, and that she (the Petitioner) was a victim of Wynne's, Twery's, RBC's, and RCI's purported scheme. The Petitioner further alleges that the Respondents were negligent by allowing the "illegal banking enterprise" to operate. However, the Petitioner does not allege that the Respondents were involved in the purported "illegal banking enterprise," but only that they had regulatory authority over the operations of RBC and RCI.[4]

---

[1] The Petitioner asserts no independent claims against the Commission separate and apart from the claims against Commissioner Face. As a tribunal, the Commission is not a proper respondent in this matter. However, this Final Order will refer to both the Commission and Commissioner Face as Respondents.

[2] *Rivers v. Sanzone*, No. CL15000525-00 (Lynchburg Cir. Ct.) (the Petitioner's complaint and amended complaint were dismissed on August 2, 2016, as a result of the Petitioner's own motion to dismiss with prejudice).

[3] *Rivers v. United States*, No. 6:18-cv-00061 (W.D. Va.) (the Petitioner's pending action with respect to the Respondents and the Bureau of Financial Institutions was dismissed by voluntary stipulation on November 12, 2019).

[4] A full summary of the Petitioner's allegations can be found in the Petition and supplemented two missing pages, Doc. Con. Cen. Nos. 200540126 and 200630114.

Based on these allegations, the Petition requests that the Commission: (a) set this matter for formal proceeding; (b) immediately suspend Commissioner Face and investigate the matter and conduct a forensic audit of the Commission's past investigations, until the completion of a full investigation as to whether the registration of the operation of RBC and RCI as a bank in the banking business in the State of Virginia was and is just, reasonable, and lawful; (c) find and conclude that the Respondents were negligent and their actions were egregious, unjust, unreasonable, and unlawful or otherwise in violation of the law; (d) order that such practice be replaced with another practice that is just and reasonable; and (e) provide the Petitioner with such other further and monetary relief as the Commission deems just, reasonable, and appropriate.

B. Respondents' Demurrer and Pleas in Bar

On July 16, 2020, the Respondents, by counsel, filed Commissioner Face's Demurrer and Pleas in Bar ("Demurrer" and "Pleas in Bar") seeking dismissal of the Petition.[5] The Demurrer asserts that the Petitioner fails to state a claim upon which relief can be granted because: (a) Commissioner Face's role as purported regulator of RBC and RBI does not create any private right of action in favor of the Petitioner for harm incurred due to the alleged actions of others; (b) she has not (and cannot) allege facts identifying a distinct duty owed to her by the Respondents; and, (c) without any identified breach of specific duty, the Petitioner's allegations are insufficient to give rise to a cause of action.

The Pleas in Bar assert that the Petition is barred by the applicable statute of limitations, as well as the doctrine of sovereign immunity. Specifically, the Pleas in Bar noted that the Petitioner alleges she was harmed by RBC, RCI, and their affiliates' actions that occurred between April 2006 and July 2014. Pursuant to § 8.01-243 of the Code of Virginia ("Code"), the Pleas in Bar thus assert that the Petitioner should have filed any action within two years - by July 2016 - long before this Petition was filed. The Pleas in Bar also argue that, based on the facts as pled by the Petitioner, the Commonwealth of Virginia's sovereign immunity - which generally bars actions to restrain or compel government action - extends to the Commission. By virtue of Commissioner Face's role and responsibilities at the Commission, the Pleas in Bar further assert that sovereign immunity extends to Commissioner Face as well.

C. The Petitioner's Reply and Additional Filings

The Petitioner filed "Petitioners Reply in Opposition to Respondents Demurrer and Pleas in Bar and Motion for Hearing" ("Reply") on August 12, 2020, wherein she references her Petition and reiterates the allegations contained therein.[6] The Petitioner asserts that the Petition was timely because her previous filings in the Federal Case tolled or extended the statute of limitations. The Reply also denies that the Respondents are entitled to a defense of sovereign immunity.

Additionally, the Petitioner has filed approximately thirteen motions and requests with the Commission. Among other things, the Petitioner has: (1) submitted discovery requests to the Respondents; (2) asked for a ruling concerning her status as a "victim" under federal law; (3) requested the appointment of a "special hearing examiner" to hear her Petition; (4) pursued a stay of this proceeding; (5) filed two apparent amended petitions within her motions without leave to file any amendment pursuant to 5 VAC 5-20-130 of the Commission's Rules; and, (6) submitted four requests pursuant to 5 VAC 5-20-250 of the Commission's Rules asking the Clerk of the Commission to issue subpoenas duces tecum to twenty-six different individuals and entities. The Petitioner's filings and requests were responded to as reflected by the record.[7]

II. Discussion

The Commission has reviewed the Petition, Demurrer, Pleas in Bar, and Reply, as well as the Petitioner's other filings and the responses opposing such filings. Based upon this review, and as discussed below, the Commission finds that the Demurrer should be sustained, the Pleas in Bar concerning the applicable statute of limitations and sovereign immunity should be granted[8], the Petition should be dismissed with prejudice, and the Petitioner's other pending motions should be denied as either moot or considered resolved by dismissal of the Petition.

A. The Demurrer is sustained because the Petitioner has failed to state a claim upon which relief may be granted.

In evaluating a demurrer, the Commission accepts as true all factual allegations expressly pleaded in the complaint and interprets those allegations in the light most favorable to the Petitioner. To survive a challenge by demurrer, however, factual allegations must be made with sufficient definiteness to enable the Commission to find the existence of a legal basis for its judgment.

To plead a proper negligence claim, the Petitioner must show that there has been a failure to perform a legal duty owed to her.[9] However, in this case, the Petitioner fails to allege any basis to support that the Respondents owed her any duty, or that the Respondents have failed to perform any alleged duty owed to her. The Petitioner has not alleged that the Respondents took part in the purported illegal enterprise of RBC/RCI, only that the Respondents had certain regulatory authority over RBC/RCI. These allegations are insufficient to establish that the Respondents owed the Petitioner any direct duty. Instead, these allegations - even if assumed to be true solely for the purpose of evaluating the Demurrer - assert, at best, a public duty to the citizenry at large. However, an alleged breach of such "public duty" does not give rise to a viable cause of action against the Respondents.[10] The Petitioner fails to identify any actionable legal duty owed to her by the Respondents and, as such, the Petitioner's claim for negligence against the Respondents cannot be supported as a matter of law. Accordingly, the Respondents' Demurrer is sustained, and the Petition should be dismissed.

[5] Doc. Con. Cen. No. 200720109.

[6] Doc. Con. Cen. No. 200810164.

[7] Doc. Con. Cen. Nos. 200820129, 200910092, and 20104005.

[8] Although the Pleas in Bar also raise the defense that the Petition is barred by the doctrine of res judicata, the Commission makes no conclusions in this Final Order regarding whether the Petitioner's claims are barred by that defense.

[9] *See Balderson v. Robertson*, 203 Va. 484, 487, 125 S.E.2d 180, 183 (1962) (citations omitted).

[10] *See Marshall v. Winston*, 239 Va. 315, 319, 389 S.E.2d 902, 905 (1990) (citations omitted).

B The Pleas in Bar are granted because the Petition is barred by the applicable statute of limitations and the doctrine of sovereign immunity.

The Petitioner's claims against the Respondents are barred by the applicable statute of limitations as well as the doctrine of sovereign immunity.[11] The Petitioner's purported negligence claims against the Respondents appear to be based on tortious injury, of such type which claims generally must be brought within two years of the events giving rise to the purported claim.[12] However, the Petitioner states that the events giving rise to her alleged injury concluded in 2014 - more than six years ago.[13] Though the Petitioner argues that her voluntary stipulation of dismissal as to the Respondents in the Federal Case tolled the statute of limitations on her claims, the Petitioner provides no legal basis to support her assertion that such voluntary dismissal tolls the limitations period or otherwise affords her any additional time to file her claims. As such, even if her claims against the Respondents could survive Demurrer, they would not have been timely filed, and are thus barred by the statute of limitations.

The Petitioner's claims are also barred under the doctrine of sovereign immunity. "As a general rule, the Commonwealth is immune both from actions at law for damages and from suits in equity to restrain governmental action or to compel such action."[14] Absent express waiver of the Commonwealth's immunity, "the Commonwealth and its agencies are immune from liability for the tortious acts or omissions of their agents and employees."[15]

The sovereign immunity of the Commonwealth of Virginia extends to the Commission because the Commission "*is* the Commonwealth itself in its role as business regulator, not an entity independent of it."[16] In this case, there has been no express waiver of the Commission's immunity, and the Commission thus is immune from this suit. Likewise, the Petitioner has failed to articulate any claims against Commissioner Face to warrant a finding that the Commission's sovereign immunity does not extend to him in his role as Commissioner of Financial Institutions. The Pleas in Bar thus are granted because Petitioner's claims against the Respondents are barred by the doctrine of sovereign immunity.

C. The Petitioner's motions are moot.

The Petitioner has filed numerous motions and other filings in addition to the Petition. The Commission has reviewed these filings and finds that they are rendered moot by the findings and determinations herein. All outstanding motions and requests filed by the Petitioner in this matter thus are denied.[17]

III. Conclusion

Accordingly, based upon its review of all of the filings, requests, and records submitted in this matter, the Commission finds that: the Demurrer should be sustained; the Pleas in Bar seeking dismissal based upon the applicable statute of limitations and doctrine of sovereign immunity should be granted; the Petition should be dismissed with prejudice; and all other outstanding motions and requests filed in this matter should be denied.

Accordingly, IT IS ORDERED THAT:

(1) The Demurrer is SUSTAINED.

(2) The Pleas in Bar based upon the applicable statute of limitations and doctrine of sovereign immunity are GRANTED.

(3) The Petition is DISMISSED WITH PREJUDICE.

(4) All other outstanding motions and requests filed in this matter are DENIED.

(5) The papers filed herein shall be placed in the file for ended causes.

---

[11] "A plea in bar asserts a single issue, which, if proved, creates a bar to a plaintiff's recovery." *Hawthorne v. VanMarter*, 279 Va. 566, 577, 692 S.E.2d 226, 233 (2010) (citations omitted).

[12] *See* §§ 8.01-243 and 8.01-248 of the Code of Virginia.

[13] *See* Pet. at ¶ 8 (asserting that the "illegal banking enterprise" causing her harm operated from 2006 until 2014); and Reply at 5 (asserting that Petitioner's allegations against the Respondents concern activity from 2006 until 2014).

[14] *Alliance to Save the Mattaponi v. Commonwealth*, 270 Va. 423, 455, 621 S.E.2d 78, 96 (2005) (citations omitted).

[15] *Patten v. Commonwealth*, 262 Va. 654, 658, 553 S.E.2d 517, 519 (2001) (citations omitted).

[16] *Croatan Books, Inc. v. Virginia*, 574 F. Supp. 880, 885 (E.D. Va. 1983).

[17] Among the Petitioner's other motions are two filings that include amended petitions. First, the Petitioner never was granted leave to file amended pleadings as required by 5 VAC 5-20-130 of the Commission's Rules. Second, even if leave to amend were granted, the proposed amendments would not cure the deficiencies raised by the Demurrer and Pleas in Bar.

CASE NO. BFI-2020-00016
SEPTEMBER 9, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
AU CARD, LLC,
Defendant

SETTLEMENT ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that AU Card, LLC ("Defendant") acquired 25 percent or more of the ownership of CoinX, Inc., a licensed money transmitter under Chapter 19 of Title 6.2 of the Code of Virginia ("Code"), without prior Commission approval in violation of § 6.2-1914 of the Code; and that the Defendant offered to settle this case by paying a fine in the sum of Five Thousand Dollars ($5,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in this case. The Commissioner has recommended that the Commission accept the Defendant's offer of settlement pursuant to the authority granted under § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the Defendant's offer of settlement, and the recommendation of the Commissioner, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The Defendant's offer in settlement of this case is accepted.

(2) This case is dismissed.

(3) The papers filed herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. BFI-2020-00028
SEPTEMBER 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
SBBNET, INC. d/b/a LOANBRIGHT
Defendant

ORDER REVOKING A LICENSE

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that SBBnet, Inc. d/b/a Loanbright ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia; that the Defendant failed to file the financial condition component of its mortgage call report as required by the Nationwide Mortgage Licensing System and Registry, in violation of 10 VAC 5-160-90 B of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq.* ("Rules"); and that the Commissioner gave written notice to the Defendant by certified mail dated July 2, 2020, (1) of his intention to recommend revocation of the Defendant's license, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before August 2, 2020. As of the date of this Order, the Defendant has not filed the delinquent financial condition component of its mortgage call report, and the Commission has not received a written request for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's license to engage in business as a mortgage broker.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has violated 10 VAC 5-160-90 B of the Commission's Rules.

Accordingly, IT IS ORDERED THAT:

(1) The license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

(2) This case is dismissed.

(3) The papers filed herein shall be placed in the file for ended causes.

CASE NO. BFI-2020-00029
SEPTEMBER 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
THE MORTGAGE GALLERY, INC.
Defendant

ORDER REVOKING A LICENSE

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that The Mortgage Gallery, Inc. ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia; that the Defendant failed to file the financial condition component of its mortgage call report as required by the Nationwide Mortgage Licensing System and Registry, in violation of 10 VAC 5-160-90 B of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq.* ("Rules"); and that the Commissioner gave written notice to the Defendant by certified mail dated July 2, 2020, (1) of his intention to recommend revocation of the Defendant's license, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before August 2, 2020. As of the date of this Order, the Defendant has not filed the delinquent financial condition component of its mortgage call report, and the Commission has not received a written request for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's license to engage in business as a mortgage broker.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has violated 10 VAC 5-160-90 B of the Commission's Rules.

Accordingly, IT IS ORDERED THAT:

(1) The license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

(2) This case is dismissed.

(3) The papers filed herein shall be placed in the file for ended causes.

CASE NO. BFI-2020-00029
SEPTEMBER 25, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
THE MORTGAGE GALLERY, INC.
Defendant

ORDER GRANTING RECONSIDERATION

On September 8, 2020, the State Corporation Commission ("Commission") entered an Order Revoking a License in this matter. On September 22, 2020, The Mortgage Gallery, Inc., by counsel, filed a Petition for Reconsideration, Rehearing or Vacating Order Revoking License ("Petition").

NOW THE COMMISSION, upon consideration of this matter, and pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*, grants reconsideration solely for the purpose of continuing jurisdiction over this matter and considering the Petition. The Order Revoking a License is hereby suspended pending the Commission's reconsideration.

Accordingly, IT IS ORDERED THAT :

(1) Reconsideration is granted solely for the purpose of continuing jurisdiction over this matter and considering the Petition.

(2) Pending the Commission's consideration of the Petition, the Order Revoking a License is suspended.

(3) This matter is continued generally.

CASE NO. BFI-2020-00029
NOVEMBER 10, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
THE MORTGAGE GALLERY, INC.
Defendant

SETTLEMENT ORDER

On September 8, 2020, the State Corporation Commission ("Commission") entered an Order Revoking a License in this matter revoking the license granted to The Mortgage Gallery, Inc. ("Defendant") to engage in business as a mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code") for its failure to file the financial condition component of its mortgage call report as required by the Nationwide Mortgage Licensing System and Registry ("NMLS"), in violation of 10 VAC 5-160-90 B of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq*. ("Rules"). On September 22, 2020, the Defendant, by counsel, filed a Petition for Reconsideration, Rehearing or Vacating Order Revoking License ("Petition").

By Order Granting Reconsideration entered on September 25, 2020, the Commission granted reconsideration for the purpose of continuing jurisdiction in this matter and considering the Defendant's Petition. The Commissioner of Financial Institutions ("Commissioner") has reported that the Defendant has filed the delinquent financial condition component of its mortgage call report through NMLS. The Commissioner has further reported that the Defendant applied for and was granted a new license to engage in business as a mortgage broker under Chapter 16 of Title 6.2 of the Code on September 17, 2020 ("New License"), and that the Defendant has offered to settle this case by surrendering its New License, paying a civil penalty in the sum of Five Hundred Dollars ($500), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in this case. The Commissioner has recommended that the Commission accept the Defendant's offer of settlement pursuant to the authority granted under § 12.1-15 of the Code and vacate the Order Revoking a License.

NOW THE COMMISSION, upon consideration of the record herein, the Defendant's offer of settlement, and the Commissioner's recommendation, is of the opinion that the Defendant's offer should be accepted, and the Order Revoking a License should be vacated.

Accordingly, IT IS ORDERED THAT:

(1) The Defendant's offer in settlement of this case is ACCEPTED.

(2) The Order Revoking a License is VACATED.

(3) The Defendant shall comply with Chapter 16 of Title 6.2 of the Code and the Commission's Rules.

(4) This case is dismissed.

(5) The papers filed herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. BFI-2020-00032
JUNE 30, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In re: annual assessment of licensees under Chapter 19 of Title 6.2 of the Code of Virginia

ORDER REDUCING 2020 ANNUAL ASSESSMENT

Pursuant to § 6.2-1905 B of the Code of Virginia, the State Corporation Commission ("Commission") prescribed a schedule for the assessment of fees to be paid by licensees under Chapter 19 of Title 6.2 of the Code of Virginia, which is set forth in 10 VAC 5-120-50 of the Commission's rules governing Money Order Sellers and Money Transmitters, 10 VAC 5-120-10 *et seq.* Thereafter, the Commissioner of Financial Institutions ("Commissioner") reported to the Commission that based on the business volume of the licensees, coupled with internal Bureau of Financial Institutions ("Bureau") operating efficiencies, a reduction in the fees prescribed by 10 VAC 5-120-50 is warranted for the calendar year ending December 31, 2019. The Commissioner recommended that such fees, based on reports filed with the Bureau for the calendar year ending December 31, 2019, be reduced by 10% for each licensee.

NOW THE COMMISSION, having considered the recommendation of the Commissioner and certain financial and operating information offered in support of that recommendation, is of the opinion and finds that the proposed reduction in fees should be approved.

Accordingly, IT IS ORDERED THAT:

(1) The annual fee paid by each licensee for the calendar year ending December 31, 2019, which is due and payable on or before September 1, 2020, is hereby reduced by 10% from that calculated using the schedule set forth in 10 VAC 5-120-50; and

(2) Notwithstanding the reduction authorized herein, 10 VAC 5-120-50 shall remain in full force and effect.

CASE NO. BFI-2020-00033
JULY 2, 2020

IN THE MATTER OF
CADMUS CREDIT UNION, INCORPORATED
Merger into
CHARTWAY FEDERAL CREDIT UNION

ORDER APPROVING THE MERGER

The Staff of the Bureau of Financial Institutions ("Bureau") has reported and represented the following to the State Corporation Commission ("Commission"):

(1) Cadmus Credit Union, Incorporated ("Cadmus") is a Virginia state-chartered credit union with approximately $1.2 million in assets and 357 remaining members.

(2) A printing plant in Richmond, Virginia that employed approximately 30% of Cadmus' members closed on May 31, 2020, apparently due to the economic fallout from the COVID-19 global health pandemic. In addition to causing a substantial portion of Cadmus' members to lose their jobs, the closure of this plant has forced Cadmus to close its sole office effective July 31, 2020, which will significantly impair Cadmus' ability to serve its members. Share account withdrawals and loan delinquencies resulting from the foregoing circumstances are likely to have a crippling effect upon Cadmus' condition.

(3) Cadmus had already been in decline for several years in terms of its assets, net worth, and membership, and it has not operated profitably since 2008. These trends have reached a point where Cadmus is no longer viable as a separate entity, as the volume and severity of problems confronting Cadmus are beyond its ability to correct or control.

(4) An emergency exists, and it is in the best interests of Cadmus' members to have Cadmus immediately merged into Chartway Federal Credit Union ("Chartway"), a federally chartered credit union. Cadmus' apparent inability to reverse or even halt the accelerating deterioration of its financial condition warrants this immediate supervisory action.

(5) In order for Cadmus to be merged into Chartway under § 6.2-1318 of the Code of Virginia, the board of directors of both credit unions must approve a plan of merger. The board of directors of both credit unions have approved a plan of merger that provides, among other things, that the remaining members of Cadmus will become members of Chartway.

(6) Chartway's member accounts are insured by the National Credit Union Share Insurance Fund.

(7) The Commissioner of Financial Institutions has recommended that the Commission enter an order approving the merger.

NOW THE COMMISSION, having considered the Bureau's report and representations, finds that Cadmus is no longer viable as a separate entity, an emergency exists, the board of directors of both credit unions have approved the merger, and the merger is in the best interests of the members of both credit unions.

Accordingly, IT IS ORDERED THAT:

(1) The merger of Cadmus into Chartway is hereby approved pursuant to § 6.2-1318 of the Code of Virginia.

(2) This Order shall take the place of the usual approval of the merger by the members of Cadmus. Cadmus shall provide its members of record with notice of its merger into Chartway.

CASE NO. BFI-2020-00035
OCTOBER 16, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
FIRST COLONIAL MORTGAGE,
Defendant

CEASE AND DESIST ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Bureau of Financial Institutions received a complaint against First Colonial Mortgage ("Defendant") from a consumer (the "Consumer") in the Commonwealth of Virginia ("Virginia"); that the Defendant is engaging in business as a mortgage lender and mortgage broker without a license in violation of § 6.2-1601 of the Code of Virginia ("Code"); that the Defendant used deception by providing the Consumer with a false Nationwide Mortgage Licensing System and Registry identification number in connection with a mortgage loan transaction in violation of § 6.2-1629 A of the Code; that the Defendant used deception by attempting to contract for payment of a prohibited fee by the Consumer in violation of § 6.2-1629 A of the Code; and that the Commissioner, pursuant to § 6.2-1622 of the Code, gave written notice to the Defendant by certified mail dated August 10, 2020, (1) of his intention to seek an order from the Commission requiring the Defendant to cease and desist from violating §§ 6.2-1601 and 6.2-1629 A of the Code and comply with the provisions of Chapter 16 of Title 6.2 of the Code, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before September 10, 2020. As of the date of this Order, the Commission has not received a written request for a hearing.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, finds that the Defendant is engaging in business as a mortgage lender and mortgage broker without the required license in violation of § 6.2-1601 of the Code, and the Defendant is using deception in connection with Virginia mortgage loan transactions in violation of § 6.2-1629 A of the Code.

Accordingly, IT IS ORDERED THAT:

(1) The Defendant shall immediately (i) cease and desist from engaging in business as a mortgage lender and mortgage broker without the required license, (ii) cease and desist from using deception in connection with Virginia mortgage loan transactions; and (iii) comply with Chapter 16 of Title 6.2 of the Code.

(2) This case is dismissed.

(3) The papers filed herein shall be placed in the file for ended causes.

CASE NO. BFI-2020-00042
OCTOBER 1, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
VERNAM MORTGAGE PROFESSIONALS LLC,
Defendant

ORDER REVOKING A LICENSE

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Vernam Mortgage Professionals LLC ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay the annual fee due May 25, 2020, in violation of § 6.2-1612 of the Code; that the Defendant failed to remain authorized to transact business in the Commonwealth pursuant to Title 13.1 of the Code, in violation of 10 VAC 5-160-20 (10) of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq.* ("Rules"); and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on August 10, 2020, (1) of his intention to recommend revocation of the Defendant's license, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before September 10, 2020. As of the date of this Order, the Commission has not received a written request for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's license to engage in business as a mortgage broker.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has violated § 6.2-1612 of the Code and 10 VAC 5-160-20 (10) of the Commission's Rules.

Accordingly, IT IS ORDERED THAT:

(1) The license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

(2) This case is dismissed.

(3) The papers filed herein shall be placed in the file for ended causes.

CASE NO. BFI-2020-00042
OCTOBER 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
VERNAM MORTGAGE PROFESSIONALS LLC,
Defendant

ORDER GRANTING RECONSIDERATION

On October 1, 2020, the State Corporation Commission ("Commission") entered an Order Revoking a License in this case. On October 9, 2020, Vernam Mortgage Professionals LLC petitioned the Commission to reconsider this matter and reinstate its mortgage broker license ("Petition").

NOW THE COMMISSION, upon consideration of this matter, and pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*, grants reconsideration solely for the purpose of continuing jurisdiction over this matter and considering the Petition. The Order Revoking a License is hereby suspended pending the Commission's reconsideration.

Accordingly, IT IS ORDERED THAT:

(1) Reconsideration is granted solely for the purpose of continuing jurisdiction over this matter and considering the Petition.

(2) Pending the Commission's consideration of the Petition, the Order Revoking a License is suspended.

(3) This matter is continued generally.

CASE NO. BFI-2020-00055
SEPTEMBER 18, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Regulations Governing Consumer Finance Companies

ORDER TO TAKE NOTICE

Section 6.2-1535 of the Code of Virginia ("Code") provides that the State Corporation Commission ("Commission") shall adopt such regulations as it deems appropriate to effect the purposes of Chapter 15 (§ 6.2-1500 *et seq*.) of Title 6.2 of the Code ("Chapter 15"). The Commission's regulations governing consumer finance companies are set forth in Chapter 60 of Title 10 of the Virginia Administrative Code ("Chapter 60").

The Bureau of Financial Institutions ("Bureau") has submitted to the Commission proposed amendments to Chapter 60. The proposed amendments are prompted by Chapters 1215 and 1258 of the 2020 Virginia Acts of Assembly, which make extensive changes to Chapter 15 that will become effective on January 1, 2021. In this regard, the Bureau's proposed revisions are primarily designed to implement and clarify certain aspects of the legislation. Additionally, the Bureau is seeking to generally update Chapter 60 in various respects as well as augment it by incorporating an assortment of provisions from the Commission's existing regulations governing one or more other types of non-depository institutions that are also licensed and regulated under Title 6.2 of the Code.

Definitions.

Proposed section 10 VAC 5-60-5 is new, and it defines several terms that are used in Chapter 60, including "advertisement," "consumer finance loan," and "liquid assets."

Surety bond; other requirements for licensees; acquisitions.

Proposed section 10 VAC 5-60-15 is also new, and it: (i) provides that all licensees need to maintain a surety bond of at least $25,000 notwithstanding the occurrence of certain events; (ii) specifies that the unencumbered liquid asset requirement is for each place of business; (iii) clarifies the provisions governing the relocation of approved offices; and (iv) prescribes the amount of the application fee for proposed acquisitions under § 6.2-1510 of the Code. The proposal also clarifies that licensees must continuously maintain the requirements and standards for licensure prescribed in § 6.2-1507 of the Code.

Additional business requirements and restrictions.

The proposed amendments to section 10 VAC 5-60-20 prohibit a licensee from: (i) requiring a borrower to use a particular provider or list of providers for property insurance on a motor vehicle being used as security for a loan; (ii) charging a borrower a fee for cashing a loan proceeds check; (iii) selling or assigning a loan to any other person who is not also licensed under Chapter 15; and (iv) providing false, misleading, or deceptive information to borrowers or prospective borrowers. Other proposed changes to this section clarify: (i) the requirements for receipts given to borrowers for cash payments; (ii) that a person remains subject to the provisions in Chapter 15 and Chapter 60 that are applicable to licensees in connection with all consumer finance loans that the person made while licensed notwithstanding the occurrence of certain events; and (iii) that loans made prior to January 1, 2021, that remain outstanding on or after January 1, 2021, may be collected in accordance with the preexisting terms of the loan contracts provided that such terms were permitted by law when the loans were made. The proposed revisions also modify the time period within which a licensee must accomplish the acts required by § 6.2-1524 G of the Code.

Access partners.

Proposed section 10 VAC 5-60-25 is new, and it clarifies various provisions in § 6.2-1523.1 of the Code pertaining to access partners and prescribes the information relating to licensees' access partners that licensees will be required to periodically furnish to the Commissioner of Financial Institutions ("Commissioner").

Repayment of loans through payroll deductions.

The proposed amendments to section 10 VAC 5-60-30 update the existing protections governing the repayment of loans through allotments so that they are applicable in all cases whereby a licensee offers a borrower the option of making payments on a consumer finance loan through deductions from the borrower's payroll. The proposal also clarifies that automatic payroll deductions that are established and administered in accordance with 10 VAC 5-60-30 are not subject to § 6.2-1526 of the Code.

Advertising.

Proposed section 10 VAC 5-60-35 is new, and it requires a licensee to conspicuously disclose certain information in its advertisements, such as the licensee's name and license number. Furthermore, the proposal clarifies that licensees' advertisements must comply with the disclosure requirements for advertisements contained in Regulation Z (12 C.F.R. Part 1026), and it specifies the record retention requirements for advertisements.

Conducting other business.

Proposed section 10 VAC 5-60-45 is also new, and it addresses the conduct of any business other than consumer finance lending from a location where a licensee conducts business under Chapter 15. This section elaborates upon the procedural requirements that are established by § 6.2-1518 of the Code, particularly as they relate to notices that may be filed with the Commissioner on or after January 1, 2021. In addition, the proposal clarifies and prescribes the conditions that are applicable to a variety of other businesses that may be conducted in licensees' consumer finance offices. The conditions largely mirror those found in the Commission's existing regulations governing the conduct of other business in payday lending offices (10 VAC 5-200-100) and motor vehicle title lending offices (10 VAC 5-210-70). Furthermore, the proposal addresses the collection of outstanding payday loans and motor vehicle title loans from consumer finance offices beginning on January 1, 2021, and clarifies that in certain circumstances, the sale of insurance or enrolling of borrowers under a group insurance policy does not constitute other business for purposes of § 6.2-1518 of the Code.

Since proposed section 10 VAC 5-60-45 incorporates the Commission's existing regulations governing the conduct of open-end credit business and real estate mortgage business in consumer finance offices, the Bureau is proposing to repeal section 10 VAC 5-60-40 ("Rules governing open-end credit business in licensed consumer finance offices") and section 10 VAC 5-60-50 ("Rules governing real estate mortgage business in licensed consumer finance offices").

Books, accounts, and records; responding to requests from the Bureau; providing false, misleading, or deceptive information.

Section 10 VAC 5-60-55 is new, and it clarifies the record retention requirements for licensees, authorizes records to be retained electronically, and addresses the time period within which licensees need to respond to the Bureau's requests for written responses, books, records, documentation, or other information. Additionally, this proposed section furnishes licensees with guidance concerning the disposition of records containing consumers' personal financial information and expressly prohibits licensees from providing any false, misleading, or deceptive information to the Bureau.

Schedule prescribing annual fees paid for examination, supervision, and regulation of consumer finance companies.

Section 10 VAC 5-60-60 contains several technical amendments and clarifies that a licensee's annual fee is calculated on the basis of its total assets combined with the total assets of its affiliates conducting business in any of its authorized offices.

Enforcement; civil penalties.

Section 10 VAC 5-60-65 is new, and it clarifies that violations of Chapter 15 or the Commission's regulations governing consumer finance companies may result in civil penalties, license suspension, license revocation, or other appropriate enforcement action. This proposed section also explains how the maximum civil penalty under § 6.2-1543 of the Code is applied in the case of violations involving multiple loans or borrowers.

Commission authority.

The last new section, 10 VAC 5-60-70, preserves the Commission's authority to waive or grant exceptions to any provision in Chapter 60 for good cause shown.

NOW THE COMMISSION, based on the information supplied by the Bureau, is of the opinion and finds that the proposed regulations should be considered for adoption with a proposed effective date of January 1, 2021.

Accordingly, IT IS ORDERED THAT:

(1) The proposed regulations are attached hereto and made a part hereof.

(2) Comments or requests for a hearing on the proposed regulations must be submitted in writing to the Clerk of the Commission, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before October 23, 2020. Requests for a hearing shall state why a hearing is necessary and why the issues cannot be adequately addressed in written comments. All correspondence shall contain a reference to Case No. BFI-2020-00055. Interested persons desiring to submit comments or request a hearing electronically may do so by following the instructions available at the Commission's website: https://scc.virginia.gov/casecomments/Submit-Public-Comments.

(3) This Order and the attached proposed regulations shall be made available on the Commission's website: https://scc.virginia.gov/pages/Case-Information.

(4) The Commission's Division of Information Resources shall provide a copy of this Order, including a copy of the attached proposed regulations, to the Virginia Registrar of Regulations for publication in the *Virginia Register of Regulations*.

NOTE: A copy of the attachment entitled "Consumer Finance Companies" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. BFI-2020-00110
DECEMBER 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In re: Nationstar Mortgage LLC

ORDER APPROVING SETTLEMENT AGREEMENT

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between Nationstar Mortgage LLC, a licensed mortgage lender and broker under Chapter 16 of Title 6.2 of the Code of Virginia, and various state regulatory agencies. The Commissioner has recommended that the Commission (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered the terms of the Agreement and the recommendation of the Commissioner, is of the opinion and finds that the Agreement should be approved and accepted, and that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

(1) The Agreement is approved and accepted.

(2) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOTE: A copy of the "Settlement Agreement and Consent Order" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CLERK'S OFFICE

CASE NO. CLK-2015-00008
JUNE 3, 2020

ALEXANDRA KNOP, WILLIAM KNOP and PETER R. Q. KNOP,
Petitioners
v.
PETER J. KNOP, TICONDEROGA FARMS, LLC and TICONDEROGA FARMS, INC.,
Defendants

FINAL ORDER

On September 25, 2015, Alexandra Knop, William Knop, and Peter R. Q. Knop (collectively, the "Petitioners"), individually and derivatively on behalf of Ticonderoga Farms, Inc.,[1] by counsel, filed a Petition with the State Corporation Commission ("Commission") pursuant to Rule 5 VAC 5-20-100 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*. The Petition named Peter J. Knop and Ticonderoga Farms, LLC as Defendants and Ticonderoga Farms, Inc. as a Nominal Defendant (collectively, the "Defendants").

The Petitioners alleged, among other things, that the Commission issued a Certificate of Entity Conversion ("Certificate") on April 2, 2015, converting Ticonderoga Farms, Inc. ("Ticonderoga Inc.") to Ticonderoga Farms, LLC ("Ticonderoga LLC"). The Petitioners further alleged that the Certificate was invalid because it was issued based upon an improper application submitted by Peter J. Knop ("Knop"), the majority shareholder and a director of Ticonderoga Inc.

Accordingly, the Petitioners requested that the Commission enter judgment affording them certain declaratory relief, including, but not limited to issuing a finding that Knop did not have authority to apply to the Commission to convert Ticonderoga Inc. to Ticonderoga LLC, (thus invalidating the Certificate), awarding the Petitioners costs and attorneys' fees, and providing such other relief as deemed appropriate.

The Commission entered a Scheduling Order on October 22, 2015, which, among other things, assigned this matter to a Hearing Examiner to conduct all further proceedings.[2] After receipt and review of the responses to the Petition, and other procedural pleadings, the Hearing Examiner issued a Ruling and Certification to the Commission dated February 5, 2016 ("February 5th Ruling"). In the February 5th Ruling, the Hearing Examiner certified several findings to the Commission, including that this action should be stayed pending completion of a concurrent proceeding in the Loudoun County Circuit Court ("Circuit Court Proceeding").[3] On May 4, 2016, the Commission adopted the Hearing Examiner's certified finding and entered an order staying this matter until completion of the Circuit Court Proceeding.

The following year, on June 9, 2017, the Defendants filed a Motion to Lift Stay and Dismiss Case ("First Motion to Dismiss") asserting that the Circuit Court Proceeding had concluded, after the trial court determined that the conversion of Ticonderoga Inc. to Ticonderoga LLC was proper and complied with the law. However, because the Petitioners and Defendants had each noticed an appeal of the Circuit Court Proceeding to the Supreme Court of Virginia, the Hearing Examiner issued a Ruling denying the Defendants' First Motion to Dismiss on July 13, 2017 and ruling that the stay should remain in place pending resolution of the appeals. On August 1, 2019, the Supreme Court of Virginia issued an opinion affirming the judgment of the Loudoun County Circuit Court.

On January 27, 2020, Ticonderoga LLC filed a Motion to Dismiss Petition and Lift Stay ("Second Motion to Dismiss") asserting that the decision of the Loudoun County Circuit Court in the Circuit Court Proceeding had been affirmed on appeal by the Supreme Court of Virginia. Ticonderoga LLC also attached to the Second Motion to Dismiss a(n): (i) Transcript of Ruling on March 3, 2017, by Hon. Jeanette A. Irby, Judge of Loudoun County Circuit Court; (ii) Order reflecting said ruling dated May 11, 2017; (iii) Opinion by Supreme Court of Virginia, dated August 1, 2019, affirming Circuit Court ruling; and (iv) Memorandum Opinion by Supreme Court of Virginia, dated November 22, 2019, denying Motion for Rehearing. The Petitioners filed no reply to the Second Motion to Dismiss.

On February 20, 2020, the Hearing Examiner issued his Report in this case ("Report"). In the Report, the Hearing Examiner found that, based on the decision of the Loudoun County Circuit Court, which was ultimately affirmed by the Supreme Court of Virginia, the Commission's records are correct, the stay should be lifted, the Petition should be dismissed with prejudice, and the Second Motion to Dismiss should be granted. Accordingly, the Hearing Examiner recommended that the Commission enter an order that: (1) adopts the findings in the Report; and (2) dismisses this case from the Commission's docket of active cases and passes the papers herein to the file for ended causes. The parties did not file comments to the Report by March 12, 2020, as directed by the Hearing Examiner.

On April 22, 2020, counsel for Knop, Kyle R. Hosmer and Faegre Drinker Biddle & Reath LLP, filed a Motion for Leave to Withdraw as Counsel for Knop. ("First Motion to Withdraw"). The First Motion to Withdraw requested leave to withdraw as counsel in this matter "due to irreconcilable differences." On May 18, 2020, counsel for Knop filed a second Motion for Leave to Withdraw as Counsel ("Second Motion to Withdraw"). The Second Motion to Withdraw corrected an error in the caption of the First Motion to Withdraw.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion that the Hearing Examiner's findings and recommendation should be adopted. In addition, the Commission finds that the Second Motion to Withdraw should be granted.

---

[1] Petitioners Alexandra Knop and William Knop assert that they are appearing individually and as trustees of The Evergreen Trust. Petitioner Peter R. Q. Knop is alleged to be a beneficiary of The Evergreen Trust.

[2] *See, e.g.,* the Scheduling Order and other relevant pleadings in the docket on the Commission's website at https://www.scc.virginia.gov/DocketSearch#caseDocs/135098 for additional case summary and procedural history.

[3] *Knop v. Knop*, Case No. CL00093415-00 (Va. Cir. Ct., Loudoun Cty.) (am. compl. filed Sept. 25, 2015).

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendation of the Hearing Examiner are hereby ADOPTED.

(2) The stay is LIFTED.

(3) The Second Motion to Dismiss is GRANTED.

(4) The Petition is DISMISSED WITH PREJUDICE.

(5) The Second Motion to Withdraw is GRANTED.

(6) This case is dismissed from the Commission's docket, and the papers herein shall be placed in the file for ended causes.

CASE NO. CLK-2019-00005
AUGUST 4, 2020

IN RE:
PETITION OF EMIL J. KLEEMANN, SHAREHOLDER OF ALPHA-OMEGA CHANGE ENGINEERING, INC.

ORDER

On April 29, 2019, Emil J. Kleemann, Shareholder of Alpha-Omega Change Engineering, Inc. ("Petitioner"), by counsel, filed with the State Corporation Commission ("Commission") a Petition ("Petition")[1] pursuant to § 13.1-614 A of the Code of Virginia ("Code") and Rule 5 VAC 5-20-100 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules").

The Petition alleges that the Commission issued a Certificate of Merger with an effective date of March 31, 2019, merging Virginia stock corporation Alpha-Omega Change Engineering, Inc. ("AOCE") with and into Delaware corporation CAE USA Mission Solutions, Inc. ("CAE") (the "Merger"). The Petitioner alleges he was an AOCE shareholder at the time of the sale and Merger and that CAE wrongfully filed Articles of Merger with the Commission, erroneously representing that CAE was the owner of all outstanding shares of AOCE. According to the Petition, the requisite number of shareholders did not approve the Articles of Merger as required by § 13.1-718 D of the Code. The Petition asks the Commission to nullify and vacate the Merger, declare it void *ab initio*, and correct the Commission's records, restoring AOCE to a Virginia corporation in good standing.

On July 8, 2019, the Respondents, AOCE and CAE (collectively "Respondents"), by counsel, filed a Motion to Dismiss the Petition ("MTD"),[2] arguing that the Commission lacks jurisdiction under § 13.1-614 A of the Code, and specifically lacks jurisdiction to decide whether the Petitioner was an AOCE shareholder at the relevant time. The MTD also sought dismissal on grounds that, regardless of the jurisdictional issue, the Petitioner would have lacked the necessary votes to prevent the Merger regardless of jurisdiction. Finally, noting that the parties here were, at the time, also parties to a proceeding with similar issues in the Circuit Court of Williamsburg/James City County, Virginia ("Circuit Court Proceeding"),[3] the MTD sought a stay of this matter until resolution of the Circuit Court Proceeding.

On July 19, 2019, the Petitioner filed a Memorandum in Opposition to the Motion to Dismiss ("Opposition to MTD"),[4] opposing the requested stay. The Petitioner also argued in the Opposition to MTD that the Commission has jurisdiction because he has standing as an AOCE shareholder and because the Commission has the authority under § 13.1-614 A of the Code to decide whether he was an AOCE shareholder at the time of the Merger.

---

[1] Doc. Con. Cen. No. 190440043.

[2] Doc. Con. Cen. No. 190710105.

[3] *Kleemann v. John Doe, et al.*, CL19-610 (Williamsburg/James City Co. Cir. Ct., Mar. 25, 2019).

[4] Doc Con. Cen. No. 190730146.

On August 16, 2019, the Clerk of the Commission ("Clerk") filed a Response to the Petition ("Clerk Response"),[5] asserting that the Commission has jurisdiction under § 13.1-614 A of the Code to resolve the issues presented in the Petition. In light of the parallel issues that were pending at the time in the Circuit Court Proceeding, however, the Clerk recommended staying the Commission action until resolution of the Circuit Court Proceeding.

On August 28, 2019, the Hearing Examiner issued her Ruling and Certification to the Commission in this case ("Ruling").[6] After detailing the procedural history of the case in the Ruling, the Hearing Examiner discussed the issues of subject matter jurisdiction, standing, and the Respondents' request for a stay pending resolution of the Circuit Court Proceeding. First, the Hearing Examiner concluded that the Commission has jurisdiction over this case pursuant to its authority under § 13.1-614 A of the Code to consider a timely shareholder petition challenging a certificate of merger when the shareholder contends that the associated articles contained a "misstatement of material fact" as to compliance with § 13.1-719 B of the Code. Second, the Hearing Examiner concluded that the Commission has the authority to determine whether the Petitioner was an AOCE shareholder at the relevant time when determining his standing to pursue the instant claims. Nevertheless, the Hearing Examiner found that this case should be stayed pending resolution of the Circuit Court Proceeding, noting that "[a]llowing the Circuit Court Litigation to conclude before addressing the Petition should reduce the potential for inconsistent results and limit the possibility for confusion or misinterpretation of Commission findings."[7] Finally, the Hearing Examiner certified this matter to the Commission pursuant to Rule 5 VAC 5-20-120 B of the Rules, with the request that the Commission affirm the findings of this Ruling.

On September 18, 2019, the Clerk filed Comments to the Ruling ("Clerk Comments"),[8] supporting and agreeing with the Hearing Examiner's decisions.[9] Also on September 18, 2019, the Respondents filed their Comments/Exceptions to the Ruling ("Respondents' Comments")[10] challenging the decisions regarding jurisdiction and standing and, again, arguing for dismissal. The Respondents' Comments support the stay of this matter and request an opportunity to provide further factual and legal information on the issues should this matter proceed before the Commission. The Petitioner did not file comments to the Ruling.

On October 4, 2019, the Commission entered an Order[11] concluding that the Commission has jurisdiction over the issues raised in this case but deciding that the matter should be stayed pending resolution of the Circuit Court Proceeding. On July 1, 2020, the Respondents and the Petitioner, by counsel, filed a Joint Motion to Dismiss this case ("Joint Motion")[12] with prejudice, indicating they have reached a compromise and settlement of the disputed claims. On July 7, 2020, the Hearing Examiner issued a Report ("Report")[13] recommending that the Commission enter an Order granting the Joint Motion and dismissing the case from the Commission's docket of active cases in light of the parties' request for dismissal and their compromise and settlement of the matter.[14]

NOW THE COMMISSION, upon consideration of the record in this matter, the parties' Joint Motion seeking dismissal of this case, and the Hearing Examiner's Report, finds that the Joint Motion should be granted, the findings of the Hearing Examiner's Report should be adopted, and this case should be dismissed from the Commission's docket of active cases.

Accordingly, IT IS ORDERED THAT:

(1) The Joint Motion is GRANTED;

(2) The findings of the Hearing Examiner's Report are hereby ADOPTED; and

(3) This matter is DISMISSED from the Commission's docket, and the papers herein shall be placed in the file for ended causes.

---

[5] Doc. Con. Cen. No. 190830047.

[6] Doc. Con. Cen. No. 190850004.

[7] *See* Ruling at 4.

[8] Doc. Con. Cen. No. 190930322.

[9] The Clerk did not comment on the certification of this matter to the Commission as such a decision is within the Hearing Examiner's discretion.

[10] Doc. Con. Cen. No. 190930330.

[11] Doc. Con. Cen. No. 191010123.

[12] Doc. Con. Cen. No. 200710016.

[13] Doc. Con. Cen. No. 200710154.

[14] The Circuit Court case information available through the Supreme Court of Virginia's website indicates that a final "Dismissal Order With Prejudice" was entered on July 7, 2020 in the Circuit Court Proceeding. *See Kleemann v. John Doe, et al.*, CL19-610 (Williamsburg/James City Co. Cir. Ct., July 7, 2020).

CASE NO. CLK-2019-00006
JANUARY 31, 2020

IN RE:
PETITION OF ALLISON C. PIENTA

ORDER

On June 3, 2019, Allison C. Pienta ("Petitioner"), a Virginia resident, filed with the State Corporation Commission ("Commission") a Renewed Petition for Disclosure of Records of Business Entity ("Petition"),[1] pursuant to Rule 5 VAC 5-20-100 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*. The Petition requests that the Commission publicly disclose, pursuant to § 12.1-19 C of the Code of Virginia ("Code"), "certain records held by the clerk of the Commission related to the names of the person or persons who have made [annual registration renewal fee] payments"[2] for a Virginia limited liability company known as BH Group, LLC ("BH Group") on August 15, 2017, and August 30, 2018. Specifically, the Petitioner sought

"[A]ll records held by the Clerk of the Commission containing or relating to:

1. The name and address of the payer or SCC eFile account user who made the LLC assessment payment on 8/30/2018 for [BH Group].

2. The name and address of the payer or SCC eFile account user who made the LLC assessment payment on 8/15/2017 for [BH Group]."

(hereinafter, "Payor Information"). The Clerk of the Commission ("Clerk") and BH Group, through their respective counsel, filed oppositions to the Petition in the form of a Response to the Petition,[3] and a demurrer ("Demurrer"),[4] respectively. The Petitioner responded to the Demurrer on July 9, 2019,[5] and BH Group filed its reply on July 15, 2019.[6]

On July 29, 2019, the Commission entered an Order overruling BH Group's Demurrer and allowing the Petitioner until August 19, 2019, to file a reply to the Clerk's Response.[7] On August 12, 2019, the Petitioner filed a Reply to Response by Clerk of the Commission on Renewed Petition for Disclosure of Records of Business Entity.[8] The Petitioner further filed a Supplemental Filing on November 1, 2019.[9]

The Commission convened a hearing to receive oral argument on November 7, 2019 ("Hearing"). During the Hearing, Ms. Pienta appeared on her own behalf, Patricia A.C. McCullagh, Esquire, with the Commission's Office of General Counsel, appeared on behalf of the Clerk, and Jonathan P. Lienhard, Esquire, appeared on behalf of BH Group. Based upon its review and consideration of the verbal and written arguments presented by the parties, the Commission now issues its findings and determinations in this matter.

DISCUSSION

The Petitioner's request seeks personal information about the individual(s) who made payments for BH Group through the Clerk's electronic filing system ("SCC eFile"). Specifically, the Payor Information sought by the Petitioner consists of the name, address and email address of individual(s) who created or used a SCC eFile account for purposes of delivering or transmitting documents or making payments to the Clerk.[10] The SCC eFile system functions as a delivery portal, allowing individuals to submit information electronically to the Clerk.[11] Although the documents or transactions submitted through SCC eFile are ultimately recorded and indexed in the publicly available Clerk's Information System ("CIS"), the Payor Information itself -- i.e., information related to the individual who electronically submits a given document -- remains solely within the Clerk's SCC eFile system.[12]

Accordingly, the Commission must determine: (1) whether the Clerk is required by law to produce the Payor Information from the SCC eFile system; and (2) if disclosure is not legally mandated, whether SCC eFile account user information should, as a discretionary matter, be publicly disclosed. As discussed below, the Commission finds that the Clerk is neither required by law, nor shall be directed, to violate expectations of privacy in personal information by disclosing SCC eFile Payor Information.

---

[1] Petition, Doc. Con. Cen. No. 190610005.

[2] Petition at 2.

[3] Doc. Con. Cen. No. 190630065.

[4] Doc. Con. Cen. No. 190630137.

[5] Doc. Con. Cen. No. 190710152.

[6] Doc. Con. Cen. No. 190720072.

[7] Doc. Con. Cen. No. 190750018.

[8] Doc. Con. Cen. No. 190820100.

[9] Doc. Con. Cen. No. 191110012.

[10] Clerk's Response at 2-3.

[11] Clerk's Response at 7.

[12] *See, e.g.*, Transcript ("Tr.") at 44-46.

A. Section 12.1-19 of the Code does not require the Clerk to disclose the Payor Information.

The public records disclosure requirements applicable to the Commission and the Clerk are outlined in § 12.1-19 C of the Code. In relevant part, § 12.1-19 C of the Code requires the Clerk to make "records held by the clerk of the Commission related to business entities," available for public inspection.[13] As the Payor Information sought by the Petitioner is not a record related to a business entity as contemplated by Code, disclosure of this information is not required.

Although the Clerk has access to the Payor Information sought by the Petitioner, the records sought are not related to a "business entity" as contemplated by the Code. The business entity at issue in this matter -- BH Group -- is a Virginia limited liability company ("LLC"). The records that a LLC must file with the Clerk, and which the Clerk must maintain, are statutorily defined by § 13.1-1000 *et seq.* of the Code ("LLC Act"). Pursuant to the LLC Act, a LLC is required to file its articles of organization, identify its name, make corrections, file amendments or restatements to the articles of organization, if applicable, identify and file information relating to its registered agent or file statements of change, if changing a registered agent, registered office or both.[14] Nothing in the LLC Act either requires someone making a filing or a payment on behalf of an LLC to provide their name, address or other personal information to the Clerk, or requires the Clerk to request, maintain or disclose such information as part of the LLC's business entity records.

When documents or transactions required to be filed or made by the LLC Act are submitted to the Clerk, the Clerk records those documents or transactions in the public record, assigns the document or transaction a document control number, and indexes the document or transaction in CIS. However, CIS does not capture the person or entity who delivers a document or who conducts a transaction, unless the transmitter affirmatively identifies him, her or itself within the documents that are filed and maintained in CIS.[15] Members of the public can obtain information using the CIS system by accessing CIS online, or by asking the Clerk to produce the information from the physical file. Filings identified in CIS constitute the records relating to a business entity that must be produced pursuant to § 12.1-19 C 3 of the Code.

In contrast to CIS -- which indexes documents and transactions required to be filed in the public record -- the Clerk's Office[16] also developed and maintains a separate electronic platform known as SCC eFile to allow electronic transmission of information.[17] SCC eFile was created pursuant to authority outlined by § 13.1-1003 J of the LLC Act of the Code. Section 13.1-1003 J authorizes the creation of electronic filing systems, but does not -- in contrast to other provisions of the LLC Act -- require the Clerk to obtain, maintain or disclose information about the individuals using that system. Based on this authority, the Clerk's Office opted to develop SCC eFile solely as an electronic delivery mechanism. Accordingly, SCC eFile does not hold data required by the LLC Act to be submitted and maintained by the Clerk, but instead, only contains information that is unique to the individual account holders who register to use this electronic delivery portal; namely, the account holder's name, physical address, phone number, email address, and any affiliated credit card information.[18] Business entities are not required to establish an SCC eFile account, they are not required to submit information using an SCC eFile account and SCC eFile does not otherwise contain or track business entity information.[19] Further, at all relevant times, SCC eFile did not require an individual filer to be an employee of the submitting business entity and did not require the individual filer to identify with a specific business entity prior to submitting documents or information on the business entity's behalf.[20] Thus, SCC eFile does not contain records related to a business entity that are subject to disclosure pursuant to § 12.1-19 C of the Code, and instead holds only information related to an individual SCC eFile account holder.

Despite the Petitioner's arguments to the contrary, the Clerk manages receipt and filing of physical and electronic records consistently and there is no discrepancy in how the Clerk treats physical as compared to electronic records. The exhibits proffered by the Petitioner during the hearing in support of her position did not include the names and addresses of individual SCC eFile account holders, but instead contained information about individuals that the applicable business entity affirmatively opted to disclose by including it in publicly filed document and indexed in CIS.[21] Further, as noted by counsel for the Clerk during the hearing, just as CIS does not identify the name and contact information of a courier who physically delivers documents to the Clerk, CIS also does not identify the name and contact information for any virtual courier -- i.e., the SCC eFile account holder -- who transmits documents to the Clerk.[22]

Accordingly, the Commission finds that the Clerk is not required by the LLC Act to obtain, maintain, or record the Payor Information, and is not required to produce the Payor Information to the Petitioner as a record related to a business entity as outlined by § 12.1-19 C of the Code.

---

[13] *See* § 12.1-19 C (3) of the Code.

[14] *See* §§ 13.1-1010, 1011, 1011.1, 1012, 1014, 1014.1, and 1015-1017 of the Code.

[15] *See, e.g.*, Tr. at 23-24.

[16] The Clerk's Office is the entity that supports the Clerk in accepting and managing the statutory filings made by business entities. SCC eFile is a system developed by the Clerk's Office to assist in the logistics relating to these activities.

[17] *See* Clerk's Response at 7-8.

[18] *See id.*

[19] *See id.* at 6.

[20] *See, e.g.*, *id.* at 6-8.

[21] *See, e.g.*, Tr. at 23-24, 43-45, and Clerk's Response at 7.

[22] *See, e.g.*, Tr. at 23-24, 43-48.

B. Section 12.1-19 of the Code as well as Commission practices and procedures do not support discretionary disclosure of the Payor Information.

The Commission also finds that SCC eFile account user information should not, as a discretionary matter, be publicly disclosed. Unlike information required to be submitted and filed by the LLC Act, SCC eFile account user information consists of an individual's -- not a business entity's -- personal contact information. In fact, in contrast to a registered agent, director, officer, member or other similar statutorily defined individual, an SCC eFile account user may have no relationship with the business entity for whom the user is filing documents, other than as the courier or transmitter of that information. Thus, it is important to assess the appropriate privacy provisions that should be implemented and maintained to protect an individual SCC eFile user's personal information.

As discussed above, the Clerk developed SCC eFile pursuant to § 13.1-1003 J of the LLC Act. Electronic systems implemented under this provision must comply with § 59.1-496 of the Code, which requires the Clerk to "provid[e] protection to preserve security and confidentiality" of information contained in the system and to "control processes and procedures as appropriate" to ensure adequate security and confidentiality of electronic records in the system.[23]

To comply with this statutory directive, the Clerk implemented its Privacy Policy in or around October 2000 and issued its October 3, 2018 Guidance Document identifying to SCC eFile account holders and users the Clerk's processes for preserving and securing their personal data.[24] The Privacy Policy informs users that their personally identifiable information may be provided to another agency or entity to ensure an appropriate response to a filing or question, but that "this information is not otherwise externally shared."[25] Further, the Clerk's Guidance Document provides in relevant part that the Clerk "does not make available to the public information about an individual's SCC eFile account, by itself or in connection with any SCC eFile transaction."[26]

The Privacy Policy and Guidance Document establish an expectation of privacy for SCC eFile account holders. The Commission does not now believe it appropriate to overturn these reasonable expectations. Moreover, overturning the Clerk's long-standing privacy practices would jeopardize the Clerk's ability to accept electronic filings in a manner that preserves the security and confidentiality of SCC eFile users' information under § 59.1-496 of the Code. Thus, based upon the long-standing, reasonable privacy expectations regarding user information attendant to SCC eFile account registrations, the Commission finds that the equities weigh in favor of not making such information publicly available.[27]

Accordingly, the Commission finds that the Payor Information should not, as a discretionary matter, be publicly disclosed, pursuant to the Clerk's previously stated policies and long-standing practices regarding the protection of SCC eFile user information.

CONCLUSION AND FINDINGS

Accordingly, it is ORDERED THAT the Petition is denied, this matter is dismissed, and all related papers shall be placed in the file for ended causes.

Commissioner Patricia L. West did not participate in this matter.

[23] *See* § 13.1-1003 of the LLC Act and § 59.1-496 of the Code.

[24] *See* Clerk's Response at 10-12.

[25] *See* Privacy Policy, Attachment B to the Clerk's Response.

[26] *See* Guidance Document, Attachment C to the Clerk's Response.

[27] The Commission further notes that such privacy treatment is consistent with the handling of paper filings as well. The Clerk does not collect and make public specific payor or courier information, unless the payor or courier *voluntarily* includes such additional information in its actual filing.

CASE NO. CLK-2019-00006
FEBRUARY 20, 2020

IN RE:
PETITION OF ALLISON C. PIENTA

ORDER GRANTING RECONSIDERATION

On January 31, 2020, the State Corporation Commission ("Commission") issued an Order denying the Renewed Petition for Disclosure of Records of Business Entity and dismissing this matter from the Commission's docket ("January 31 Order"). On February 19, 2020, Allison C. Pienta ("Petitioner") filed a Petition for Reconsideration of the January 31 Order ("Petition for Reconsideration").

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration. The January 31 Order is hereby suspended pending the Commission's reconsideration.

Accordingly, IT IS ORDERED THAT

(1) Reconsideration is granted for the purpose of continuing jurisdiction of this matter and considering the Petition for Reconsideration.

(2) The January 31 Order is suspended.

(3) This matter is continued.

CASE NO. CLK-2019-00006
APRIL 27, 2020

IN RE:
PETITION OF ALLISON C. PIENTA

ORDER ON RECONSIDERATION

On January 31, 2020, the State Corporation Commission ("Commission" or "SCC") issued an Order denying the Renewed Petition for Disclosure of Records of Business Entity ("Renewed Petition") and dismissing this matter from the Commission's docket ("January 31 Order"). On February 19, 2020, Allison C. Pienta ("Petitioner") filed a Petition for Reconsideration of the January 31 Order ("Petition for Reconsideration"). On February 20, 2020, the Commission issued an Order Granting Reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration.

NOW THE COMMISSION, upon consideration hereof, is of the opinion and finds that the Petition for Reconsideration is denied.

As explained in the January 31 Order, the Petitioner requests the following in her Renewed Petition:

> "[A]ll records held by the Clerk of the Commission containing or relating to:
>
> 1. The name and address of the payer or SCC eFile account user who made the LLC assessment payment on 8/30/2018 for [BH Group].
>
> 2. The name and address of the payer or SCC eFile account user who made the LLC assessment payment on 8/15/2017 for [BH Group]."

("Requested Information"). The Commission denied the Petitioner's request for the Requested Information for the reasons cited in the January 31 Order.

The Petition for Reconsideration contains two main arguments: (1) the Requested Information is a record related to a business entity under § 12.1-19 C 3 of the Code of Virginia; and (2) the Requested Information may not be held confidential as a discretionary matter.[1] Both of these issues were addressed by the parties in the Renewed Petition, in the responsive pleadings to the Renewed Petition, and during the November 7, 2019 hearing in this matter. Moreover, the Commission subsequently ruled upon these issues in the January 31 Order.

"Motions . . . to reconsider a prior ruling involve matters wholly in the discretion of the trial court," here, the Commission.[2] The Petitioner's right to relief on reconsideration depends upon her ability to identify error on the face of the record, or explain how newly available information provides a "legal excuse," requiring the Commission to reevaluate and modify its prior ruling.[3] However, the Petition for Reconsideration does not raise any issues that the Commission finds in the exercise of its discretion warrants overturning its January 31 Order, nor does it identify any newly available information requiring the Commission to re-evaluate and modify the January 31 Order. Accordingly, the Commission herein exercises its discretion not to modify its prior ruling on the Renewed Petition as filed.

In addition, the Commission again emphasizes that information regarding SCC eFile account users is distinctly separate from specific records held by the Clerk related to business entities. SCC eFile exists simply to enable electronic – as opposed to physical – delivery of documents. SCC eFile account users are not required to identify with any particular business entity. That is because SCC eFile accounts serve as an alternative conduit – in lieu of, for example, the United States Postal Service – for the delivery of documents. In short, the personal information of an individual who effectuates delivery of documents to the Commission is not a record related to a business entity, regardless of whether that delivery is *physical* or *electronic*. Similarly, the personal information of payers is likewise not maintained by the Clerk as a record related to a business entity, regardless of whether the payment is *physical* or *electronic*.

---

[1] Petition for Reconsideration at 2 and 5, respectively.

[2] *Thomas v. Com.*, 62 Va. App. 104, 742 S.E. 2d 403 (2013), citing *Winston v. Com.*, 268 Va. 564, 620, 604 S.E.2d 21, 53 (2004).

[3] *See, e.g., id.*

Finally, because this personal information is not a record related to a business entity, the Petitioner has not established that the Commission lacks discretion in this matter. The Petitioner, however, also argues that "public policy" supports *not* protecting this personal information.[4] In this regard, while our decision is based on applicable state law and facts in the record, in exercising our discretion under law, the Commission has considered, among other things, the significant public policy concerns regarding the collection – and the need for protection – of personal information submitted to online databases potentially accessible by any person or actors, many with hostile or corrupt intent, with access to the internet. Online privacy is a significant public policy issue recognized increasingly on a global basis. Importantly for purposes of this proceeding, unlike personal information *voluntarily* submitted to non-governmental social media platforms (such as Facebook or LinkedIn), the personal information of SCC eFile account users at issue herein was *mandated* for submission by a governmental authority in order to submit filings to that governmental authority in an electronic format, filings that are required by law to do business in Virginia.[5] Strong public policy goals exist to protect the privacy of such personal information.

Accordingly, IT IS SO ORDERED, and this matter is DISMISSED.

[4] *See, e.g.,* Petition for Reconsideration at 6-7.

[5] While we do not base this decision on factual events since the Petition for Reconsideration was filed, we note that the COVID-19 pandemic crisis has caused the Commission to issue numerous emergency communications in response, among which are those that strongly urge all Virginia businesses required by law to file business entity records to submit those required documents *electronically* for more timely processing, as the COVID-19 health emergency has significantly impacted the capability of the Clerk's Office to process paper hard-copy submissions arriving by regular mail or by hand delivery. *See, e.g., Ex Parte:* Electronic Service of Commission Orders- Order Concerning Electronic Service of Commission Orders, CLK-2020-00004; and *Ex Parte:* Revised Operating Procedures During Covid-19 Emergency Order- Order Regarding the State Corporation Commission's Revised Operating Procedures During Covid-19 Emergency, CLK-2020-00005. *See also* Banner Notice as contained on the home page of https://www.scc.virginia.gov.

CASE NO. CLK-2019-00007
JUNE 5, 2020

RICHARD L. READ, *et al.,*
Petitioners,
v.
BLAIR T. G. NELLIGAN, *et al.,*
Defendants

FINAL ORDER

On September 26, 2019, Richard L. Read and Elizabeth Garrard, Trustee of the Edgar D. Garrard Trust (the "Petitioners") filed with the State Corporation Commission ("Commission") a Petition for Declaratory Judgment ("Petition") pursuant to § 12.1-13 of the Code of Virginia ("Code") and Rule 5 VAC 5-20-100 C of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.,* naming Blair T.G. Nelligan, Mary Byrd G. Denham, Laura G. Coleman, Julia G. Waddell, Judith E. Stewart, Trustee of Judith E. Stewart Trust, and Joe J. Stewart, Trustee of Joe J. Stewart Declaration of Trust, as Defendants (the "Defendants").

In the Petition, the Petitioners asserted that the conversion of Montvue Associates Limited Partnership to Montvue Associates, LLC in 2005 had no legal effect because the general partners of Montvue Associates Limited Partnership executed and filed with the Commission "Articles of Organization of Montvue Associates, LLC (Conversion of a Virginia Limited Partnership)" ("Articles of Organization") without the consent of the limited partners as required by § 13.1-1010.1 B of the Virginia Limited Liability Company Act as in effect in 2005. The Petitioners moved the Commission to: (i) declare that the attempted conversion of Montvue Associates Limited Partnership to a limited liability company known as Montvue Associates, LLC had no legal effect and that Montvue Associates Limited Partnership remains a limited partnership; (ii) declare that the certificate of organization for Montvue Associates, LLC is null and void; (iii) direct the Clerk to cancel the certificate of organization for Montvue Associates, LLC; (iv) direct the Clerk to reinstate Montvue Associates Limited Partnership as a limited partnership in the Commission's records; and (v) grant such other further relief as the Commission deems appropriate.

The Defendants filed no response to the Petition, but rather joined the Petitioners in filing a Joint Motion for Summary Judgment ("Joint Motion"). On January 21, 2020, the Petitioners and Defendants (collectively, the "Parties") filed their Joint Motion, along with a Stipulation, Affidavit of Richard L. Read (a general partner of Montvue Associates Limited Partnership), and a copy of the Montvue Associates Limited Partnership Amended Limited Partnership Agreement attached in support. In their Joint Motion, the Parties asserted that they are entitled to summary judgment because there is no genuine dispute as to any material fact. The Joint Motion sought almost identical relief as the Petition, but also asked the Commission to declare that there has been no lapse in Montvue Associates Limited Partnership's existence from the date of the attempted conversion on February 8, 2005.

On February 10, 2020, the Office of the Clerk of the Commission ("Clerk") filed a Response to the Petition and Joint Motion for Summary Judgment ("Response"). In the Response, the Clerk identified two issues before the Commission in this case: (i) whether the general partners of Montvue Associates Limited Partnership had the authority to file the Articles of Organization to convert the entity from a limited partnership to a limited liability company; and (ii) if the general partners did not have authority to file the Articles of Organization, what remedial action may be taken by the Commission. In the Response, the Clerk also expressed its reservation as to the scope of information submitted by the Parties in support of the Petition and Joint Motion. The Clerk stated that, if the Commission determines that the general partners did not have authority to execute and file the Articles of Organization, the Commission may deem the Articles of Organization null and void and correct its records in accordance with § 50-73.17 D of the Code and/or §13.1-1004 E of the Code.[1]

[1] The Clerk stated that the Commission does not have statutory authority to make other declaratory findings or characterizations about the legal impact of removal of the Articles of Organization from the Commission's records.

On February 18, 2020, the Parties filed their Joint Reply to Clerk's Office Response ("Joint Reply"). In their Joint Reply, the Parties asserted that they would limit their previous request for relief. The Parties moved the Commission for an order declaring that the Articles of Organization are deemed null and void and directing the Clerk to correct its records accordingly, including a reinstatement of Montvue Associates Limited Partnership as of February 8, 2005.

On February 27, 2020, the Hearing Examiner issued his Report. In his Report, the Hearing Examiner found that summary judgment is appropriate in this case because there is no material fact genuinely in dispute. In addition, the Hearing Examiner found that the conversion of Montvue Associates Limited Partnership to Montvue Associates, LLC was not effected in accordance with applicable law because approval of all the partners was not obtained prior to conversion. The Hearing Examiner recommended that the Commission enter an order that: (1) adopts the findings and recommendations contained in the Report; (2) grants the Joint Motion; (3) declares the Articles of Organization filed by the general partners of Montvue Associates Limited Partnership to be null and void; (4) directs the Clerk of the Commission to reinstate Montvue Associates Limited Partnership as a limited partnership as of February 8, 2005; and (5) passes the papers herein to the file for ended causes.

The Clerk filed comments to the Report on March 19, 2020 ("Comments"). In the Comments, the Clerk stated that it understood the Hearing Examiner's recommendation to the Commission to direct the Clerk to "reinstate" Montvue Associates Limited Partnership as a limited partnership as of February 8, 2005, to mean that Montvue Associates Limited Partnership's existence should be revived, rather than "reinstated."[2] The Clerk requested that the Commission, should it adopt the Hearing Examiner's findings and recommendations, direct the Clerk to correct the Commission's records to reflect Montvue Associates Limited Partnership's status as a limited partnership as if the Articles of Organization had never been filed, but that it not require the Clerk to take any further affirmative actions on behalf of Montvue Associates Limited Partnership. None of the Parties filed comments to the Report.

NOW THE COMMISSION, upon consideration of this matter is of the opinion that the Hearing Examiner's findings and recommendations should be adopted as set forth herein. The Commission finds that the Hearing Examiner's recommendation that the Commission grant the Parties' request for Summary Judgment and declare the Articles of Organization of Montvue Associates, LLC to be null and void should be adopted. The Commission further finds, as authorized by law, that the Clerk should correct its records to eliminate the conversion of Montvue Associates Limited Partnership to Montvue Associates, LLC in accordance with § 50-73.17 D of the Code.[3] Once the Clerk corrects it records, there will be no record on file with the Commission effecting the conversion of Montvue Associates Limited Partnership to Montvue Associates, LLC, and the Petitioners may take the steps necessary to make the existence of Montvue Associates Limited Partnership current with the Clerk.

Accordingly, IT IS ORDERED THAT:

(1) Summary Judgment is GRANTED.

(2) The Articles of Organization of Montvue Associates, LLC are hereby declared NULL and VOID.

(3) The Clerk of the Commission shall correct and make such entries in the records as may be necessary to reflect the relief afforded in this Order.

(4) This case is dismissed from the Commission's docket, and the papers herein shall be placed in the file for ended causes.

[2] In the Comments, the Clerk stated that "reinstatement" pursuant to § 50-73.52:7 of the Code is reserved for limited partnerships that have applied to the Commission for reinstatement within five years from the date the limited partnership ceased to exist. Further, the Clerk stated that § 50-73.52:7 of the Code identifies other actions that a limited partnership must undertake prior to reinstatement. The Parties have not alleged – nor does the Report address – that any of those actions have occurred here.

[3] Section 50-73.17 D of the Code provides in relevant part ". . . the Commission shall have the power to act upon a petition filed by a limited partnership at any time to correct Commission records so as to eliminate the effects of clerical errors and of filings made by a person without authority to act for the limited partnership." Because the general partners of Montvue Associates Limited Partnership did not secure the approval of all partners as required by law prior to filing the Articles of Organization to convert Montvue Associates Limited Partnership to Montvue Associates, LLC, the general partners lacked the authority to file the Articles of Organization.

CASE NO. CLK-2020-00004
MARCH 19, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: Electronic Service of Commission Orders

ORDER CONCERNING ELECTRONIC SERVICE OF COMMISSION ORDERS

The State Corporation Commission ("Commission") takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.[1]

Accordingly, the Commission takes the following action.

[1] See, for instance, Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Gov. Ralph S. Northam.

NOW THE COMMISSION HEREBY NOTIFIES parties to proceedings before the Commission that until May 15, 2020, unless such date is extended by Order of the Commission, pursuant to the Commission's authority under § 12.1-13 of the Code, the customary service of Commission Orders by means of paper copies to persons listed on docket service lists in the Commission's Case Management System ("CASE") shall be and is hereby suspended immediately with the entry of this Order. Service of Orders during this period shall instead be accomplished by e-mail, utilizing the e-mail addresses of parties to proceedings and counsel of record then available to the Commission, its Office of General Counsel, and the Clerk of the Commission. Further, filings made hereafter by parties to a Commission proceeding, or their counsel of record, shall include email addresses where such parties, or their counsel, can receive Commission Orders.

During this period, parties and counsel of record in Commission dockets, are also advised to regularly monitor the Commission's on-line public CASE system at http://www.scc.virginia.gov/docketsearch for docket-related developments, including the entry of Commission Orders.[2]

IT IS SO ORDERED this 19th day of March 2020.

[2] The Commission also notes that under 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*., parties to proceedings before the Commission, together with Staff, may agree to electronic service of pleadings and other documents filed with the Commission.

CASE NO. CLK-2020-00004
MAY 11, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

CASE NO. CLK-2020-00004
CASE NO. CLK-2020-00005

Ex Parte: Revised Operating Procedures During COVID-19 Emergency Extension of Prior Orders

ORDER REGARDING THE STATE CORPORATION COMMISSION'S REVISED OPERATING PROCEDURES DURING COVID-19 EMERGENCY

On March 19, 2020, in response to the ongoing public health emergency relating to the spread of the coronavirus, or COVID-19, the declarations of emergency issued at both the state[1] and federal levels, and the Order Declaring a Judicial Emergency In Response to COVID-19 Emergency issued by the Supreme Court of Virginia on March 16, 2020 ("Judicial Emergency Declaration"), the State Corporation Commission ("Commission") entered certain orders modifying its operating and service of order procedures ("Procedural Orders")[2] pursuant to § 12.1-13 of the Code of Virginia ("Code"). The Procedural Orders stated that such modifications would be in effect until May 15, 2020, unless otherwise extended by Order of the Commission.

NOW THE COMMISSION, upon consideration of these matters, takes judicial notice that the underlying events and conditions prompting the initial entry of the Procedural Orders continue.[3] The Commission hereby ORDERS that the above referenced Procedural Orders are extended and the terms or requirements contained therein remain in effect until such subsequent order of the Commission terminating the applicability of the Procedural Orders.

IT IS SO ORDERED this 11th day of May, 2020.

[1] *See* Executive Order No. 51, Declaration of a State of Emergency Due to Novel Corona Virus. COVID-19, issued March 12, 2020, by Governor Ralph S. Northam.

[2] *See* Doc. Cen. Con. Nos. 200330035 and 200330042.

[3] *See, e.g*. Executive Order No. 55, Temporary Stay at Home Order Due to Novel Coronavirus (COVID-19), issued March 30, 2020, by Governor Ralph S. Northam (effective through June 10, 2020); and In Re: Fourth Order Modifying and Extending Declaration of Judicial Emergency in Response to COVID-19 Emergency, issued May 6, 2020, by the Supreme Court of Virginia (extending the Period of Judicial Emergency through June 7, 2020).

CASE NO. CLK-2020-00005
MARCH 19, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*
STATE CORPORATION COMMISSION

Ex Parte: Revised Operating Procedures During COVID-19 Emergency

ORDER REGARDING THE STATE CORPORATION COMMISSION'S REVISED OPERATING PROCEDURES DURING COVID-19 EMERGENCY

The State Corporation Commission ("Commission") takes judicial notice of the ongoing public health emergency relating to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state[1] and federal levels, as well as the Order Declaring a Judicial Emergency In Response to COVID-19 Emergency issued by the Supreme Court of Virginia on March 16, 2020 ("Judicial Emergency Declaration").

[1] *See* Executive Order No. 51, Declaration of a State of Emergency Due to Novel Corona Virus. COVID-19, issued March 12, 2020, by Governor Ralph S. Northam.

Accordingly, pursuant to these emergency directives, the Judicial Emergency Declaration and § 12.1-13 of the Code of Virginia ("Code"), effective March 20, 2020 and until May 15, 2020, unless such date is extended by Order of the Commission, the Commission is instituting the following operating procedures to protect the health and safety of both the general public and the Commission's employees.

(1) In lieu of submitting any business entity, fictitious name or Uniform Commercial Code document to the Office of the Clerk ("Clerk's Office") in paper, persons should use electronic filing options. A list of available electronic filing options for the Clerk's Information System is attached as Exhibit 1 to this Order. Submissions by mail or commercial mail equivalents (FedEx, etc.) will be accepted but, due to the emergency, may not be processed for an indefinite period of time.

(2) The Commission has suspended in-person access to the Clerk's Office, as follows:

(a) All pleadings 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 of Procedure, as modified herein. Any person seeking to hand deliver and physically file or submit any pleading or other document required to be filed in a case pending before the Commission shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery; and,

(b) For all other business, the Commission is directing the use of electronic filing systems, email, or telephone, in that order, for best services. Any person seeking to hand deliver and physically submit any other document or payment to the Commission, shall instead deliver such filing or submission to the designated drop box located at the Security Desk in the 1st Floor lobby of the Tyler Building. To the extent feasible, documents deposited in this drop box by 4:45 p.m. on any given business day will be dated and deemed submitted on that day. Documents deposited after this time will be dated and deemed submitted on the next business day.

(3) Pursuant to Rule 5 VAC 5-20-10, *Applicability,* of the Commission's Rules of Practice and Procedure and until further Order of the Commission, Rule 5 VAC 5-20-150, *Copies and Format,* is hereby modified to authorize that electronic filings made in the Clerk's Office may exceed the 100-page limit otherwise prescribed therein. Such authorization is subject to such size, technical, and process limitations as may be prescribed by the Clerk's Office and set forth on the Commission's website at: http://www.scc.virginia.gov/clk/efiling/.

IT IS SO ORDERED this 19th day of March, 2020.

CASE NO. CLK-2020-00005
MAY 11, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

CASE NO. CLK-2020-00004
CASE NO. CLK-2020-00005

Ex Parte: Revised Operating Procedures During COVID-19 Emergency Extension of Prior Orders

ORDER REGARDING THE STATE CORPORATION COMMISSION'S REVISED OPERATING PROCEDURES DURING COVID-19 EMERGENCY

On March 19, 2020, in response to the ongoing public health emergency relating to the spread of the coronavirus, or COVID-19, the declarations of emergency issued at both the state[1] and federal levels, and the Order Declaring a Judicial Emergency In Response to COVID-19 Emergency issued by the Supreme Court of Virginia on March 16, 2020 ("Judicial Emergency Declaration"), the State Corporation Commission ("Commission") entered certain orders modifying its operating and service of order procedures ("Procedural Orders")[2] pursuant to § 12.1-13 of the Code of Virginia ("Code"). The Procedural Orders stated that such modifications would be in effect until May 15, 2020, unless otherwise extended by Order of the Commission.

NOW THE COMMISSION, upon consideration of these matters, takes judicial notice that the underlying events and conditions prompting the initial entry of the Procedural Orders continue.[3] The Commission hereby ORDERS that the above referenced Procedural Orders are extended and the terms or requirements contained therein remain in effect until such subsequent order of the Commission terminating the applicability of the Procedural Orders.

IT IS SO ORDERED this 11th day of May, 2020.

[1] *See* Executive Order No. 51, Declaration of a State of Emergency Due to Novel Corona Virus. COVID-19, issued March 12, 2020, by Governor Ralph S. Northam.

[2] *See* Doc. Cen. Con. Nos. 200330035 and 200330042.

[3] *See, e.g*. Executive Order No. 55, Temporary Stay at Home Order Due to Novel Coronavirus (COVID-19), issued March 30, 2020, by Governor Ralph S. Northam (effective through June 10, 2020); and In Re: Fourth Order Modifying and Extending Declaration of Judicial Emergency in Response to COVID-19 Emergency, issued May 6, 2020, by the Supreme Court of Virginia (extending the Period of Judicial Emergency through June 7, 2020).

CASE NO. CLK-2020-00007
APRIL 1, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*
STATE CORPORATION COMMISSION

Ex Parte: Electronic service among parties during COVID-19 emergency

ORDER REQUIRING ELECTRONIC SERVICE

The State Corporation Commission ("Commission") takes judicial notice of the ongoing public health emergency relating to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state[1] and federal executive levels, as well as the declarations of emergency issued by the Supreme Court of Virginia.[2]

NOW THE COMMISSION, upon consideration of these emergency directives and declarations and § 12.1-13 of the Code of Virginia, hereby requires that pursuant to Rule 140, *Filing and service,* of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*., all pleadings, briefs, or other documents that are required to be served on parties to a proceeding or on the Commission's Staff shall be served by electronic mail service unless electronic mail service is incapable of being performed. 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.

This requirement shall be effective as of the date of this Order and until further orders of the Commission.

Accordingly, IT IS SO ORDERED, and this case is continued.

---

[1] *See* Governor Ralph S. Northam's Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020; Executive Order No. 53, Temporary Restrictions on Restaurants, Recreational, Entertainment, Gatherings, Non-Essential Retail Businesses, and Closure of K-12 Schools Due to Novel Coronavirus (COVID-19), issued March 23, 2020; and Executive Order No. 55, Temporary Stay At Home Order Due to Novel Coronavirus (COVID-19), issued March 30, 2020.

[2] *See* Order Declaring a Judicial Emergency in Response to COVID-19 Emergency issued by the Supreme Court of Virginia on March 16, 2020, and Order Extending Declaration of Judicial Emergency in Response to COVID-19 Emergency on March 27, 2020.

HEALTH BENEFIT EXCHANGE

CASE NO. HBE-2020-00002
SEPTEMBER 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting New Rules Governing the Certified Application Counselor Program

ORDER TO TAKE NOTICE

Section 12.1-13 of the Code of Virginia ("Code") provides that the State Corporation Commission ("Commission") shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction. In accordance with § 38.2-6515 of the Code, the Commission may adopt any rules and regulations pursuant to § 38.2-223 of the Code as necessary or appropriate for the administration of the Health Benefit Exchange ("Exchange").

The rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code are set forth in Title 14 of the Virginia Administrative Code. A copy also may be found at the Commission's website: https://www.scc.virginia.gov/pages/Case-Information.

The Exchange has submitted to the Commission a proposal to promulgate new rules at Chapter 10 of Title 14 of the Virginia Administrative Code entitled "Rules Governing the Certified Application Counselor Program," which are recommended to be set out at 14 VAC 7-10-10 through 14 VAC 7-10-80.

The proposed new rules are necessary in light of the enactment of § 38.2-6514 of Chapter 65 of Title 38.2 of the Code of Virginia. This Code section requires the Exchange to establish a Certified Application Counselor program pursuant to 45 C.F.R. § 155.225. Certified application counselors are individuals who are trained and able to help consumers seeking health insurance coverage options in the Exchange marketplace. The Exchange may designate certain organizations to certify and oversee certified application counselors. The rules establish processes and criteria for the designation of organizations, the certification of application counselors, and the duties and obligations of both.

NOW THE COMMISSION is of the opinion that the proposal to adopt new rules recommended to be set out at Chapter 10 of Title 14 in the Virginia Administrative Code as submitted by the Exchange should be considered for adoption with a proposed effective date of on or before January 1, 2021.

Accordingly, IT IS ORDERED THAT:

(1) The proposed new rules entitled "Rules Governing the Certified Application Counselor Program," recommended to be set out at 14 VAC 7-10-10 through 14 VAC 7-10-80, is attached hereto and made a part hereof.

(2) All interested persons who desire to comment in support of or in opposition to, or request a hearing to oppose the adoption of proposed Chapter 10 shall file such comments or hearing request on or before October 16, 2020, with the Clerk of the Commission, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. HBE-2020-00002. Interested persons desiring to submit comments electronically may do so by following the instructions at the Commission's website: https://www.scc.virginia.gov/pages/Case-Information. All comments shall refer to Case No. HBE-2020-00002.

(3) If no written request for a hearing on the adoption of the proposed new rules as outlined in this Order is received on or before October 16, 2020, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposal, may adopt the rules as submitted by the Exchange.

(4) The Exchange shall provide notice of the proposal to all carriers licensed in Virginia to write individual and small group health insurance and to all interested persons.

(5) The Commission's Division of Information Resources shall cause a copy of this Order, together with the proposal to amend rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(6) The Commission's Division of Information Resources shall make available this Order and the attached proposal on the Commission's website: https://www.scc.virginia.gov/pages/Case-Information.

(7) The Exchange shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of Ordering Paragraph (4) above.

(8) This matter is continued.

NOTE: A copy of the attachment entitled "Rules Governing the Certified Application Counselor Program" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. HBE-2020-00002
NOVEMBER 5, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting New Rules Governing the Certified Application Counselor Program

ORDER ADOPTING RULES

By Order to Take Notice ("Order") entered September 4, 2020, all interested persons were ordered to take notice that subsequent to October 16, 2020, the State Corporation Commission ("Commission") would consider the entry of an order adopting new rules in Chapter 10 of Title 14 of the Virginia Administrative Code entitled "Rules Governing the Certified Application Counselor Program," (hereinafter referred to as "Rules") recommended to be set out at 14 VAC 7-10-10 through 14 VAC 7-10-80, unless on or before October 16, 2020 any person objecting to the adoption of said Rules filed a request for hearing with the Clerk of the Commission ("Clerk").

The Order also required all interested persons to file their comments in support of or in opposition to the proposed Rules with the Clerk on or before October 16, 2020.

The proposed Rules are necessary in light of the enactment of § 38.2-6514 of Chapter 65 of Title 38.2 of the Code of Virginia. This Code section requires the Health Benefit Exchange ("Exchange") to establish a Certified Application Counselor program pursuant to 45 C.F.R. § 155.225. Certified application counselors are individuals who are trained and able to help consumers seeking health insurance coverage options in the Exchange marketplace. The Exchange may designate certain organizations to certify and oversee certified application counselors. The Rules establish processes and criteria for the designation of organizations, the certification of application counselors, and the duties and obligations of both.

Following entry of the Order to Take Notice, the Exchange received comments from one stakeholder, the Virginia Health Care Foundation. No requests for a hearing were filed with the Clerk. The Exchange carefully considered the comments and responded to those comments via letter, which was filed in the case file on October 29, 2020. As a result of those comments, no revisions to the proposed Rules are recommended. It is noted that the Exchange has added two newly developed forms to the Rules.

NOW THE COMMISSION, having considered the proposal to adopt new Rules, the comments filed, the Exchange's Response and the Exchange's recommendation that no amendments are necessary to the Rules as proposed, is of the opinion that the attached new Rules and appurtenant forms should be adopted, effective January 1, 2021.

Accordingly, IT IS ORDERED THAT:

(1) Chapter 10 of the new Rules entitled "Rules Governing the Certified Application Counselor Program," set out at 14 VAC 7-10-10 through 14 VAC 7-10-80 which are attached hereto and made a part hereof, are hereby ADOPTED effective January 1, 2021.

(2) The Exchange shall provide notice of the adoption of the new Rules to all carriers licensed in Virginia to write accident and sickness insurance and to all Life & Health interested persons.

(3) The Commission's Division of Information Resources shall cause a copy of this Order, together with the new Rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(4) The Commission's Division of Information Resources shall make available this Order and the attached new Rules on the Commission's website: scc.virginia.gov/pages/Case-Information.

(5) The Exchange shall file with the Clerk of the Commission a certificate of compliance with the notice requirements of Ordering Paragraph (2) above.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the attachment entitled "Rules Governing the Certified Application Counselor Program" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

BUREAU OF INSURANCE

CASE NO. INS-2012-00198
DECEMBER 1, 2020

PETITION OF
TIMBERLAND INVESTORS, LUTHER J. BOWLES, III, BOBLA, LLC, GEORGE MARSHALL BUTLER, JR. and JAMES A. MCPHERSON

For review of Southern Title Insurance Corporation Deputy Receiver's Determination of Appeal

FINAL ORDER

On August 16, 2012, Timberland Investors, Luther J. Bowles, III, Bobla, LLC, George Marshall Butler, Jr., and James A. McPherson (collectively, "Petitioners"), through counsel, and pursuant to the Supplemental Rules of Practice and Procedure in Aid of Receivership Proceedings and Order in Aid of Receivership[1] entered by the State Corporation Commission ("Commission"), filed with the Clerk of the Commission a Petition for Review of Deputy Receiver's Determination of Appeal ("Petition"). Petitioners contested the Deputy Receiver's denial of coverage made in connection with Claim No. 2012-25.

On August 30, 2012, the Commission entered an Order docketing this case, appointing a hearing examiner to conduct all further proceedings in this matter on behalf of the Commission, and directing the Deputy Receiver to file a responsive pleading on or before September 21, 2012.

On September 21, 2012, the Deputy Receiver, by counsel, filed an Answer to the Petition in which the Deputy Receiver argued that the Petition failed to assert sufficient grounds to overturn the Deputy Receiver's decision to deny coverage. On September 26, 2012, the Hearing Examiner determined that the Deputy Receiver's Answer included a motion to dismiss and permitted the Petitioners to file a response on or before October 17, 2012 with the Deputy Receiver to file any reply within ten business days of the filing of the response.

On October 9, 2012, the Hearing Examiner granted an Agreed Motion for Continuance. Pursuant to that Ruling the parties filed seven Joint Status Reports. The Seventh Joint Status Report was filed on March 4, 2015.

On November 15, 2019, the Deputy Receiver, by counsel, filed a Motion to Dismiss for Lack of Prosecution pursuant to § 8.01-335(B) of the Code of Virginia ("Code"). That section of the Code provides:

> Any court in which is pending a case wherein for more than three years there has been no order or proceeding, except to continue it, may, in its discretion, order it to be struck from its docket and the action shall thereby be discontinued. The court may dismiss cases under this subsection without any notice to the parties.

In the Motion to Dismiss for Lack of Prosecution, the Deputy Receiver maintained that the Petitioners have taken no action to prosecute their claims since March 2015 and have not responded to the Deputy Receiver's inquiries. The Petitioners did not file a response to the Motion to Dismiss for Lack of Prosecution.

On December 19, 2019, the Hearing Examiner entered his report ("Report"), which thoroughly summarized the procedural history of this case. In his Report, the Hearing Examiner, based on the Petitioners' lack of action to prosecute their claims or respond to the Deputy Receiver's inquiries, found that the Motion to Dismiss for Lack of Prosecution should be granted. The Hearing Examiner recommended that the Commission enter an Order that adopts the findings of his Report and dismisses this case from the Commission's docket of active cases and passes the papers herein to the file for ended causes. Additionally, the Report allowed the parties until January 10, 2020 to file comments. Neither the Petitioners nor the Deputy Receiver filed comments.

NOW THE COMMISSION, upon consideration of this matter and the law applicable hereto, is of the opinion and finds that the finding and recommendation of the Hearing Examiner's Report should be adopted, the Deputy Receiver's Motion to Dismiss for Lack of Prosecution should be granted, and this case should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) The Deputy Receiver's Motion to Dismiss for Lack of Prosecution is hereby GRANTED.

(2) This case is DISMISSED, and the papers herein shall be passed to the file for ended causes.

---

[1] *Commonwealth of Virginia ex rel., State Corporation Commission v. Southern Title Insurance Corporation, in Receivership*, Case No. INS-2011-00239, Doc. Con. Cen. No. 120430039, Order in Aid of Receivership (Apr. 19, 2012).

CASE NO. INS-2017-00027
FEBRUARY 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
RAY BRADLEY PRICE

SETTLEMENT ORDER

The Bureau of Insurance ("Bureau") of the State Corporation Commission ("Commission") conducted an investigation of Ray Bradley Price ("Mr. Price") pursuant to § 38.2-1809 of the Code of Virginia ("Code").

Summary

The investigation concerned whether Mr. Price, after twice surrendering his Virginia insurance license, and being subject to a Commission Settlement Order[1] that permanently enjoined him from owning, controlling, being employed by or otherwise transacting the business of insurance in the Commonwealth of Virginia ("2013 Settlement Order"), continued to be involved in the business of insurance or involved with the operation of his wife's, Stacey Groome Price ("Mrs. Price"), insurance agency, VPIA, Inc., in violation of the 2013 Settlement Order and Virginia law. Accordingly, as discussed in more detail below, to resolve the Bureau's current allegations, Mr. Price has agreed to the imposition of monetary penalty.

Background and Relevant Regulatory History

Mr. Price is a resident of Virginia who was licensed with the Bureau of Insurance from 1994 to 1998 and from 2001 to 2003 to sell property and casualty insurance in Virginia.

Mr. Price first surrendered his license in 1998 following a Bureau investigation for falsifying documents in insurance applications. The Bureau's investigation at that time revealed that Mr. Price allegedly falsified documents to misrepresent that new insurance applicants had prior insurance coverage, when in fact, they did not.

Three years later, Mr. Price reapplied for, and was issued, a license in 2001 to sell property and casualty insurance in Virginia. However, in 2003 he surrendered his license a second time following the Bureau investigation into Mr. Price's alleged unlicensed insurance activity.

After surrendering his Virginia license this second time, Mr. Price was allowed to own an insurance agency, but was not allowed to transact insurance business while he remained unlicensed by the Bureau. Accordingly, the Bureau allowed Mr. Price to co-own an insurance agency known as Virginia's Preferred Insurance Agency, Inc. ("Virginia Preferred") with his wife, Mrs. Price, as long as Mr. Price did not himself engage in insurance transactions.

The Bureau opened another investigation of Mr. Price in 2010, based upon a subsequent complaint. As a result of this 2010 investigation, the Bureau alleged that Mr. Price had continued to act as an unlicensed insurance agent while working at Virginia Preferred, despite having previously surrendered his license. The Bureau also alleged as a result of this investigation that (a) Mr. Price and Virginia Preferred failed to disclose and produce records for three (3) agency bank accounts, including a premium account and a credit line; (b) records from these accounts revealed that Mr. Price used premiums deposited into this premium account to pay business debts, rather than remitting that premium to the insurers as required; and (c) Mr. Price had falsified insurance applications to obtain favorable pricing for an insured.

Accordingly, the Commission issued a Rule to Show Cause on December 14, 2012, based upon the Bureau's assertion, among other matters, that Mr. Price had violated (a) § 38.2-1822 of the Code by acting as an unlicensed agent; (b) § 38.2-1813 of the Code by failing to hold premiums in a fiduciary capacity; (c) § 38.2-512 A of the Code by making false statements on an insurance application; and (d) § 38.2-1809 of the Code by failing to produce required records to the Bureau.

Mr. Price waived his right to hearing on these violations, and instead agreed to the entry of the 2013 Settlement Order through which he accepted, and the Commission ordered that Mr. Price,

(a) Would be "permanently enjoined from transacting the business of insurance in the Commonwealth and [would not] directly or indirectly own or control any insurance agency. . . unless otherwise authorized by the Commission," and,

(b) Would not be "employed in any manner that . . . concerns client funds, client files, client interactions, management of licensed agents, supervision of licensed agents, or training of licensed agents . . . unless otherwise authorized by the Commission."

After the entry of the 2013 Settlement Order, Mrs. Price maintained sole ownership of Virginia Preferred, but ultimately reformed and renamed the agency to VPIA, Inc. ("VPIA").

The Bureau's Current Allegation, The Commission's Statutory Remedies, and Proposed Settlement

Despite the 2013 Settlement Order's requirement that Mr. Price be permanently enjoined from engaging in the business of insurance in the Commonwealth and be prohibited from owning or operating an insurance agency, the Bureau received a complaint in May 2016 that Mr. Price was again disregarding the Commission's prior Settlement Order and was continuing to be involved in the operation and control of VPIA.

[1] *See* Final Order, SCC v. Ray Bradley Price and Virginia's Preferred Insurance Agency, Inc., Case No. INS-2012-00251, Doc. Con. Cen. No. 130330185 (Mar. 26, 2013).

Based upon this complaint, the Bureau asked VPIA and Mrs. Price to produce email communications to and from Mr. Price between January 1, 2013, and February 28, 2017.

Based upon documents produced in response, the Bureau alleged that Mr. Price was, among other things, directing VPIA employees to take certain actions on behalf of the agency, was making decisions regarding VPIA's business operations, was being updated about VPIA's business generation and revenue, was being consulted about VPIA's business decisions and business plans, and was otherwise involved in VPIA's financial status and operations.

Based upon these activities, the Bureau asserts that Mr. Price violated the 2013 Settlement Order by managing, directing, controlling, or otherwise operating an insurance agency, collecting or holding premium funds or otherwise being involved in the business of insurance, though unlicensed and permanently enjoined from doing so.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid violations. Additionally, the Commission is authorized by § 12.1-33 of the Code to impose monetary penalties upon any individual or entity who disobeys a Commission order, including settlement orders.

Having been advised of his right to a hearing in this matter, Mr. Price has made an offer of settlement to the Commission wherein he will abide by and comply with the following terms and undertakings:

(1) Mr. Price will tender to the Commonwealth the sum of Twenty-Five Thousand Dollars ($ 25,000) by certified check or money order made payable to the Treasurer of Virginia on or before the date this Order is entered.

(2) Mr. Price will waive his right to a hearing on the Bureau's allegations.

The Bureau has recommended that the Commission accept the offer of settlement of Mr. Price pursuant to the authority granted the Commission in § 12.1-15 of the Code.

Accordingly, IT IS ORDERED THAT:

(1) The offer of Ray Bradley Price in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2017-00183
OCTOBER 6, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MARK STEPHEN DIAMOND,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Mark Stephen Diamond ("Diamond" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when he failed to report administrative actions taken against him in Montana on September 29, 2014 and in Nebraska on February 23, 2017; § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on August 6, 2014 by failing to report a civil action which had been filed against him in 2012 in the United States District Court for the District of Colorado; § 38.2-1831 (3) of the Code by obtaining a license through misrepresentation or fraud for his failure to disclose the 2012 civil action when obtaining his insurance license; and § 38.2-1831 (10) of the Code by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, or untrustworthiness in the conduct of business in this Commonwealth or elsewhere by failing to report the 2012 civil action and the 2014 and 2017 administrative actions.

Diamond is an Arizona resident licensed with the following lines of authority: Life & Annuities and Health.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective February 5, 2020; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from February 5, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00069
NOVEMBER 23, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
NEXUS SERVICES INC., LIBRE BY NEXUS INC., MICHAEL PAUL DONOVAN, and RICHARD EDWARD MOORE,
Defendants

SETTLEMENT ORDER

The Bureau of Insurance ("Bureau") for the State Corporation Commission of Virginia ("Commission") conducted an investigation into Nexus Services Inc. ("Nexus"), Libre by Nexus Inc. ("Libre"), Michael Paul Donovan, and Richard Edward Moore (collectively "Defendants") pursuant to § 38.2-1809 of the Code of Virginia ("Code"). Based on its investigation, the Bureau alleges that since approximately 2014, Defendants and their employees, while unlicensed by the Bureau to transact the business of insurance, acted as insurance agents in soliciting, negotiating, and selling through Libre surety insurance in the form of immigration surety bonds. The Bureau alleges that even though Defendants knew they were required to be licensed as insurance agents, they solicited, negotiated, and sold through Libre more than 1,500 immigration surety bonds in the Commonwealth of Virginia ("Virginia"), totaling over $1.5 million in premiums paid. The Bureau further alleges that the unlicensed Defendants profited from their immigration bond business by retaining a portion of the bond premiums, along with other fees in connection with the sale of the bonds.

Based on this alleged conduct, the Bureau asserts that Defendants violated § 38.2-1822 of the Code by knowingly transacting the business of insurance without a license and acting as unlicensed insurance agents in Virginia. With respect to such violations of the Code, the Commission is authorized by § 38.2-219 of the Code to enter a cease and desist order, by § 38.2-218 of the Code to impose certain monetary penalties, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

Prior to a hearing in this matter, Defendants made Motions To Dismiss and Demurrer ("Demurrer") on October 31, 2019. On December 13, 2019, the Hearing Examiner issued a ruling denying Defendants' Demurrer. On December 16, 2019, Defendants submitted an Objection to Hearing Examiner Ruling on Demurrer. Defendants also filed an Answer To Amended Rule To Show Cause on January 3, 2020 regarding the Bureau's allegations and their defenses thereto. A hearing in this matter was initially scheduled to commence on April 28, 2020, but was subsequently continued until November 9, 2020.

Defendants, while neither admitting nor denying the allegations made herein and without adjudication by the Commission at a hearing, admit to the Commission's jurisdiction and authority pursuant to § 12.1-15 of the Code to enter this Settlement Order. In order to settle all matters arising from these allegations, Defendants have made an offer of settlement to the Commission wherein Defendants will abide by and comply with the following terms and undertakings:

(1) Defendants shall pay the sum of Four Hundred Twenty-Five Thousand Dollars ($425,000), jointly and severally, to the Treasurer of Virginia pursuant to § 12.1-15 and § 38.2-218(A)-(B) of the Code. Such payment will be made in accordance with the following payment plan:

(a) The sum of One Hundred Thousand Dollars ($100,000) will be paid contemporaneously with the entry of this Settlement Order;

(b) The sum of Twenty-Five Thousand Dollars ($25,000) will be paid by November 15, 2020; and

(c) The sum of Twenty-Five Thousand Dollars ($25,000) will be paid each month thereafter on or before the first business day of such month for a period of twelve (12) months after entry of this Settlement Order, commencing on December 1, 2020.

(2) Defendants shall undertake the following actions to ensure compliance with the Code and Virginia's insurance laws and regulations:

(a) Defendants and their employees will cease collecting, receiving, forwarding, remitting, or otherwise handling, as an intermediary or otherwise, any premium monies being paid by or on behalf of customers[1] in Virginia for the placement of immigration surety bonds;

(b) Defendants and their employees will cease collecting, receiving, or otherwise handling, as an intermediary or otherwise, any collateral payments by or on behalf of Virginia customers intended to secure their immigration surety bonds;

[1] For purposes of this Settlement Order, the term "customers" shall be defined to include immigrant detainees who are contracting any of Defendants' services (also known as "program participants"), co-signers of program participants' immigration surety bonds, and any other persons transacting with Defendants on behalf of program participants.

(c) Defendants and their employees will cease being present for and/or involved in the negotiation of contracts with Virginia customers for the placement of immigration surety bonds;

(d) Defendants and their employees will not otherwise engage in any actions that constitute procuring or financing premium monies on behalf of Virginia customers[2];

(e) If Defendants or their employees are contacted by either a Virginia resident or person present in Virginia seeking to contract Defendants' services, Defendants and their employees will first refer such person to a Virginia-licensed bonding agent for the negotiation and transacting of an immigration surety bond and wait until the price and terms of the immigration surety bond have been determined without the involvement of Defendants before contracting with such person for any of Defendants' services;

(f) Defendants will not accept any monetary commissions or other fees for referrals made to Virginia-licensed bonding agents or otherwise tied to immigration surety bond transactions;

(g) Defendants will cease advertising in Virginia in any medium, method, or channel, unless said advertising clearly and conspicuously discloses that Defendants are not licensed in Virginia by the Bureau in any capacity and that Defendants are not legally authorized to sell products or provide services to their customers that constitute the business of insurance or surety bonds;

(h) Defendants' written contracts, materials, and advertising shall clearly disclose (1) that Defendants are either not licensed in Virginia by the Bureau in any capacity or not licensed in any jurisdiction to conduct the business of insurance or surety bonds and (2) that Defendants are not legally authorized to sell products or provide services to their customers that constitute the business of insurance or surety bonds;

(i) Defendants' contracts with Virginia customers shall clearly and conspicuously attest that all monies paid to Defendants are solely for products and services that do not constitute the business of insurance or surety bonds and that any relationship between a customer and Defendants is separate and distinct from the contractual relationship that customer has with any licensed bonding agent or surety company;

(j) Defendants will cease requiring Virginia program participants enrolled after the effective date of this Settlement Order to wear GPS monitoring devices; and

(k) Defendants will notify the Bureau by letter addressed to the Deputy Commissioner of the Agent Regulation Division, State Corporation Commission of Virginia, 1300 East Main Street, Richmond, Virginia 23219, if Defendants or any business entities or individuals affiliated with Defendants apply with the Bureau for a license to transact the business of insurance.

(3) In addition to any continuing obligation to furnish records and other information requested by the Bureau pursuant to § 38.2-1809 of the Code, Nexus, Libre, and any business entities owned, controlled, or managed by Defendants that engage in the same business as Libre shall, for a period of thirty (30) months from the entry of this Settlement Order, submit to reasonable examination by the Bureau of all business records related to the Virginia business of Nexus, Libre, and any business entities owned, controlled, or managed by Defendants that engage in the same business as Libre – including but not limited to Virginia customer files, financial records, and documentation related to the Virginia business of Nexus, Libre, and any business entities owned, controlled, or managed by Defendants that engage in the same business as Libre, such as contracts or documents relating to their relationship with bonding agents or surety companies – at a time and place and via a method and frequency to be determined by the Bureau, provided thirty (30) days advance notice to Defendants.

(4) In addition to any continuing obligation to furnish records and other information requested by the Bureau pursuant to § 38.2-1809 of the Code, Nexus, Libre, and any business entities owned, controlled, or managed by Defendants that engage in the same business as Libre shall, for a period of thirty (30) months from the entry of this Settlement Order, respond to inquiries from the Bureau related to the Virginia business of Nexus, Libre, and any business entities owned, controlled, or managed by Defendants that engage in the same business as Libre within a reasonable time frame to be determined by the Bureau, provided thirty (30) days advance notice to Defendants.

(5) If Defendants are found to have violated any term or provision of this Settlement Order, as set forth in Paragraphs (1) through (4) above, Defendants agree that such violation, if proven to the Commission after notice and an opportunity to be heard, would constitute failure to obey an order of the Commission, subjecting Defendants to a judgment on breach of this Settlement Order in the amount of any remaining payments due under this Settlement Order, in addition to any other available remedies.

The Bureau has recommended that the Commission accept the offer of settlement of Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of Defendants, and the recommendation of the Bureau, is of the opinion that Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of Defendants in settlement of the matter set forth herein is hereby accepted.

(2) Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

[2] Only the restriction related to procurement contained in Paragraph 2(d) of this Settlement Order shall not extend to charitable bonding that may be undertaken by Defendants.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of Defendants' failure to comply with the terms and undertakings of this settlement. Upon notification by the Bureau that the terms and undertakings of this settlement have been completed, the Commission will consider a final order dismissing this case.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2018-00074
OCTOBER 22, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BANKERS INDEPENDENT INSURANCE COMPANY,
Defendant

FINAL ORDER

On September 11, 2018, the State Corporation Commission ("Commission") entered an Order Suspending License ("Order") suspending the license issued to Bankers Independent Insurance Company ("Defendant") to transact the business of insurance in the Commonwealth of Virginia ("Virginia") because of the Defendant's failure to eliminate the impairment in its surplus and restore the same to at least $3 million.

By letter to the Bureau of Insurance ("Bureau") dated September 23, 2020, and signed by Defendant's senior vice president, general counsel and secretary, Ronna F. Ruppelt, the Bureau was advised that the Defendant wishes to surrender its license to transact the business of insurance in Virginia, as the Defendant does not have any policies in force.

The withdrawal of the Defendant's license has been processed by the Bureau effective September 23, 2020.

In light of the foregoing, the Bureau has recommended that the Order entered by the Commission be vacated and this case be closed.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Bureau, is of the opinion that the Order entered by the Commission should be vacated.

Accordingly, IT IS ORDERED THAT:

(1) The Order entered by the Commission is hereby VACATED.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00197
NOVEMBER 19, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOEL ALBERTO LUNA,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Joel Alberto Luna ("Luna" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 A of the Code of Virginia ("Code") by making false or fraudulent statements or representations on insurance applications or any document relating to the business of insurance for the purpose of obtaining a commission, or other benefit from an insurer when the Defendant made misrepresentations on insurance applications and submitted the applications to an insurer in order to obtain commissions; and § 38.2-1826 A of the Code by failing to report to the Commission within thirty (30) calendar days any change in residence.

Luna is a Virginia resident licensed with the following lines of authority: Life & Annuities, Health, and Property & Casualty.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective July 23, 2018; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from July 23, 2018.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00209
FEBRUARY 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
JACINDA MERCEDES WESTFIELD
Petitioner

ORDER ON RECONSIDERATION

The State Corporation Commission ("Commission"), by Order Revoking License entered on May 28, 2019, revoked the license of the Petitioner to transact the business of insurance in the Commonwealth of Virginia. The Order was based upon the Bureau of Insurance's ("Bureau") allegations that the Petitioner had violated § 38.2-1831 (1) of the Code of Virginia by providing materially incorrect, misleading, incomplete, or untrue information in the license application that the Petitioner filed with the Commission by failing to disclose a prior criminal conviction.

On June 17, 2019, the Petitioner filed a Petition for Rehearing and Reconsideration of the Order Revoking License with the Commission ("Petition"). In the Petition, the Petitioner claimed that she did not receive the two settlement letters the Bureau had mailed to her address of record with the Bureau on August 16, 2018, and October 31, 2018.

On June 18, 2019, the Commission entered an Order Granting Reconsideration to continue the Commission's jurisdiction over the matter and suspended the Order Revoking License pending the Commission's consideration of the Petition.

On January 7, 2020, the Commission's Office of General Counsel filed a Notice of Status ("Notice") detailing the case status and the Bureau's attempts to communicate with the Petitioner since June 18, 2019, to address the Petition.

In the Notice, the Bureau asserts that on June 20, 2019, it sent the Petitioner a letter offering to settle this matter and requested that she respond within 20 days. The Bureau sent the letter by certified mail to the Petitioner's address of record with the Bureau, but did not receive a response.

The Bureau further asserts that on July 16, 2019, it sent the Petitioner another letter offering to settle this matter and requested that she respond within 10 days. The Bureau sent the letter by certified mail to the Petitioner's address of record with the Bureau, but again did not receive a response, nor has it received any additional communication from her.

NOW THE COMMISSION, having reconsidered the record herein and the Petitioner's ongoing failure to respond to the Bureau's communication attempts, ORDERS that the Petitioner's Petition for Reconsideration is denied; the Order Revoking License is no longer suspended, and the case is dismissed.

CASE NO. INS-2018-00212
SEPTEMBER 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LOCKTON AFFINITY SERIES OF LOCKTON AFFINITY, LLC,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Lockton Affinity Series of Lockton Affinity, LLC ("Lockton Affinity"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1812 of the Code of Virginia ("Code") by paying commission or other valuable consideration to an entity for services as an agent when, at the time of the transactions out of which arose the right to such commission or other valuable consideration, that entity did not hold a valid license as an agent; and § 38.2-1822 of the Code by knowingly permitting an entity to act, in Virginia, as an agent of an insurer licensed to transact the business of insurance in Virginia without first obtaining a license in a manner and in a form prescribed by the Commission.

Lockton Affinity is a Kansas limited liability company licensed as a nonresident insurance producer in Virginia with various lines of authority including surplus lines.

The Bureau alleges that, from April 2017 to October 2017, Lockton Affinity made approximately $22,668 in royalty payments to the National Rifle Association ("NRA") that were calculated as a percentage of commissions earned by Lockton Affinity on 745 personal liability insurance policies sold to Virginia residents in connection with the NRA's Carry Guard membership program ("Carry Guard insurance"). Between April 2017 and December 2017, Lockton Affinity also allowed the NRA to solicit the sale of Carry Guard insurance in Virginia through emails and on the NRA's Carry Guard membership program website. Throughout this period, in which the NRA was receiving commission-based royalty payments and soliciting the sale of Carry Guard insurance, the NRA was neither licensed nor appointed as an insurance agent in Virginia.

The Bureau notes that Lockton Affinity, with the assistance of regulatory counsel, has since undertaken various measures to correct these alleged violations of the Code. Lockton Affinity also ceased making commission-based royalty payments to the NRA on Virginia business as of October 2017 and modified the way in which Carry Guard insurance was being marketed to consumers as of December 2017. Additionally, during the Bureau's investigation in this matter, Lockton Affinity has cooperated in responding to the Bureau and furnishing requested documents and other information in a timely and complete manner.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

Lockton Affinity has been advised of the right to a hearing in this matter whereupon Lockton Affinity, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein:

(1) Lockton Affinity has waived the right to a hearing

(2) Lockton Affinity has tendered the sum of Twenty Thousand Dollars ($20,000) in monetary penalties to the Treasurer of Virginia; and

(3) Lockton Affinity agrees that neither it nor any other individual or entity acting on behalf of Lockton Affinity will engage in activities that violate the Code.

The Bureau has recommended that the Commission accept the offer of settlement of Lockton Affinity pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of Lockton Affinity, and the recommendation of the Bureau, is of the opinion that Lockton Affinity's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of Lockton Affinity in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2019-00023
JANUARY 16, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
NAYLIET JOSEFINA MARTINEZ-CHAVEZ, and HENLEY AGENCY LLC,
Defendants

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau") pursuant to § 38.2-1809 of the Code of Virginia ("Code"), it is alleged that Nayliet Josefina Martinez-Chavez ("Martinez-Chavez") and her wholly owned insurance agency, the Henley Agency LLC ("Henley Agency") (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated certain provisions of Title 38.2 of the Code.

Specifically, the Bureau alleges that the Defendants violated § 38.2-1812.2 of the Code by charging fees for administrative services without first obtaining the written consent of the policyholder as required. The Bureau alleges that the Defendants also violated § 38.2-1813 of the Code by: (1) failing to remit premium funds to the insurer on behalf of the insured; (2) commingling withdrawals and debits for brokered business with operating and personal expenses in the Henley Agency's sole bank account; and (3) incurring negative balances and insufficient fund fees. As Martinez-Chavez is the sole owner of Henley Agency and is its only insurance agent or employee, the Defendants are equally responsible for the alleged violations of the Code.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1831 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been notified of the right to a hearing before the Commission in this matter by certified letter dated May 9, 2019, and mailed to the Defendants' addresses shown in the records of the Bureau.

The Defendants, having been advised in the above manner of the right to a hearing in this matter, have failed to request a hearing in response to the Bureau's May 9, 2019 letter.

The Bureau, upon the Defendants' failure to request a hearing, has recommended that the Commission enter an order revoking the Defendants' licenses to transact the business of insurance in Virginia as an insurance agent, and revoking the authority to act as an insurance agency in Virginia.

NOW THE COMMISSION is of the opinion and finds that the Defendants have violated § 38.2-1812.2 of the Code by charging fees for administrative services without first obtaining the written consent of the policyholder as required; and § 38.2-1813 of the Code by failing to hold funds received in a fiduciary capacity, and by failing, in the ordinary course of business, to pay funds to the insured, his assignee, insurer, insurance premium finance company or agent entitled to such payment.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendants to transact the business of insurance in Virginia as an insurance agent or insurance agency is hereby REVOKED.

(2) All appointments issued under said licenses are hereby VOID.

(3) The Defendants shall transact no further business in Virginia as an insurance agent or insurance agency.

(4) The Defendants shall not apply to the Commission to be licensed as an insurance agent or an insurance agency in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendants hold an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00050
NOVEMBER 10, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
FERNANDO LEE ADAMS,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Fernando Lee Adams ("Adams" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (8) of the Code of Virginia ("Code") by having admitted or been found to have committed any insurance fraud; § 38.2-1831 (10) of the Code by using fraudulent, or dishonest practices, or demonstrating incompetence, or untrustworthiness in the conduct of business in this Commonwealth, or demonstrating financial irresponsibility in the handling of insurance company funds; § 38.2-1831 (12) of the Code forging another's name to an application for insurance or to any document related to an insurance transaction. The Defendant admitted to creating fraudulent customers, using his personal bank account information, using electronic signatures, and submitting insurance applications to an insurer for the purpose of obtaining a commission.

Adams is a Virginia resident licensed with the following lines of authority: Life & Annuities, Health, and Property & Casualty.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective April 1, 2019; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from April 1, 2019.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00060
NOVEMBER 10, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ROBERT ANTWAN SLAPPY-BEY,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Robert Antwan Slappy-Bey ("Slappy-Bey" or "Defendant"), who was duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, and untrue information in the license application filed with the Commission on March 12, 2018 when the Defendant failed to disclose several felony convictions.

Slappy-Bey is a Virginia resident who was licensed with the following lines of authority: Property & Casualty.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective July 10, 2019; and has agreed not to make any application to transact the business of insurance in Virginia for a period of one (1) year from July 10, 2019.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00071
DECEMBER 23, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JAMIE TOLLIVER, and TOLLIVER INSURANCE AGENCY,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jamie Tolliver and Tolliver Insurance Agency, Inc. (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1809 A of the Code of Virginia ("Code") by failing to provide the Bureau with requested documents during an examination and investigation of the business affairs of any person engaged or alleged to be engaged in the business of insurance in Virginia; and § 38.2-1813 B of the Code by failing to hold premiums in a fiduciary capacity by comingling funds required to be kept in a separate fiduciary account with both personal and business accounts and by failing to pay funds to the insured or the insurer entitled to the payment.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated September 6, 2019 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's September 6, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1809 A of the Code by failing to provide the Bureau with requested documents during an examination and investigation of the business affairs of any person engaged or alleged to be engaged in the business of insurance in Virginia; and § 38.2-1813 B of the Code by failing to hold premiums in a fiduciary capacity by comingling funds required to be kept in a separate fiduciary account with both personal and business accounts and by failing to pay funds to the insured or the insurer entitled to the payment.

Accordingly, IT IS ORDERED THAT:

(1) The licenses of the Defendants to transact the business of insurance in Virginia as an insurance agent and insurance agency are hereby REVOKED.

(2) All appointments issued under said licenses are hereby VOID.

(3) The Defendants shall transact no further business in Virginia as an insurance agent or as an insurance agency.

(4) The Defendants shall not apply to the Commission to be licensed as an insurance agent or an insurance agency in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendants hold an appointment to act as an insurance agent or as an insurance agency in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00081
JUNE 11, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting New Rules Governing Health Insurance Balance Billing

ORDER OF DISMISSAL

On June 6, 2019, the State Corporation Commission ("Commission") commenced this proceeding by issuance of an Order To Take Notice as to new rules proposed by the Bureau of Insurance ("Bureau") to be set out under Chapter 235 of Title 14 of the Virginia Administrative Code, entitled "Rules Governing Health Insurance Balance Billing" ("Rules"), at 14 VAC 5-235-10 through 14 VAC 5-235-30.

On January 14, 2020, after receiving public comments, oral argument and legal briefs from interested persons on the Bureau's proposed Rules, the Commission issued an Order To Take Notice of Revised Proposed Rules ("January Order"). The January Order gave notice of the Bureau's revisions to the proposed Rules and directed interested persons to submit any comments or requests for a hearing on the revised proposed Rules by March 20, 2020.

On February 26, 2020, the Virginia Hospital and Healthcare Association ("VHHA") and Medical Society of Virginia ("MSV") jointly filed a Motion for Extension of Time To Submit Comments on Revised Proposed Rules ("Motion"), requesting that the Commission amend the January Order "to give all interested parties until April 20, 2020, to file comments and request a hearing regarding the Revised Proposed Rules." The VHHA and MSV cited, as the basis for their Motion, "legislation now pending before the General Assembly" that relates to health insurance balance billing and the revised proposed Rules. On March 3, 2020, the Commission granted the Motion and extended the period for commenting or requesting a hearing on the revised proposed Rules to April 24, 2020.

During the 2020 legislative session and in view of the Bureau's pending proposed Rules, the General Assembly enacted new legislation addressing health insurance balance billing: House Bill 1251 ("HB 1251"), Chapter 1080 of the 2020 Virginia Acts of Assembly; and Senate Bill 172 ("SB 172"), Chapter 1081 of the 2020 Virginia Acts of Assembly. On April 10, 2020, the Governor of Virginia signed both bills into law. The new legislation includes similar provisions as those within the Bureau's proposed rules, as well as additional protections for consumers along with responsibilities for insurance carriers, healthcare facilities, and healthcare providers.

Upon the enactment of HB 1251 and SB 172, the Commission received public comments from the Virginia Association of Health Plans, the VHHA, the MSV, the Office of the Attorney General's Division of Consumer Counsel, and the Virginia Poverty Law Center, requesting that the Bureau's revised proposed Rules be withdrawn and that this proceeding be dismissed in light of the new legislation on health insurance balance billing. The Bureau has not objected to these requests.

NOW THE COMMISSION, in its discretion and having considered the newly-enacted legislation on health insurance balance billing, which largely embodies the goals of the revised proposed Rules, the public comments, and the lack of objection from the Bureau, is of the opinion that the Bureau's revised proposed Rules should be withdrawn and this proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) The revised proposed Rules entitled "Rules Governing Health Insurance Balance Billing," recommended to be set out at 14 VAC 5-235-10 through 14 VAC 5-235-30, are withdrawn.

(2) The case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00082
FEBRUARY 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ADRIAN QUASHEENA EPPS,
Petitioner

ORDER ON RECONSIDERATION

The State Corporation Commission ("Commission"), by Order Revoking License entered on June 20, 2019, revoked the license of the Petitioner to transact the business of insurance in the Commonwealth of Virginia. The Order was based upon the Bureau of Insurance's ("Bureau") allegations that the Petitioner had violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of an administrative action taken by the State of Georgia ("Georgia") regarding the Defendant's Georgia insurance license.

On July 8, 2019, the Petitioner filed a Petition for Rehearing and Reconsideration of the Order Revoking License with the Commission ("Petition"). In the Petition, the Petitioner claimed that she did not receive the Bureau's Show Cause letters dated April 4, 2019, and April 26, 2019, pertaining to the above referenced alleged violation of the Code. The Petitioner further claimed that the Bureau's attempt to communicate with her by telephone was unsuccessful because the telephone call went to her father's telephone number, as she relocated and changed her telephone number.

On July 10, 2019 the Commission entered an Order Granting Reconsideration to continue the Commission's jurisdiction over the matter and suspended the Order Revoking License pending the Commission's consideration of the Petition.

On January 7, 2020, the Commission's Office of General Counsel filed a Notice of Status ("Notice") detailing the case status and the Bureau's attempts to communicate with the Petitioner since July 10, 2019, to address the Petition.

In the Notice, the Bureau asserts that, on July 11, 2019, it telephoned the Petitioner to discuss a potential resolution, which the Petitioner advised she was interested in pursuing. Accordingly, the Bureau sent a settlement offer letter, with a deadline to respond by July 31, 2019, to the Petitioner's address of record by certified mail, and to the email she provided the Bureau with an electronic delivery receipt request. The Bureau received an electronic email delivery conformation and subsequently received documentation that "Adrian Epps" received and signed the certified letter. However, the July 31, 2019 deadline passed with no settlement offer from the Petitioner.

The Bureau further asserts that on August 19, 2019, it telephoned the Petitioner to follow up again. Although the Petitioner answered, the call was disconnected immediately after the Bureau's Investigative Analyst identified herself and the reason for the call. The Investigative Analyst called back immediately but the call went straight to voicemail. The Bureau sent the Petitioner an email attaching the settlement letter again and gave the Petitioner until August 26, 2019, to respond. The Bureau states that it did not receive a response from the Petitioner, nor has it received any additional communication from her.

NOW THE COMMISSION, having reconsidered the record herein and the Petitioner's ongoing failure to respond to the Bureau's communication attempts, ORDERS that the Petition for Reconsideration is denied; the Order Revoking License is no longer suspended, and the case is dismissed.

CASE NO. INS-2019-00122
DECEMBER 31, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JAMES CHRISTOPHER PACKETT,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that James Christopher Packett ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) of the Code of Virginia ("Code") by making false or fraudulent statements or representations on insurance documents for the purpose of obtaining a benefit from an insurer when the Defendant used his client's bank account number to access the client's bank account to pay his personal auto policy premium; and § 38.2-512 (B) of the Code by affixing the signature of any other person to an insurance document without the written authorization of the person whose signature appears on such document when the Defendant signed and submitted an insurance application without the authorized written consent the client.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated November 7, 2019 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's November 7, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-512 (A) of the Code by making false or fraudulent statements or representations on insurance documents for the purpose of obtaining a benefit from an insurer; and § 38.2-512 (B) of the Code by affixing the signature of any other person to an insurance document without the written authorization of the person whose signature appears on such document.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00135
JANUARY 24, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOSHUA JERGE, and SMART ROOF, LLC
Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Joshua Jerge ("Jerge") and Smart Roof, LLC ("Smart Roof") (collectively, the "Defendants") violated § 38.2-1845.2 of the Code of Virginia ("Code") by engaging in the business of public adjusting without first applying for and obtaining a license from the State Corporation Commission ("Commission").

Smart Roof is a limited liability company with a last known address of 1124 Happy Ridge Drive, Front Royal, Virginia 22630. Jerge serves as the principal of Smart Roof. Neither Jerge nor Smart Roof is licensed as a public adjuster in the Commonwealth of Virginia ("Virginia").

The Bureau alleges that Smart Roof and Jerge acted as public adjusters in Virginia by negotiating with customers for public adjusting services without first obtaining a license from the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1845.10 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed violations of applicable insurance laws.

The Defendants have been advised of their right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission, wherein the Defendants have tendered to the Treasurer of Virginia the sum of One Thousand Five Hundred Dollars ($1,500); agreed to cease and desist from public adjusting activities, or to obtain a license to conduct such activities; agreed not to violate § 38.2-1845.1 *et seq*. of the Code in the future; and waived their right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall immediately cease and desist from public adjusting activities unless and until they have obtained appropriate licensure to conduct such activities.

(3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00144
DECEMBER 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TAMMY DAWN SUMNER,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Tammy Dawn Sumner ("Sumner" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1809 A of the Code of Virginia ("Code") by failing to cooperate with the Commission's request to examine and investigate the business affairs of the Defendant who was engaged or alleged to be engaged in the business of insurance in Virginia; and § 38.2-1813 A of the Code by failing to hold premiums in a fiduciary capacity and failing to account for such premiums, and by failing to pay the premiums and other funds received to an insured or agent entitled to the payment.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated December 5, 2019, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's December 5, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1809 A of the Code by failing to cooperate with the Commission's request to examine and investigate the business affairs of the Defendant who was engaged or alleged to be engaged in the business of insurance in Virginia; and § 38.2-1813 A of the Code by failing to hold premiums in a fiduciary capacity and failing to account for such premiums, and by failing to pay the premiums and other funds received to an insured or agent entitled to the payment.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00148
DECEMBER 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SYBIL TERESE RICHARDSON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Sybil Terese Richardson ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on February 29, 2019 when the Defendant failed to disclose misdemeanor convictions in 1989 and 1992.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated November 7, 2019 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's November 7, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00158
JULY 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ROBIN D. WALDEN,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Robin D. Walden ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (10) of the Code by demonstrating untrustworthiness in the conduct of business in Virginia and financial irresponsibility in the handling of agency funds when the Defendant used the agency credit card to make an online payment for her leased residence.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated August 21, 2019, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's August 21, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (2) of the Code of Virginia ("Code") by violating insurance laws in Virginia; and § 38.2-1831 (10) of the Code by demonstrating untrustworthiness in the conduct of business in Virginia and financial irresponsibility in the handling of agency funds.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00159
DECEMBER 11, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DENZEL ELEY WILLIAMS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Denzel Eley Williams ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against him in another jurisdiction when the Defendant failed to report administrative actions by the state of Louisiana on January 21, 2019 and by the state of Washington on June 12, 2019; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on September 26, 2018 when the Defendant failed to include a misdemeanor conviction in Pennsylvania in 2017 on his application.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated August 13, 2019 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's August 13, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against him in another jurisdiction; and § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00160
DECEMBER 11, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
STEPHANIE THOMAS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Stephanie Thomas ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application she filed with the Commission on December 31, 2018 by failing to disclose that, in 2005, she was convicted of two felonies in Missouri; and § 38.2-1831 (9) of the Code by having been convicted of a felony.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated December 5, 2019, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's December 5, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission; and § 38.2-1831 (9) of the Code by having been convicted of a felony.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00161
JULY 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ROBERT MARK SCHWAB,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Robert Mark Schwab ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-502 (1) of the Code of Virginia ("Code") by misrepresenting the benefits, advantages, conditions or terms of any insurance policy when the Defendant sold a client a short-term supplemental insurance policy that was not compliant with the Patient Protection and Affordable Care Act; and § 38.2-1809 (A) of the Code by not permitting the Commission to examine and investigate the business affairs of a person engaged in the business of insurance in Virginia when the Defendant failed to contact an employee of the Bureau regarding an insurance investigation.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated October 15, 2019 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 15, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-502 (1) of the Code by misrepresenting the benefits, advantages, conditions or terms of any insurance policy; and § 38.2-1809 (A) of the Code by not permitting the Commission to examine and investigate the business affairs of a person engaged in the business of insurance in Virginia.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00162
JANUARY 31, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GLOBAL LIBERTY INSURANCE COMPANY OF NEW YORK,
Defendant

IMPAIRMENT ORDER

Global Liberty Insurance Company of New York, a New York domiciled insurer ("Defendant"), licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), is required by § 38.2-1028 of the Code of Virginia ("Code") to maintain minimum capital of $1 million and minimum surplus of $3 million.

Section 38.2-1036 of the Code provides that if the Commission finds an impairment of the required minimum surplus of any foreign insurer, the Commission may order the insurer to eliminate the impairment and restore the minimum surplus to the amount required by law and may prohibit the insurer from issuing any new policies in Virginia while the impairment of the insurer's surplus exists.

The Quarterly Statement of the Defendant as of June 30, 2019, and filed with the Commission's Bureau of Insurance, indicates capital of $3,000,000 and a surplus of negative $640,200, resulting in an impairment of surplus of $3,640,200.

Accordingly, IT IS ORDERED THAT:

(1) Within ninety (90) days of the date of this Impairment Order, the Defendant shall eliminate the impairment in its surplus, restore the same to at least $3 million, and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer.

(2) The Defendant shall issue no new contracts or policies of insurance in Virginia while the impairment of the Defendant's surplus exists and until further order of the Commission.

CASE NO. INS-2019-00167
JULY 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SHAMIKKA FERGUSON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Shamikka Ferguson ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-514.1 of the Code of Virginia ("Code") by failing to provide applicants, at the time of application, with a written disclosure in conjunction with any automobile club service agreement or any accidental death and dismemberment policy.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated June 24, 2019, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's June 24, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-514.1 of the Code by failing to provide applicants, at the time of application, with a written disclosure in conjunction with any automobile club service agreement or any accidental death and dismemberment policy.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00168
JANUARY 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RENAS S. HAJI,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Renas S. Haji ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when he failed to report administrative actions taken against him in Indiana on May 17, 2019, and in Nebraska on July 22, 2019.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated October 28, 2019, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 28, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00169
DECEMBER 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JARED B. ROBB,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jared B. Robb ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when he failed to report administrative action taken against him in Indiana on May 3, 2019; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application he filed with the Commission on March 27, 2018 when the Defendant failed to disclose in his application administrative actions taken against his licenses in Arizona on March 2, 2017, in Florida on June 9, 2017, and in North Carolina on January 31, 2018.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated October 28, 2019, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 28, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00171
NOVEMBER 23, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DAVID STAFFORD JR.,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that David Stafford Jr. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against him in South Dakota on March 27, 2019; § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application the Defendant filed with the Commission on September 26, 2018 when the Defendant failed to disclose his involvement in proceedings regarding any professional license or registration; and § 38.2-1831 (9) of the Code by having been convicted of a felony in Georgia in 2011.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated October 28, 2019 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 28, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction; § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission; and § 38.2-1831 (9) of the Code by having been convicted of a felony.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00173
JANUARY 29, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
U.S. LAW SHIELD OF VIRGINIA, INC.,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that U.S. Law Shield of Virginia, Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1301 of the Code of Virginia ("Code") by failing to file its December 31, 2018 Audited Financial Statement with the Commission on or before June 1, 2019, as required.

The Bureau further alleges that the Defendant violated § 38.2-219 of the Code when the Defendant failed to comply with a prior Commission Order to cease and desist from future violations of § 38.2-1301 of the Code.[1]

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to the Treasurer of Virginia the sum of Five Thousand Dollars ($5,000); has waived the right to a hearing; and has acknowledged that the Commission will issue an order that the Defendant cease and desist from further violations of § 38.2-1301 of the Code and the cease and desist order included in the Prior Settlement Order.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall immediately cease and desist from further violations of § 38.2-1301 of the Code and of the Prior Settlement Order and agrees to timely file financial statements and other reports with the Commission on or before their due dates.

(3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

---

[1] *Commonwealth of Virginia, ex rel. State Corporation Commission v U.S. Law Shield of Virginia, Inc.,* Case No. INS-2019-00083, Doc. Con. Cen. No. 190710058, Settlement Order (July 2, 2019) ("Prior Settlement Order"). Ordering Paragraph (2) reads, "The Defendant shall immediately cease and desist from violating § 38.2-1301 of the Code and agrees to timely file financial statements and other reports with the Commission on or before their dues dates." *Id.* at 2.

CASE NO. INS-2019-00175
DECEMBER 11, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CLIFFON BULLOCK,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Cliffon Bullock ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1813 (A) of the Code of Virginia ("Code") by failing to hold premiums or other funds received from insureds in a fiduciary capacity; and by failing, in the ordinary course of business, to pay the funds to the insured or insurer entitled to the payment when the Defendant failed to pay premium funds to an insurer in a timely manner.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 29, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 29, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1813 (A) of the Code of Virginia ("Code") by failing to hold premiums or other funds received from insureds in a fiduciary capacity; and by failing, in the ordinary course of business, to pay the funds to the insured or insurer entitled to the payment.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00181
JUNE 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
ACCESS INSURANCE, *et al.*
Defendants

ORDER REVOKING LICENSE

Based on a review of the records of the Bureau of Insurance ("Bureau"), it is alleged that the Defendants, whose names are set forth in Attachment A, which is attached hereto and made a part hereof, each of which is duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agency in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1820 (B) (2) of the Code of Virginia ("Code") by failing to designate an employee, officer, director, manager, member, or partner to serve as the licensed producer responsible for the Defendant's compliance with the insurance laws, rules, and regulations of Virginia; and § 38.2-1826 (E) of the Code by failing to report within 30 calendar days to the Commission the removal, for any reason, of the Defendant's designated licensed producer responsible for the business entity's compliance with the insurance laws, rules and regulations of Virginia, along with the name of the new designated licensed producer.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid violations.

The Defendants have been notified of the right to a hearing before the Commission in this matter by letter dated April 24, 2020, and mailed to the Defendants' addresses shown in the records of the Bureau.

The Defendants, having been advised in the above manner of the right to a hearing in this matter, have failed to request a hearing, and have not otherwise communicated with the Bureau.

The Bureau, upon the Defendants' failure to request a hearing, has recommended that the Commission enter an order revoking the Defendants' licenses to transact business as insurance agencies in Virginia.

NOW THE COMMISSION is of the opinion and finds that the Defendants each have violated § 38.2-1820 (B) (2) of the Code by failing to designate an employee, officer, director, manager, member, or partner to serve as the licensed producer responsible for the Defendant's compliance with the insurance laws, rules, and regulations of Virginia; and § 38.2-1826 (E) of the Code by failing to report within 30 calendar days to the Commission the removal, for any reason, of the Defendant's designated licensed producer responsible for the business entity's compliance with the insurance laws, rules and regulations of Virginia, along with the name of the new designated licensed producer.

The Commission also finds that each Defendant should be allowed the opportunity to reapply and obtain its license immediately, provided the Defendant includes the name of the designated licensed producer on the application. Furthermore, the Commission shall vacate the Order Revoking License as to any Defendant that elects to reapply and provides the required information.

Accordingly, IT IS ORDERED THAT:

(1) The licenses of the Defendants to transact business as insurance agencies in Virginia are hereby REVOKED.

(2) All appointments issued under said licenses are hereby VOID.

(3) The Defendants shall transact no further business in Virginia as insurance agencies.

(4) Each Defendant may immediately reapply to the Commission to be licensed as an insurance agency provided the Defendant includes the name of the designated licensed producer on the application. The Commission also shall vacate this Order as to any Defendant that elects to reapply and provides the required information on the application.

(5) The Bureau shall provide each Defendant with a copy of this Order and notify every insurance company for which the Defendants hold appointments to act as insurance agencies.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

ATTACHMENT A

56-2639064	ACCESS INSURANCE	17B FIRSTFIELD ROAD, STE 206	GAITHERSBURG, MD 20878-1778
83-2778276	CAPITAL SHIELD INSURANCE AGENCY	24805 PINEBROOK ROAD, STE 320	CHANTILLY, VA 20152
81-3026784	HOMETOWN INSURANCE AGENCY INC.	603 PANTHER DRIVE	WINCHESTER, VA 22602-3528
46-4820081	SELL THE DUCK, INC.	5624 TRAIL RIDE DRIVE	MOSELEY, VA 23120
54-2024313	TAILORED CONSULTING INC.	117 GRANDIMERE DR IVE	DANVILLE, VA 24541-6883

CASE NO. INS-2019-00182
APRIL 22, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JEFFERSON NATIONAL LIFE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market analysis inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jefferson National Life Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-604 of the Code of Virginia ("Code") by failing to provide the required notice of information collection and disclosure practices to insureds; § 38.2-1812 A of the Code by paying or sharing commissions with unlicensed or unappointed agents; § 38.2-1822 A of the Code by knowingly permitting a person to act as an agent of an insurer without first obtaining a license; § 38.2-1833 A 1 of the Code

by accepting applications from unappointed agents; as well as 14 VAC 5-45-40 F of the Commission's Rules Governing Suitability in Annuity Transactions, 14 VAC 5-45-10 *et seq*., of the Virginia Administrative Code by failing to establish and maintain a system to supervise recommendations that is reasonably designed to achieve compliance with the statute.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan set forth in Bureau correspondence dated March 12, 2020; has tendered to the Treasurer of Virginia the sum of Twenty-Seven Thousand Six Hundred Dollars ($27,600); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00185
DECEMBER 23, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CHARLES RAYMOND COOMES, JR. and OLD TOWN INSURANCE & FINANCIAL SERVICES INC.,
Defendants

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Charles Raymond Coomes, Jr. ("Coomes") and Old Town Insurance & Financial Services Inc. ("Old Town") (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1809 A of the Code of Virginia ("Code") by refusing to permit the Commission to examine and investigate the business affairs of any person engaged or alleged to be engaged in the business of insurance in this Commonwealth; § 38.2-1813 A of the Code by failing, in the ordinary course of business, to pay funds to the insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment, when the Defendants failed to return unearned commission; and § 38.2-1826 A of the Code by failing to report to the Commission within thirty (30) calendar days any change in the Defendants' residences.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been notified of the right to a hearing before the Commission in this matter by certified letter dated November 4, 2019 and mailed and e-mailed to the Defendants' addresses shown in the records of the Bureau.

The Defendants, having been advised in the above manner of the right to a hearing in this matter, have failed to request a hearing in response to the Bureau's November 4, 2019 letter.

The Bureau, upon the Defendants' failure to request a hearing, has recommended that the Commission enter an order revoking the Defendants' licenses to transact the business of insurance in Virginia as an insurance agent and as an insurance agency.

NOW THE COMMISSION is of the opinion and finds that the Defendants have violated § 38.2-1809 A of the Code by refusing to permit the Commission to examine and investigate the business affairs of any person engaged or alleged to be engaged in the business of insurance in this Commonwealth; § 38.2-1813 A of the Code by failing, in the ordinary course of business, to pay funds to the insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment; and § 38.2-1826 A of the Code by failing to report to the Commission within thirty (30) calendar days any change in the Defendants' residences.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendants to transact the business of insurance in Virginia as an insurance agent, and as an insurance agency are hereby REVOKED.

(2) All appointments issued under said licenses are hereby VOID.

(3) The Defendants shall transact no further business in Virginia as an insurance agent or as an insurance agency.

(4) The Defendants shall not apply to the Commission to be licensed as an insurance agent or an insurance agency in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendants hold an appointment to act as an insurance agent or an insurance agency in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00188
DECEMBER 11, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MICHAEL F. FLAKER,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Michael F. Flaker ("Flaker" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action in Florida on April 22, 2019.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated November 8, 2019, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's November 8, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00190
JULY 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
COKILYA KEITH,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Cokilya Keith ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission when the Defendant failed to include a misdemeanor conviction in Nevada in 2016 on his application.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated October 17, 2019, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 17, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application or any other document filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00194
JANUARY 9, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TRUSTGARD INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Trustgard Insurance Company, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendant.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated December 18, 2018, June 14, 2019, and November 15, 2019; has confirmed that restitution was made to 51 consumers in the amount of One Hundred Twelve Thousand Nine Hundred Forty-four Dollars and Sixty-three Cents ($112,944.63); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00196
JANUARY 31, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA,
Defendant

ORDER SUSPENDING LICENSE

Section 38.2-1040 (A) (8) of the Code of Virginia ("Code") provides that the State Corporation Commission ("Commission") may suspend the license of any domestic, foreign, or alien insurer to transact the business of insurance in the Commonwealth of Virginia ("Virginia") whenever it finds that the insurer has been found insolvent by a court of any other state. Section 38.2-1041 of the Code provides that the Commission may immediately suspend the license of any insurer on the grounds specified in subdivision 8 of subsection A of § 38.2-1040 of the Code without prior notice to the insurer.

Senior Health Insurance Company of Pennsylvania ("SHIP" or "Defendant"), a Pennsylvania-domiciled life and health insurer, was initially licensed to transact the business of insurance in Virginia on December 4, 1987. On January 29, 2020, the Commonwealth Court of Pennsylvania entered an Order of Rehabilitation, appointing Jessica K. Altman, Insurance Commissioner, and her successors in office, as Rehabilitator of SHIP.

The Bureau of Insurance, given the foregoing, has recommended that the Commission enter an order suspending the Defendant's license to transact the business of insurance in Virginia.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion that the Defendant's license to transact the business of insurance in Virginia should be suspended.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-1040 (A) (8) of the Code, the license of the Defendant to transact the business of insurance in Virginia is hereby SUSPENDED;

(2) The Defendant shall issue no new contracts or policies of insurance in Virginia until further order of the Commission;

(3) The appointments of the Defendant's agents to act on behalf of the Defendant in Virginia are hereby SUSPENDED;

(4) The Defendant's agents shall transact no new insurance business on behalf of the Defendant in Virginia until further order of the Commission; and

(5) The Bureau of Insurance shall cause notice of the suspension of the Defendant's license to be published in the manner set forth in § 38.2-1043 of the Code.

CASE NO. INS-2019-00199
JULY 28, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

v.

GROUP HOSPITALIZATION AND MEDICAL SERVICES, INC.,
Defendant

SETTLEMENT ORDER

Based on a target market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that Group Hospitalization and Medical Services, Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated §§ 38.2-316 A and 38.2-316 C 1 of the Code of Virginia ("Code") by failing to use insurance policies or forms on file and approved by the Commission; § 38.2-510 A 6 of the Code by not attempting in good faith to make prompt, fair and equitable settlements of claims in which liability has become reasonably clear with such frequency as to indicate a general business practice; § 38.2-510 A 14 of the Code by failing to provide a reasonable explanation of the basis for denial of a claim with such frequency as to indicate a general business practice; § 38.2-610 A 1 of the Code by failing to provide written notice of an adverse underwriting decision; § 38.2-610 A 2 of the Code by failing to provide applicants with a summary of the rights established under subsection B of this section and §§ 38.2-608 and 38.2-609 on an adverse underwriting decision; § 38.2-1833 A 2 of the Code by failing to provide to the licensed agent a verification that the notice of appointment has been filed with the Commission within the 30-day period; § 38.2-1834 D of the Code by failing to comply with the Commission's notification requirements of the termination of agent appointments; § 38.2-3407.1 B of the Code by failing to pay interest on accident and sickness claim proceeds; § 38.2-3407.4 B of the Code by failing to accurately and clearly set forth in the explanation of benefits the benefits payable under the contract; §§ 38.2-3407.15 B 1, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 6, 38.2-3407.15 B 7, 38.2-3407.15 B 8, 38.2-3407.15 B 9, and 38.2-3407.15 B 11 of the Code by failing to demonstrate ethics and fairness in carrier business practices and by failing to include required provisions in provider contracts; §§ 38.2-3407.15:2 B 1, 38.2-3407.15:2 B 2, 38.2-3407.15:2 B 3, 38.2-3407.15:2 B 4, 38.2-3407.15:2 B 5, 38.2-3407.15:2 B 6, 38.2-3407.15:2 B 7, and 38.2-3407.15:2 B 8 of the Code by failing to demonstrate ethics and fairness in carrier business practices and by failing to include required provisions in carrier contracts; §§ 38.2-3418.17 A and 38.2-3418.17 D of the Code by failing to provide coverage for the diagnosis of autism spectrum disorder and the treatment of autism spectrum disorder in accordance with these sections; § 38.2-3442 A of the Code by applying cost sharing requirements to a service that contained a B rating from the U.S. Preventive Services Task Force; § 38.2-5804 A of the Code by failing to maintain its established complaint system approved by the Commission; § 38.2-5805 B of the Code by failing to maintain written copies of provider contracts; as well as 14 VAC 5-90-50 A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, 14 VAC 5-90-10 *et seq*. ("Rules"), by failing to use the proper format and content in advertisements; 14 VAC 5-90-55 A of the Commission's Rules by failing to include the required disclosure regarding the exclusions and limitations of the policy; and 14 VAC 5-216-40 E 2 of the Commission's Rules Governing Internal Appeal and External Review, 14 VAC 5-216-10 *et seq*., by failing to notify the insured of the final benefit determination within the required period of time.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan contained in the target market conduct examination report of Group Hospitalization and Medical Services, Inc. as of December 31, 2016; has tendered to the Treasurer of Virginia the sum of Thirty-six Thousand Two Hundred Fifty Dollars ($36,250); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00200
JULY 28, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CAREFIRST BLUECHOICE, INC.,
Defendant

SETTLEMENT ORDER

Based on a target market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that CareFirst BlueChoice, Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated §§ 38.2-316 A, 38.2-316 B, and 38.2-316 C 1 of the Code of Virginia ("Code") by failing to use insurance policies or forms on file and approved by the Commission; § 38.2-510 A 1 of the Code by misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue with such frequency as to indicate a general business practice; § 38.2-510 A 5 of the Code by failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed with such frequency as to indicate a general business practice; § 38.2-510 A 6 of the Code by not attempting in good faith to make prompt, fair and equitable settlements of claims in which liability has become reasonably clear with such frequency as to indicate a general business practice; § 38.2-510 A 15 of the Code by failing to comply with or perform any provider contract provision required by § 38.2-3407.15 with such frequency as to indicate a general business practice; § 38.2-514 B of the Code by failing to make proper disclosures on explanation of benefits; § 38.2-610 A 1 of the Code by failing to provide written notice of an adverse underwriting decision; § 38.2-610 A 2 of the Code by failing to provide applicants with a summary of the rights established under subsection B of this section and §§ 38.2-608 and 38.2-609 on an adverse underwriting decision; § 38.2-1833 A 1 of the Code by failing to comply with agent appointment requirements; § 38.2-1834 D of the Code by failing to comply with the Commission's notification requirements of the termination of agent appointments; § 38.2-3407.4 A of the Code by failing to file explanation of benefit forms for approval by the Commission; § 38.2-3407.4 B of the Code by failing to accurately and clearly set forth in the explanation of benefits the benefits payable under the contract; §§ 38.2-3407.15 B 1, 38.2-3407.15 B 2, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 5, 38.2-3407.15 B 6, 38.2-3407.15 B 8, 38.2-3407.15 B 9, 38.2-3407.15 B 10 and 38.2-3407.15 B 11 of the Code by failing to demonstrate ethics and fairness in carrier business practices and by failing to include required provisions in provider contracts; §§ 38.2-3407.15:2 B 1, 38.2-3407.15:2 B 2, 38.2-3407.15:2 B 3, 38.2-3407.15:2 B 4, 38.2-3407.15:2 B 5, 38.2-3407.15:2 B 6, 38.2-3407.15:2 B 7, and 38.2-3407.15:2 B 8 of the Code by failing to demonstrate ethics and fairness in carrier business practices and by failing to include required provisions in carrier contracts; § 38.2-4306.1 B of the Code by failing to pay interest on claim proceeds; § 38.2-5805 C 10 of the Code by failing to include required provisions in provider contracts; as well as 14 VAC 5-90-55 A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, 14 VAC 5-90-10 *et seq*. ("Rules"), by failing to include the required disclosure regarding the exclusions and limitations of the policy; 14 VAC 5-90-60 A 1 of the Commission's Rules by making misleading statements in the advertisements of covered benefits; 14 VAC 5-90-90 C of the Commission's Rules by failing to disclose the source of any statistics used in an advertisement; 14 VAC 5-211-30 C of the Commission's Rules Governing Health Maintenance Organizations, 14 VAC 5-211-10 *et seq*., by failing to include the required hold harmless clause in provider contracts; 14 VAC 5-211-80 B of the Commission's Rules by failing to provide or arrange for service prior to seeking coordination of benefits; 14 VAC 5-211-90 B of the Commission's Rules by failing to properly provide notice to an enrollee when his out-of-pocket maximum has been reached; and 14 VAC 5-216-40 E 2 of the Commission's Rules Governing Internal Appeal and External Review, 14 VAC 5-216-10 *et seq*., by failing to notify the insured of the final benefit determination within the required period of time.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-4316 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan contained in the target market conduct examination report of CareFirst BlueChoice as of December 31, 2016; has tendered to the Treasurer of Virginia the sum of Ninety Thousand Six Hundred Dollars ($90,600); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00202
DECEMBER 31, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
NENITA B. CAUSING,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Nenita B. Causing ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action in New Jersey on June 25, 2019; and 14 VAC 5-80-350 (2) of the Commission's Rules Governing Variable Life Insurance, 14 VAC 5-80-10 *et seq.* ("Rules"), by failing to immediately report the expulsion from an agency with jurisdiction over securities or variable life insurance when the Defendant did not report that she was barred by the Financial Industry Regulatory Authority in 2017.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated November 15, 2019 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's November 15, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction; and 14 VAC 5-80-350 (2) of the Rules by failing to immediately report the expulsion from an agency with jurisdiction over securities or variable life insurance.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00204
JANUARY 27, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BILLY E. JONES, SR.,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Billy E. Jones, Sr. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when he failed to report administrative actions taken against him in Louisiana on February 21, 2019, and June 16, 2019, and in Washington on July 3, 2019; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application he filed with the Commission on October 10, 2018, by failing to disclose that he had been convicted of a misdemeanor violation in Las Vegas, Nevada, on April 29, 2008.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated November 15, 2019, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's November 15, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00212
FEBRUARY 18, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CANDACE HUNT ZAMPERINI,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Candace Hunt Zamperini ("Zamperini" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated (a) § 38.2-512 (A) of the Code of Virginia ("Code") by making false or fraudulent representations on an application relating to the business of insurance for the purpose of obtaining a fee, commission, money or other benefit from an insurer; (b) § 38.2-1804 of the Code by signing and allowing an applicant to sign incomplete or blank insurance forms in Virginia; (c) § 38.2-1822 (A) of the Code by knowingly permitting a person to act as a licensed agent of an insurer in Virginia without the individual first obtaining a license in a form and manner prescribed by the Commission; and (d) § 38.2-1831 (10) of the Code by engaging in fraudulent, coercive, or dishonest practices, or demonstrating incompetence, or untrustworthiness in the conduct of business in Virginia.

Zamperini is a Virginia resident licensed with the following lines of authority: Life & Annuities, and Health. The Bureau alleges that Zamperini, knowing that her husband was not licensed to sell life insurance in Virginia, allowed him to meet with a client in her absence in February 2019; hold himself out to the client as authorized to discuss insurance products; advise the client of an insurer's life insurance product's features, advantages, and benefits; negotiate and solicit the sale of three life insurance policies for the client and the client's children; and obtain the client's signature on blank insurance applications. Zamperini did not meet with the client to negotiate the sale of the three life insurance policies or review the product's features, advantages, and benefits, but nevertheless signed the insurance policies as the licensed soliciting agent of record at a later time for the purpose of obtaining a commission from the insurer.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing, has voluntarily surrendered the authority to act as an insurance agent in Virginia effective December 8, 2019, and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from December 8, 2019.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00213
JANUARY 9, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GRANGE INSURANCE COMPANY, f/k/a GRANGE MUTUAL CASUALTY COMPANY, TRUSTGARD INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Grange Insurance Company, f/k/a Grange Mutual Casualty Company, and Trustgard Insurance Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated March 27, 2019 and March 28, 2019; have confirmed that restitution was made to two consumers in the amount of Six Hundred Eighty Dollars and Forty-two Cents ($680.42); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00214
JANUARY 9, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GRANGE INSURANCE COMPANY, f/k/a GRANGE MUTUAL CASUALTY COMPANY, TRUSTGARD INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Grange Insurance Company, f/k/a Grange Mutual Casualty Company, and Trustgard Insurance Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated March 27, 2019 and March 28, 2019; have confirmed that restitution was made to three consumers in the amount of Three Hundred Forty-four Dollars and Sixty-three Cents ($344.63); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2019-00215
JANUARY 9, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GRANGE INSURANCE COMPANY, f/k/a GRANGE MUTUAL CASUALTY COMPANY, TRUSTGARD INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Grange Insurance Company, f/k/a Grange Mutual Casualty Company, and Trustgard Insurance Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated March 27, 2019 and March 28, 2019; have confirmed that restitution was made to seven consumers in the amount of Eight Hundred Forty-eight Dollars and Fifty-six Cents ($848.56); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00001
JANUARY 9, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
NORTHERN NECK INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Northern Neck Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*., of the Virginia Administrative Code by failing to properly issue first party claim payments under the insured's Uninsured Motorist Property Damage Coverage.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code of Virginia ("Code") to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated December 16, 2019; has confirmed that restitution was made to 46 consumers in the amount of Ten Thousand Eight Hundred Twenty-three Dollars and Ninety-six Cents ($10,823.96); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00002
JANUARY 27, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BRIAN KARAS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Brian Karas ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when he failed to report an administrative action taken against him in Maryland on June 19, 2019; § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application he filed with the Commission on March 26, 2018, by failing to disclose that he had been convicted of a misdemeanor in 1998 and a felony in 1999, both in Illinois; and § 38.2-1831 (9) of the Code by having been convicted of felony burglary in the Circuit Court of the Eighteenth Judicial Circuit in the state of Illinois in 1999.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated November 22, 2019, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's November 22, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction; § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission; and § 38.2-1831 (9) of the Code by having been convicted of a felony.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00004
DECEMBER 11, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
EDGAR GARCIA,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Edgar Garcia ("Garcia" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions in North Dakota on September 26, 2018, South Dakota on June 11, 2019, and Louisiana on March 19, 2019.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated November 22, 2019, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's November 22, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00005
DECEMBER 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOHN LORD,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that John Lord ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions in Washington on May 7, 2019, South Dakota on June 12, 2019, and Wyoming on October 2, 2019.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated December 5, 2019, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's December 5, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO . INS-2020-00006
JULY 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOHN DANIAL TIMM,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that John Danial Timm ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action in Kansas on August 9, 2019.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated December 5, 2019, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's December 5, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00007
OCTOBER 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CHRISTOPHER BLAKE PARNELL,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Christopher Blake Parnell ("Parnell" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 B of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days the facts and circumstances regarding a felony conviction when the Defendant failed to report a felony conviction in Arizona on or about January 8, 2019; and § 38.2-1831 (1) of the Code by providing materially incorrect and incomplete information in the license application filed with the Commission on June 14, 2018 when the Defendant failed to disclose a misdemeanor conviction in Minnesota in 2009.

Parnell is an Arizona resident licensed with the following lines of authority: Personal Lines.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective March 2, 2020; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from March 2, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00008
JULY 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CHARLES BLANCHARD,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Charles Blanchard ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken in South Dakota on July 10, 2019.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated December 13, 2019 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's December 13, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00009
JULY 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RICHARD MICHAEL FEARY,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Richard Michael Feary ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken in Hawaii on August 15, 2019.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated December 10, 2019 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's December 10, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00010
MARCH 11, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BRISTOL WEST CASUALTY INSURANCE COMPANY and BRISTOL WEST INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that Bristol West Casualty Insurance Company and Bristol West Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-2201 D of the Code of Virginia ("Code") by failing to obtain a valid Assignment of Benefits from the insured authorizing direct payment to the health care provider; as well as 14 VAC 5-400-40 A and 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. of the Virginia Administrative Code, by failing to properly handle claims with such frequency as to indicate a general business practice.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plans outlined in company correspondence dated October 4, 2019, December 3, 2019, December 21, 2019, and January 13, 2020; have confirmed that restitution was made to 45 consumers in the amount of Thirty-five Thousand Four Hundred Seventy Two Dollars and Fifty Cents ($35,472.50); have tendered to the Treasurer of Virginia the sum of Fifty-six Thousand Four Hundred Dollars ($56,400); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00011
DECEMBER 11, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
REBECCA PETERSEN,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Rebecca Petersen ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on December 5, 2018 when the Defendant failed to disclose a misdemeanor conviction in Florida in 2010.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 29, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 29, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00013
DECEMBER 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
IKECHI OBINNA UZOMA DIXON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Ikechi Obinna Uzoma Dixon ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken in Wisconsin on November 19, 2014, South Dakota on April 9, 2018, and Florida on January 8, 2019.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated January 6, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's January 6, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION I s of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00014
SEPTEMBER 18, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JESSICA LYNNE KREIDER,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jessica Lynne Kreider ("Kreider" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1813 A of the Code of Virginia ("Code") by failing to remit premium funds in the ordinary course of business when the Defendant received funds from insureds and held the funds for six months before sending the funds to the insurers entitled to the payments; § 38.2-1831 (6) of the Code by improperly withholding any moneys received in the course of doing insurance business; § 38.2-1831 (10) of the Code by using fraudulent or dishonest practices, or demonstrating incompetence, or untrustworthiness in the conduct of business in this Commonwealth, or demonstrating financial irresponsibility in the handling of applicant, policyholder, agency, or insurance company funds.

Kreider is a Virginia resident licensed with the following lines of authority: Life & Annuities, and Property & Casualty.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective August 24, 2020; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from August 24, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00016
JULY 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RYAN BURCH,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Ryan Burch ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken in Florida on October 3, 2018.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated January 6, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's January 6, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00017
DECEMBER 31, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LUIS A. DURAN,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Luis A. Duran ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission when the Defendant failed to disclose that he received a deferred judgement in 2002 pursuant to a misdemeanor charge in Florida.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated December 30, 2019 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's December 30, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00020
DECEMBER 15, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
KRISTINE REED,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Kristine Reed ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken in South Dakota on July 10, 2019 and in North Dakota on October 17, 2018.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated January 6, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's January 6, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00022
JULY 24, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RELIANCE TITLE & SETTLEMENT, LLC,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Reliance Title & Settlement, LLC ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 55.1-1008 A of the Code of Virginia ("Code") by failing to handle settlement funds in a fiduciary capacity; § 55.1-1008 B of the Code by disbursing title premiums not in compliance with the Defendant's agreement with its underwriter; § 55.1-1011 of the Code by failing to retain records pertaining to each settlement handled for a minimum of five years after the settlement is completed; as well as 14 VAC 5-395-50 D of the Virginia Administrative Code ("Administrative Code") by failing to make a good faith effort to disburse funds in its possession and return the funds to the rightful owner, and escheat annually to the Virginia Department of the Treasury those funds for which the owner is unlocatable; and 14 VAC 5-395-75 (2) of the Administrative Code by failing to reconcile its escrow accounts monthly as required.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 55.1-1015 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to cease and desist from engaging in future conduct that constitutes a violation of §§ 55.1-1008 and 55.1-1011 of the Code and 14 VAC 5-395-50 D and 14 VAC 5-395-75 (2) of the Administrative Code; has agreed to provide the Bureau with verification the Defendant has appropriately cleared funds associated with files, dated one (1) year or greater, either to the specified owner(s) of the identified funds, or by the escheatment to the Virginia Department of the Treasury; within one hundred eighty (180) days of the entry of this Settlement Order ("Order"); the Defendant will provide verification that all negative and positive file balances have been funded and reconciled within ninety (90) days from the date of this Order; has tendered to the Treasurer of Virginia the sum of Five Thousand Dollars ($5,000); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall cease and desist from future violations of §§ 55.1-1008 and 55.1-1011 of the Code and 14 VAC 5-395-50 D and 14 VAC 5-395-75 (2) of the Administrative Code.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. INS-2020-00024
SEPTEMBER 21, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LESLIE DIANE SCOFIELD-HILLIKER,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Leslie Diane Scofield-Hilliker ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-502 (6) of the Code of Virginia ("Code") by misrepresenting any material fact for the purpose of inducing or tending to induce the lapse, forfeiture, exchange, conversion, replacement, or surrender of any insurance policy when the Defendant advised a client that there would be no tax liability associated with the withdrawal of her non-qualified annuity; § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when she failed to report an administrative actions taken against her in Georgia and Louisiana; and § 38.2-1831 (10) of the Code by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, or untrustworthiness in the conduct of business in this Commonwealth or elsewhere, or demonstrating financial irresponsibility in the handling of applicant, policyholder, agency, or insurance company funds when the Defendant advised a client to surrender a non-qualified annuity, instead of making a 1035 exchange transfer, and then sent the funds to another insurance company, causing the client to incur a large tax liability.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has tendered to the Treasurer of Virginia the sum of Ten Thousand Dollars ($10,000), and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00025
MARCH 11, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ANTHEM HEALTH PLANS OF VIRGINIA, INC., and HEALTHKEEPERS, INC.
Defendants

SETTLEMENT ORDER

Based on a targeted market analysis inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Anthem Health Plans of Virginia, Inc., and HealthKeepers, Inc. (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1318 C of the Code of Virginia ("Code") by failing to provide Commission examiners with access to records relevant to the examination; §§ 38.2-3407.15 B 5 c, 38.2-3407.15 B 6, 38.2-3407.15:2 B 1, 38.2-3407.15:2 B 2, 38.2-3407.15:2 B 3, 38.2-3407.15:2 B 4, 38.2-3407.15:2 B 5, 38.2- 3407.15:2 B 6, 38.2-3407.15:2 B 7, 38.2-3407.15:2 B 8, 38.2-3407.15:2 B 9, 38.2-3407.15:2 B 10, 38.2- 3407.15:2 B 11, and 38.2-3407.15:2 B 12 of the Code by failing to demonstrate ethics and fairness in carrier business practices and by failing to include required provisions in provider and carrier contracts.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1040, and 38.2-4316 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plans outlined in correspondence dated September 19, 2019; have tendered to the Treasurer of Virginia the sum of Twenty-seven Thousand Dollars ($27,000); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00026
MARCH 18, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AETNA LIFE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market analysis inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Aetna Life Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-3405 B of the Code of Virginia ("Code") by allowing subrogation of claims in provider contracts.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia ("Code") to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in the Bureau's correspondence dated July 11, 2019; has confirmed that restitution was made to four consumers in the amount of Seven Thousand Eight Hundred Five Dollars and Thirteen Cents ($7,805.13); has tendered to the Treasurer of Virginia the sum of Fifty Thousand Dollars ($50,000); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00027
MARCH 11, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)
Defendant

SETTLEMENT ORDER

Based on a market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that John Hancock Life Insurance Company (U.S.A.) ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated §§ 38.2-316 A and 38.2-316 B of the Code of Virginia ("Code") by failing to comply with insurance application form filing requirements of the Commission; § 38.2-316 C (1) of the Code by failing to use insurance policies or forms on file and approved by the Commission as of the effective date requested by the Defendant; § 38.2-502 (1) of the Code by misrepresenting the benefits, advantages, conditions, or terms of an insurance policy; § 38.2-508 (1) of the Code by engaging in unfair discrimination; § 38.2-514 B of the Code by failing to make proper disclosures on the explanation of benefits; § 38.2-604 B (4) of the Code by failing to accurately provide the required notices to insureds; §§ 38.2-610 A (1) and 38.2-610 A (2) of the Code by failing to provide written notice of an adverse underwriting decision and by failing to provide a

summary of rights in the form approved by the Commission; § 38.2-610 B (3) of the Code by failing to disclose the names and addresses of the institutional sources of information; § 38.2-1812 A of the Code by paying or sharing commissions with an unlicensed agent; § 38.2-1833 A (1) of the Code by failing to file a notice of appointment of agents with the Commission; § 38.2-1834 D of the Code by failing to comply with the Commission's notification requirements of the termination of agent appointments; § 38.2-3115 B of the Code by failing to properly pay interest on life insurance and annuity contract proceeds; §§ 38.2-3117.4 (4) and 38.2-3117.4 (8) by failing to provide the required written disclosures to the beneficiary of a policy before a retained asset account is selected; § 38.2-3407.1 B of the Code by failing to comply with the requirement for the payment of interest on claim proceeds; § 38.2-3407.4 A of the Code by failing to file for approval by the Commission its explanation of benefits forms; § 38.2-3407.4 B of the Code by failing to accurately and clearly set forth the benefits payable under the contract in the explanation of benefits; 14 VAC 5-41-30 B, 14 VAC 5-41-40 B, 14 VAC 5-41-80 B, and 14 VAC 5-41-90 J of the Commission's Rules Governing Advertisement of Life Insurance and Annuities, 14 VAC 5-41-10 *et seq*., by failing to comply with the requirements related to the advertisement of life insurance and annuities; 14 VAC 5-200-65 A 3 of the Commission's Rules Governing Long-Term Care Insurance, 14 VAC 5-200-10 *et seq*. ("Rules"), by failing to provide an insured the required notice of lapse or termination of a policy; 14 VAC 5-200-75 A 2 and 14 VAC 5-200-75 C of the Commission's Rules by failing to disclose the required rating practices to consumers; 14 VAC 5-200-160 A of the Commission's Rules by failing to comply with the requirements related to the advertisement of long-term care insurance; 14 VAC 5-200-205 E and F of the Commission's Rules by failing to comply with the insurance agent training requirements; as well as 14 VAC 5-400-50 A and 14 VAC 5-400-60 A of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*., by failing to properly acknowledge notification of a claim receipt and by failing to provide claimants timely notification of acceptance or denial of claims.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in the examination report as of December 31, 2016; has tendered to the Treasurer of Virginia the sum of Sixty Thousand Six Hundred Dollars ($60,600); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00028
FEBRUARY 21, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BRISTOL WEST CASUALTY INSURANCE COMPANY, and BRISTOL WEST INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Bristol West Casualty Insurance Company and Bristol West Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*., of the Virginia Administrative Code by failing to properly issue first party claimant payments under the insured's Uninsured Motorist Property Damage Coverage.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia ("Code") to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated December 12, 2019; have confirmed that restitution was made to 102 consumers in the amount of Twenty-seven Thousand Five Hundred Sixty Dollars and Sixty Cents ($27,560.60); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00029
FEBRUARY 21, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BRISTOL WEST CASUALTY INSURANCE COMPANY, and BRISTOL WEST INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Bristol West Casualty Insurance Company and Bristol West Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-2201 of the Code of Virginia ("Code") by by failing to follow the provisions for payment of medical expense benefits as provided under the statute.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated October 25, 2019; have confirmed that restitution was made to 16 consumers in the amount of Thirty-six Thousand Thirty-six Dollars and Forty Cents ($36,036.40); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00030
APRIL 9, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
NORTHERN NECK INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that Northern Neck Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-502 1 of the Code of Virginia ("Code") by failing to properly represent the benefits, advantages, conditions or terms of an insurance policy; § 38.2-510 A 1 of the Code by misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue; § 38.2-610 A of the Code by failing to provide written notice of an adverse underwriting decision in a form approved by the Commission; §§ 38.2-2208 A, 38.2-2212 D, 38.2-2212 E, and 38.2-2212 F of the Code by failing to properly terminate insurance policies; § 38.2-2513 A of the Code by failing to accurately handle property terminations; § 38.2-2514 of the Code by failing to show termination notices were deposited with the United States Postal Service and mailed to the insured; as well as 14 VAC 5-400-40 A, 14 VAC 5-400-40 E, 14 VAC 5-400-70 A, and 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*., of the Virginia Administrative Code by failing to properly handle claims with such frequency as to indicate a general business practice.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code of Virginia ("Code") to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated October 15, 2019, December 9, 2019, and January 31, 2020; has confirmed that restitution was made to 25 consumers in the amount of Twelve Thousand Seventeen Dollars and Seventy-five Cents ($12,017.75); has tendered to the Treasurer of Virginia the sum of Thirty-four Thousand Five Hundred Dollars ($34,500); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00031
JUNE 5, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RONALD ALLEN SCHNEIDER,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Ronald Allen Schneider ("Schneider" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) of the Code of Virginia ("Code") by making false or fraudulent statements on an application relating to the business of insurance for the purpose of obtaining a commission from any insurer when the Defendant participated in creating and submitting false insurance applications; and § 38.2-1831 (10) of the Code by using dishonest practices in the conduct of business in this Commonwealth when the Defendant submitted fraudulent applications to an insurance company.

Schneider is a Maryland resident licensed with the following lines of authority: Life & Annuities and Health.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective February 12, 2020; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from February 12, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00032
MARCH 18, 2020

COMMONWEALTH OF VIRGINIA , *ex rel.*
STATE CORPORATION COMMISSION
v.
DYLAN C. BURLESON,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Dylan C. Burleson ("Burleson" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete, or untrue information in the license application filed with the Commission on May 8, 2019, when he failed to disclose a criminal conviction.

Burleson is a Missouri resident licensed with the following lines of authority: Life & Annuities and Health.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing, has voluntarily surrendered the authority to act as an insurance agent in Virginia effective February 24, 2020, and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from February 24, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00033
MARCH 11, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Amending Rules Governing Long-Term Care Insurance

ORDER TO TAKE NOTICE

Section 12.1-13 of the Code of Virginia ("Code") provides that the State Corporation Commission ("Commission") shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and § 38.2-223 of the Code provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code.

The rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code are set forth in Title 14 of the Virginia Administrative Code. A copy also may be found at the Commission's website: http://www.scc.virginia.gov/case.

The Bureau of Insurance ("Bureau") has submitted to the Commission proposed amendments to the Rules at Chapter 200 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Long-Term Care Insurance," which amend the Rules at 14 VAC 5-200-125.

The amendments to the Rules are necessary to allow more flexibility with the due date for the annual long-term care rate report. The Commission intends to allow the Bureau to set a date by administrative letter in approximately September or October.

NOW THE COMMISSION is of the opinion that the proposal to amend the Rules at Chapter 200 of Title 14 of the Virginia Administrative Code as submitted by the Bureau should be considered for adoption with a proposed effective date of July 1, 2020.

Accordingly, IT IS ORDERED THAT:

(1) The proposal to amend Chapter 200 of Title 14 of the Virginia Administrative Code at 14 VAC 5-200-125 is attached hereto and made a part hereof.

(2) All interested persons who desire to comment in support of or in opposition to, or request a hearing to oppose amendments to Chapter 200 shall file such comments or hearing request on or before May 1, 2020, with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and shall refer to Case No. INS-2020-00033. Interested persons desiring to submit comments electronically may do so by following the instructions at the Commission's website: http://www.scc.virginia.gov/case. All comments shall refer to Case No. INS-2020-00033.

(3) If no written request for a hearing on the proposal to amend rules as outlined in this Order is received on or before May 1, 2020, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposal, may adopt amendments to Chapter 200 of Title 14 of the Virginia Administrative Code as proposed by the Bureau.

(4) The Bureau shall provide notice of the proposal to all carriers licensed in Virginia to write long-term care insurance and to all interested persons.

(5) The Commission's Division of Information Resources shall cause a copy of this Order, together with the proposal to amend rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(6) The Commission's Division of Information Resources shall make available this Order and the attached proposal on the Commission's website: http://www.scc.virginia.gov/case.

(7) The Bureau shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of Ordering Paragraph (4) above.

(8) This matter is continued.

NOTE: A copy of the attachment entitled "Rules Governing Long-Term Care " is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2020-00033
MAY 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Amending Rules Governing Long-Term Care Insurance

ORDER ADOPTING AMENDMENTS TO RULES

By Order to Take Notice ("Order") entered March 11, 2020, insurers and interested persons were ordered to take notice that subsequent to May 1, 2020, the State Corporation Commission ("Commission") would consider the entry of an order adopting amendments to rules set forth in Chapter 200 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Long-Term Care Insurance," which amend the Rules at 14 VAC 5-200-125, unless on or before May 1, 2020, any person objecting to the adoption of the amendments to the Rules filed a request for a hearing with the Clerk of the Commission ("Clerk").

The Order also required insurers and interested persons to file their comments in support of or in opposition to the proposed amendments to the Rules with the Clerk on or before May 1, 2020.

No request for a hearing and no comments were filed with the Clerk.

The amendments to the Rules are necessary to allow more flexibility with the due date for the annual long-term care rate report. The Commission intends to allow the Bureau to set a due date of on or about October 1 annually by administrative letter.

NOW THE COMMISSION, having considered the proposed amendments is of the opinion that the attached amendments to the Rules should be adopted as proposed, effective June 15, 2020.

Accordingly, IT IS ORDERED THAT:

(1) The amendments to Chapter 200 of Title 14 of the Virginia Administrative Code at 14 VAC 5-200-125, which is attached hereto and made a part hereof, are hereby ADOPTED effective June 15, 2020.

(2) The Bureau shall provide notice of the adoption of the amendments to the Rules to all insurers licensed in Virginia to write long-term care insurance and to all interested persons.

(3) The Commission's Division of Information Resources shall cause a copy of this Order, together with the amended Rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(4) The Commission's Division of Information Resources shall make available this Order and the attached amendments to the Rules on the Commission's website: http://www.scc.virginia.gov/case.

(5) The Bureau shall file with the Clerk of the Commission a certificate of compliance with the notice requirements of Ordering Paragraph (2) above.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the attachment entitled "Rules Governing Long-Term Care Insurance" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2020-00039
OCTOBER 6, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOSEPH EDWARD GARGAN,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Joseph Edward Gargan ("Gargan" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) of the Code of Virginia ("Code") by making false or fraudulent statements or representations on or relative to an application relating to the business of insurance for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, premium finance company, or individual when the Defendant created a fraudulent annuity purportedly from his employer for the client's use in paying off the client's settlement obligations, and then retained the funds received from the client for his own use; § 38.2-1813 (A) of the Code by failing to hold all premiums, return premiums or other funds received in a fiduciary capacity and having such funds accounted for by the agent or surplus lines broker when the Defendant created a fraudulent annuity and then retained the funds received from the client for his own use; and § 38.2-1831 (10) of the Code by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, or untrustworthiness in the conduct of business in this Commonwealth or elsewhere, or demonstrating financial irresponsibility in the handling of applicant, policyholder, agency, or insurance company funds when the Defendant created a fraudulent annuity and then retained the funds received from the client for his own use.

Gargan is a Virginia resident licensed with the following lines of authority: Life & Annuities.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective February 14, 2020; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from February 14, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00040
JUNE 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DREW MADDOCK,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Drew Maddock ("Maddock" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) of the Code of Virginia ("Code") by making false or fraudulent statements on an application relating to the business of insurance for the

purpose of obtaining a commission from an insurer when the Defendant participated in fraudulently submitting insurance applications under a group plan for policyholders who were ineligible for group rates; and § 38.2-1831 (10) of the Code by using dishonest practices in the conduct of business in this Commonwealth when the Defendant submitted fraudulent applications to an insurance company.

Maddock is a Maryland resident licensed with the following lines of authority: Life & Annuities and Health.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective February 25, 2020; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from February 25, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00041
JUNE 16, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TEON SUMPTER,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Teon Sumpter ("Sumpter" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (10) of the Code of Virginia ("Code") by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, or untrustworthiness in the conduct of business in this Commonwealth or elsewhere, or demonstrating financial irresponsibility in the handling of applicant funds when the Defendant obtained an insurance customer's credit card information and used that information to make personal purchases without the consent of the customer.

Sumpter is a Virginia resident licensed with the following lines of authority: Life & Annuities and Health.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective February 20, 2020; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from February 20, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00042
JULY 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
KERRY BRANCH,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Kerry Branch ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken in California on September 21, 2019.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 14, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's February 14, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00045
MAY 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LIFESHIELD NATIONAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market analysis inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that LifeShield National Insurance Company (the "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-316 B of the Code of Virginia ("Code") by failing to comply with form filing requirements; § 38.2-316.1 B of the Code by failing to file premium rates for approval by the Commission; and § 38.2-1833 A 1 of the Code by failing to comply with agent appointment requirements.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has confirmed that it has complied with the corrective action plan set forth in Bureau correspondence dated October 23, 2019; has confirmed restitution was made to 1,255 consumers in the amount of Three Hundred Sixty-One Thousand Four Hundred Thirty-Six Dollars and Fourteen Cents ($361,436.14); has agreed to cease and desist from future violations of §§ 38.2 316 B and 38.2-316.1 B the Code; has tendered to the Treasurer of Virginia the sum of One Hundred Four Thousand Seven Hundred Dollars ($104,700); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00046
APRIL 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
HEALTHKEEPERS, INC.,
Defendant

SETTLEMENT ORDER

Based on a target market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that HealthKeepers, Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated §§ 38.2-316 A, 38.2-316 B, and 38.2-316 C 1 of the Code of Virginia ("Code") by failing to use insurance policies or forms on file and approved by the Commission; § 38.2-510 A 3 of the Code by failing to adopt and implement reasonable standards for the prompt investigation of claims; § 38.2-510 A 14 of the Code by failing to promptly provide a reasonable explanation of the basis for denial of a claim; § 38.2-514 B of the Code by failing to make proper disclosures on explanation of benefits; § 38.2-1812 A of the Code by paying or sharing commissions with unlicensed or unappointed agents; § 38.2-1833 A 1 of the Code by accepting applications from unappointed agents; § 38.2-1834 D of the Code by failing to comply with the Commission's notification requirements of the termination of agent appointments; § 38.2-3407.3 A of the Code by failing to calculate coinsurance on the amount paid or payable to the provider; § 38.2-3407.4 A of the Code by failing to file explanation of benefit forms for approval by the Commission; § 38.2-3407.4 B of the Code by failing to accurately and clearly set forth in the explanation of benefits the benefits payable under the contract; §§ 38.2-3407.15 B 1, 38.2-3407.15 B 2, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 5, 38.2-3407.15 B 6, 38.2-3407.15 B 7, 38.2-3407.15 B 8, 38.2-3407.15 B 9, and 38.2-3407.15 B 10 of the Code by failing to demonstrate ethics and fairness in carrier business practices and by failing to include required provisions in provider contracts; §§ 38.2-3407.15:1 B 1, 38.2-3407.15:1 B 2, 38.2-3407.15:1 B 3, 38.2-3407.15:1 B 4, 38.2-3407.15:1 B 5, 38.2-3407.15:1 B 6, 38.2-3407.15:1 B 7, 38.2-3407.15:1 B 8, and 38.2-3407.15:1 B 9 of the Code by failing to demonstrate ethics and fairness in carrier business practices and by failing to include required provisions in carrier contracts with pharmacy providers or intermediaries; § 38.2-3407.15:1 C of the Code by failing to demonstrate ethics and fairness in carrier business practices and by failing to include required provisions in provider and carrier contracts; § 38.2-3451 A of the Code by failing to provide an essential health benefit; § 38.2-3542 C of the Code by failing to provide the required notice of termination of coverage, including the specific date, not less than 15 days from the date of such notice, by which coverage will terminate if overdue premium is not paid; § 38.2-4304 B of the Code by failing to establish a mechanism to provide enrollees an opportunity to participate in matters of policy and operation; § 38.2-4306.1 B of the Code by failing to pay interest on claim proceeds; §§ 38.2-5804 A and 38.2-5804 A 1 of the Code by failing to maintain a complaint system approved by the Commission and by failing to maintain a record of the complaints for a period of no less than five years; §§ 38.2-5805 C 1, 38.2-5805 C 4, 38.2-5805 C 5, 38.2-5805 C 7, 38.2-5805 C 8, 38.2-5805 C 9, and 38.2-5805 C 10 of the Code by failing to include required provisions in provider contracts; 14 VAC 5-90-40 of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, 14 VAC 5-90-10 *et seq*. ("Rules"), by failing to conspicuously set out all information required to be disclosed; 14 VAC 5-90-50 A of the Commission's Rules by using potentially misleading or deceptive advertisements, 14 VAC 5-90-55 A of the Commission's Rules by failing to include the required disclosure regarding the exclusions and limitations of the policy, 14 VAC 5-90-60 A 1 of the Commission's Rules by making misleading statements in the advertisements of covered benefits; 14 VAC 5-90-90 C of the Commission's Rules by failing to disclose the source of any statistics used in an advertisement; 14 VAC 5-90-160 of the Commission's Rules by using statements in advertisements that are untrue in fact, or by implication misleading, with respect to the assets, corporate structure, age or relative position of the company; as well as 14 VAC 5-211-30 C of the Commission's Rules Governing Health Maintenance Organizations, 14 VAC 5-211-10 *et seq*., by failing to include the required hold harmless clause in provider contracts; 14 VAC 5-211-80 B of the Commission's Rules by failing to provide or arrange for service prior to seeking coordination of benefits; 14 VAC 5-211-90 B of the Commission's Rules by failing to properly provide notice to an enrollee when his out-of-pocket maximum has been reached; and 14 VAC 5-211-150 A of the Commission's Rules by failing to establish and maintain a complaint system to provide reasonable procedures for the prompt and effective resolution of written complaints.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-4316 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan set forth in the examination report as of December 31, 2015; has tendered to the Treasurer of Virginia the sum of One Hundred Sixty-One Thousand Four Hundred Dollars ($161,400); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00047
APRIL 13, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ANTHEM HEALTH PLANS OF VIRGINIA, INC.,
Defendant

SETTLEMENT ORDER

Based on a target market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that Anthem Health Plans of Virginia, Inc., duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-109 B of the Code of Virginia ("Code") by failing to clearly disclose the liability assumed by the insurer; §§ 38.2-316 A, 38.2-316 B, and 38.2-316 C 1 of the Code by failing to use insurance policies or forms on file and approved by the Commission; § 38.2-502 (1) of the Code by misrepresenting the benefits, advantages, conditions or terms of an insurance policy; § 38.2-508 (2) of the Code by engaging in unfair discrimination; § 38.2-514 B of the Code by failing to make proper disclosures on explanation of benefits; § 38.2-1812 A of the Code by paying or sharing commissions with unlicensed or unappointed agents; § 38.2-1833 A 1 of the Code by accepting applications from unappointed agents; § 38.2-1834 D of the Code by failing to comply with the Commission's notification requirements of the termination of agent appointments; § 38.2-3405 B of the Code by improperly allowing the subrogation of claim payments; § 38.2-3407.1 B of the Code by failing to pay interest on accident and sickness claim proceeds; § 38.2-3407.3 A of the Code by failing to calculate coinsurance on the amount paid or payable to the provider; § 38.2-3407.4 B of the Code by failing to accurately and clearly set forth in the explanation of benefits the benefits payable under the contract; § 38.2-3407.14 C of the Code by failing to provide the required notice at least 75 days prior to the proposed renewal of coverage; §§ 38.2-3407.15 B 1, 38.2-3407.15 B 2, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 5, 38.2-3407.15 B 6, 38.2-3407.15 B 7, 38.2-3407.15 B 8, 38.2-3407.15 B 9, and 38.2-3407.15 B 10 of the Code by failing to demonstrate ethics and fairness in carrier business practices and by failing to include required provisions in provider contracts; §§ 38.2-3407.15:1 B 1, 38.2-3407.15:1 B 2, 38.2-3407.15:1 B 3, 38.2-3407.15:1 B 4, 38.2-3407.15:1 B 5, 38.2-3407.15:1 B 6, 38.2-3407.15:1 B 7, 38.2-3407.15:1 B 8, and 38.2-3407.15:1 B 9 of the Code by failing to demonstrate ethics and fairness in carrier business practices and by failing to include required provisions in carrier contracts with pharmacy providers or intermediaries; § 38.2-3407.15:1 C of the Code by failing to demonstrate ethics and fairness in carrier business practices and by failing to include required provisions in provider and carrier contracts; § 38.2-3542 C of the Code by failing to provide the required notice of termination of coverage, including the specific date, not less than 15 days from the date of such notice, by which coverage will terminate if overdue premium is not paid; § 38.2-3561 J of the Code by failing to promptly approve coverage upon receipt of a notice reversing the adverse determination or final adverse determination; § 38.2-5804 A of the Code by failing to maintain the complaint system approved by the Commission; § 38.2-5805 B of the Code by failing to maintain written copies of provider contracts; 14 VAC 5-90-50 A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, 14 VAC 5-90-10 *et seq*. ("Rules"), by failing to use the proper format and content in advertisements, 14 VAC 5-90-55 A and 14 VAC 5-90-55 B of the Commission's Rules by failing to include the required provisions and rate information in invitations to inquire, 14 VAC 5-90-60 A (2) by failing to comply with requirements applicable to advertisements of covered benefits; 14 VAC 5-90-90 A of the Commission's Rules by failing to use current and relevant facts in advertisements, 14 VAC 5-90-90 C of the Commission's Rules by failing to disclose the source of any statistics used in an advertisement; 14 VAC 5-90-110 of the Commission's Rules by making disparaging comparisons and statements in advertisements; 14 VAC 5-216-40 E (1) of the Commission's Rules Governing Internal Appeal and External Review, 14 VAC 5-216-10 *et seq*., by failing to notify the insured of the final benefit determination within a reasonable period of time; as well as 14 VAC 5-400-60 A of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*., by failing to provide timely notification of acceptance or denial of claims; and 14 VAC 5-400-70 A and B of the Commission's Rules by failing to provide claimants with written notice of claim denials and by failing to provide a reasonable written explanation for such claim denials.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan set forth in the examination report as of December 31, 2015; has tendered to the Treasurer of Virginia the sum of One Hundred Thirty Two Thousand Six Hundred Dollars ($132,600); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended Causes.

CASE NO. INS-2020-00052
JUNE 16, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CHETAN RAJ SINGH,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Chetan Raj Singh ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) of the Code of Virginia ("Code") by making false or fraudulent statements or representations on or relative to an application or any document or communication relating to the business of insurance for the purpose of obtaining a benefit from an insurer or individual when the Defendant twice issued a fraudulent insurance policies to a client which falsely indicated that the client was covered by commercial property and liability insurance, for which the Defendant invoiced the client, without remitting the funds to the purported insurance carriers; § 38.2-518 (F) of the Code by knowingly preparing and issuing certificates of insurance that contained false or misleading information by providing a client with a falsified Certificate of Insurance which indicated falsely that the client had Commercial General Liability and a Commercial Umbrella insurance coverage; § 38.2-1813 of the Code by failing to hold premiums in a fiduciary capacity and by failing to remit the premiums to an insurer in the ordinary course of business when the Defendant on two occasions accepted premiums and did not remit them to insurers; and §§ 38.2-1831 (6); (8); and (10) of the Code by improperly withholding, misappropriating or converting any moneys received in the course of doing insurance business; by having admitted to committing insurance fraud; and by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, or untrustworthiness in the conduct of business in this Commonwealth, or demonstrating financial irresponsibility in the handling of applicant, policyholder, agency, or insurance company funds when the Defendant, by his own admission, took premiums from a client and retained the money for his own personal use rather than depositing the funds with the client's purported insurance carriers.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant has admitted to violating the insurance laws of Virginia; has waived the right to a hearing; has voluntarily agreed and consented to the revocation and permanent injunction of his license to transact the business of insurance in Virginia and the authority to act as an insurance agent in Virginia effective April 17, 2020; and admits to the Commission's jurisdiction and authority to enter this Order.

The Bureau, upon the Defendant's admission and voluntary agreement and consent, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-512 (A) of the Code of Virginia ("Code") by making false or fraudulent statements or representations on or relative to an application or any document or communication relating to the business of insurance for the purpose of obtaining a benefit from an insurer or individual; § 38.2-518 (F) of the Code by knowingly preparing and issuing certificates of insurance that contained false or misleading information; § 38.2-1813 of the Code by failing to hold premiums in a fiduciary capacity and by failing to remit the premiums to an insurer in the ordinary course of business; and §§ 38.2-1831 (6); (8); and (10) of the Code by improperly withholding, misappropriating or converting any moneys received in the course of doing insurance business; by having admitted to committing insurance fraud; and by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, or untrustworthiness in the conduct of business in this Commonwealth, or demonstrating financial irresponsibility in the handling of applicant, policyholder, agency, or insurance company funds.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant agrees to be permanently enjoined from violating the insurance laws of Virginia in the future.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00058
MARCH 25, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CALIFORNIA CASUALTY INDEMNITY EXCHANGE,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that California Casualty Indemnity Exchange ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-2201 of the Code of Virginia ("Code") by failing to follow the provisions for payment of medical expense benefits as provided under the statute.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated September 6, 2019, December 30, 2019, and February 11, 2020; has confirmed that restitution was made to 44 consumers in the amount of Seventy-six Thousand Three Hundred Sixty-two Dollars and Seventy-eight Cents ($76,362.78); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00059
APRIL 20, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
THE TRAVELERS INDEMNITY COMPANY OF AMERICA, TRAVCO INSURANCE COMPANY, and
TRAVELERS PERSONAL SECURITY INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that The Travelers Indemnity Company of America, TravCo Insurance Company, and Travelers Personal Security Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: §§ 38.2-231 C and 38.2-2114 C of the Code of Virginia ("Code") by failing to have compliant termination notices; § 38.2-305 B of the Code by failing to provide the Important Information notice to policyholders; § 38.2-604 B of the Code by failing to have an Information Collection and Disclosure Practices notice that complies with the statute; § 38.2-502 (1) of the Code by failing to properly represent the benefits, advantages, conditions or terms of an insurance policy; § 38.2-510 A 1 of the Code by misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue; § 38.2-610 A of the Code by failing to have an adverse underwriting decision notice that complies with the statute; § 38.2-1809 B of the Code by failing to retain records relative to insurance transactions for three previous calendar years; § 38.2-1822 A of the Code by allowing an entity to act as an agent without first obtaining a license from the Commonwealth of Virginia; § 38.2-1833 of the Code by failing to appoint an agent within thirty (30) days of the date of the insurance application; § 38.2-1905 A of the Code by failing to provide the Accident Surcharge Point notice; § 38.2-1906 D of the Code by failing to use the rules/rates on file with the Bureau; §§ 38.2-2114 E, 38.2-2212 E and 38.2-2212 F of the Code by failing to accurately terminate insurance policies; § 38.2-2118 of the Code by failing to have a compliant Replacement Cost Benefits notice; § 38.2-2120 of the Code by failing to provide the Water which Backs Up through Sewers or

Drains notice; § 38.2-2124 C of the Code by failing to have an Ordinance or Law notice available for use; § 38.2-2126 A of the Code by failing to have a compliant Insurance Credit Disclosure notice; § 38.2-2201 D of the Code by failing to obtain a valid Assignment of Benefits from the insured authorizing direct payment to the medical provider; § 38.2-2202 A of the Code by failing to provide the Medical Expense Coverage Options notice; § 38.2-2202 B of the Code by failing to provide the Uninsured Motorist Optional Limits notice; § 38.2-2214 of the Code by failing to use the Rate Classification Statement in language approved by the Commission; § 38.2-2220 of the Code by failing to use forms in the precise language of standard auto forms; § 38.2-2223 of the Code by using broadenings of standard forms without obtaining approval from the Commission prior to use; and §§ 38.2-2234 A and 38.2-2234 B of the Code by failing to have a compliant Automobile Insurance Credit Disclosure Notice; as well as 14 VAC 5-400-30 C, 14 VAC 5-400-40 A, and 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. ("Rules"), by failing to properly handle claims with such frequency as to indicate a general business practice.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting nor denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated October 29, 2019, February 24, 2020, March 6, 2020, and March 12, 2020; have confirmed restitution was made to 77 consumers in the amount of Twenty-one Thousand Seven Hundred Seven Dollars and Ninety-eight Cents ($21,707.98); have tendered to the Treasurer of Virginia the sum of Forty-Nine Thousand Five Hundred Dollars ($49,500); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00062
MAY 1, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SCOTT RANDOLPH,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Scott Randolph ("Randolph" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on August 17, 2018 when he failed to disclose a criminal conviction.

Randolph is a Massachusetts resident licensed with the following lines of authority: Life & Annuities and Health.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing, has voluntarily surrendered the authority to act as an insurance agent in Virginia effective March 21, 2020, and has agreed not to make any application to transact the business of insurance in Virginia for a period of one (1) year from March 21, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00064
OCTOBER 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
STEVEN D. ZITOMER,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Steven D. Zitomer ("Zitomer" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 A of the Code of Virginia ("Code") by making fraudulent representations on insurance applications for the purpose of obtaining a commission from an insurer when the Defendant participated in creating and submitting false insurance applications; and § 38.2-1831 (10) of the Code by using dishonest practices in the conduct of business in this Commonwealth when the Defendant submitted fraudulent applications to an insurance company.

Zitomer is a Maryland resident licensed with the following lines of authority: Life & Annuities and Health.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective March 24, 2020; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from March 24, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00069
JULY 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
KIARA JANAE ARMSTRONG,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Kiara Janae Armstrong ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission when the Defendant failed to disclose a misdemeanor conviction in Texas in 2008.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated December 31, 2019 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's December 31, 2019 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00072
DECEMBER 31, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
HEFFERNAN INSURANCE BROKERS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Heffernan Insurance Brokers ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken in Wyoming on March 19, 2015.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 6, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's February 6, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00074
APRIL 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Credit for Reinsurance

ORDER TO TAKE NOTICE

Section 12.1-13 of the Code of Virginia ("Code") provides that the State Corporation Commission ("Commission") shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and § 38.2-223 of the Code provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code.

The rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code are set forth in Title 14 of the Virginia Administrative Code. A copy of this order may also be found at the Commission's website: http://www.scc.virginia.gov/case.

The Bureau of Insurance ("Bureau") has submitted to the Commission proposed revisions to the rules set forth in Chapter 300 of Title 14 of the Virginia Administrative Code, entitled Rules Governing Credit for Reinsurance, 14 VAC 5-300-10 *et seq*. ("Rules"), which revise the Rules at 14 VAC 5-300-40, 14 VAC 5-300-90, 14 VAC 5-300-95, and 14 VAC 5-300-150; and adds a new Rule at 14 VAC 5-300-97.

The proposed revisions to Chapter 300 are necessary to implement the provisions of § 38.2-1316.2 of the Code which was amended during the 2020 General Assembly (Chapter 208 of the 2020 Acts of Assembly) eliminating the reinsurance collateral requirements for Assuming Insurers (Reciprocal Reinsurers) that have their head office or are domiciled in a Reciprocal Jurisdiction and that meet certain solvency requirements. The proposed revisions include the following:

- Conforming changes to citations in 14 VAC 5-300-40, 14 VAC 5-300-90 and 14 VAC 5-300-150;
- Addition of the definition of "solvent scheme of arrangement" to 14 VAC 5-300-40;
- Revision of the requirements in 14 VAC 5-300-95 concerning audited financial statements of certified reinsurers, and the addition of a requirement to provide an English translation of certain information; and
- The addition of 14 VAC 5-300-97, which implements the provisions of § 38.2-1316.2 E concerning credit for reinsurance ceded to assuming insurers.

NOW THE COMMISSION is of the opinion that the proposed revisions submitted by the Bureau to revise the Rules at 14 VAC 5-300-40, 14 VAC 5-300-90, 14 VAC 5-300-95, and 14 VAC 5-300-150; and to add a new Rule at 14 VAC 5-300-97, should be considered for adoption with a proposed effective date of July 1, 2020.

Accordingly, IT IS ORDERED THAT:

(1) The proposal to revise the Rules at 14 VAC 5-300-40, 14 VAC 5-300-90, 14 VAC 5-300-95, and 14 VAC 5-300-150; and to add a new Rule at 14 VAC 5-300-97 is attached hereto and made a part hereof.

(2) All interested persons who desire to comment in support of or in opposition to, or request a hearing to oppose the revisions to the Rules, shall file such comments or hearing request on or before June 1, 2020, with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS-2020-00074. Interested persons desiring to submit comments electronically may do so by following the instructions at the Commission's website: http://www.scc.virginia.gov/case. All comments shall reference Case No. INS-2020-00074.

(3) If no written request for a hearing on the proposal to revise the Rules, as outlined in this Order, is received on or before June 1, 2020, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposal, may adopt the Rules as submitted by the Bureau.

(4) The Bureau shall provide notice of the proposal to revise the Rules to all insurers, burial societies, fraternal benefit societies, health services plans, risk retention groups, joint underwriting associations, group self-insurance pools, and group self-insurance associations licensed by the Commission, to qualified reinsurers in Virginia, and to all interested persons.

(5) The Commission's Division of Information Resources shall cause a copy of this Order, together with the proposal to revise the Rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(6) The Commission's Division of Information Resources shall make available this Order and the attached proposed revisions to the Rules on the Commission's website: http://www.scc.virginia.gov/case.

(7) The Bureau shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of Ordering Paragraph (4) above.

(8) This matter is continued.

NOTE: A copy of the attachment entitled "Rules Governing Credit for Reinsurance" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2020-00074
JUNE 12, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Credit for Reinsurance

ORDER ADOPTING REVISIONS TO RULES

By Order to Take Notice ("Order") entered April 14, 2020, insurers and all other interested persons were ordered to take notice that subsequent to June 1, 2020, the State Corporation Commission ("Commission") would consider the entry of an order adopting proposed revisions to the rules set forth in Chapter 300 of Title 14 of the Virginia Administrative Code, entitled Rules Governing Credit for Reinsurance, 14 VAC 5-300-10 *et seq*. ("Rules"), as well as the addition of a new Rule at 14 VAC 5-300-97, unless on or before June 1, 2020 any interested person filed written comments or a request for hearing to consider the amendments to the Rules with the Clerk of the Commission ("Clerk").

One comment was filed with the Clerk in support of the revisions to the Rules. No other comments and no requests for a hearing were filed with the Clerk.

The revisions to Chapter 300 are necessary to implement the provisions of § 38.2-1316.2 of the Code of Virginia, which were amended during the 2020 General Assembly (Chapter 208 of the 2020 Acts of Assembly). The amendments eliminate reinsurance collateral requirements for Assuming Insurers (Reciprocal Reinsurers) that have their head office or are domiciled in a Reciprocal Jurisdiction and that meet certain solvency requirements.

Following the Order to Take Notice, several editorial and conforming changes were made to the proposed rules, which are neither substantive nor material in nature.

NOW THE COMMISSION, having considered the proposed revisions to the Rules, is of the opinion that the attached revisions to the Rules should be adopted, effective July 1, 2020.

Accordingly, IT IS ORDERED THAT:

(1) The revisions to the Rules Governing Credit for Reinsurance at Chapter 300 of Title 14 of the Virginia Administrative Code, which revise the Rules at 14 VAC 5-300-40, 14 VAC 5-300-90, 14 VAC 5-300-95, and 14 VAC 5-300-150; and add a new Rule at 14 VAC 5-300-97, which are attached hereto and made a part hereof, are hereby ADOPTED effective July 1, 2020.

(2) The Bureau of Insurance forthwith shall give notice of the adoption of the revisions to the Rules to all insurers, burial societies, fraternal benefit societies, health services plans, risk retention groups, joint underwriting associations, group self-insurance pools, and group self-insurance associations licensed by the Commission, to qualified reinsurers in Virginia, and to all interested persons designated by the Bureau of Insurance.

(3) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, together with the revisions to the Rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(4) The Commission's Division of Information Resources shall make available this Order and the attached amendments to the Rules on the Commission's website: http://www.scc.virginia.gov/case.

(5) The Bureau shall file with the Clerk of the Commission a certificate of compliance with the notice requirements of Ordering Paragraph (2) above.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the attachment entitled " CH 0300 Rules Governing Credit for Reinsurance" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2020-00075
APRIL 15, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CENTRAL MUTUAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Central Mutual Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-317 H of the Code of Virginia ("Code") by failing to notify the Commission that insurance policies or endorsements filed and approved would not be used as of the effective date requested.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated February 14, 2020; has tendered to the Treasurer of Virginia the sum of Two Thousand Five Hundred Dollars ($2,500); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00076
MAY 13, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOSE A. AGUIRRE, JR.,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jose A. Aguirre, Jr. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when he failed to report administrative actions taken against him in Kansas on October 7, 2019.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 25, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's February 25, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00077
JULY 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
KATHRINE BUCKLEY- STOFFEL,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Kathrine Buckley- Stoffel ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken in Indiana on October 4, 2019, Maine on July 22, 2019, in North Dakota on May 15, 2019, and in South Dakota on August 9, 2019.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 25, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's February 25, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00081
DECEMBER 31, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SHARON YVETTE ROBINSON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Sharon Yvette Robinson ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken in Florida on December 20, 2018 and in California on December 26, 2019.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated March 13, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's March 13, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00083
DECEMBER 10, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JACQUAN MARSHAY WAITES-RAY,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jacquan Marshay Waites-Ray ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken in California in 2017 and in Florida in 2019; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in three license applications filed with the Commission when the Defendant failed to disclose administrative actions taken against the Defendant in other jurisdictions.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 25, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's February 25, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in three license applications filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00085
APRIL 17, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CHURCH MUTUAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Church Mutual Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendant.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated December 12, 2019; has confirmed that restitution was made to 16 consumers in the amount of Two Hundred Twenty-five Thousand Two Hundred Forty-four Dollars ($225,244); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00086
DECEMBER 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JAVIER EMILIO RODRIGUEZ,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Javier Emilio Rodriguez ("Rodriguez" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on September 25, 2018 when the Defendant failed to disclose a felony conviction in Florida in 2000.

Rodriguez is a Florida resident licensed with the following lines of authority: Life & Annuities and Health.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective May 5, 2020; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from May 5, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00087
APRIL 24, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, CONTINENTAL CASUALTY COMPANY, THE CONTINENTAL INSURANCE COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, TRANSPORTATION INSURANCE COMPANY, and VALLEY FORGE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that American Casualty Company of Reading, Pennsylvania, Continental Casualty Company, The Continental Insurance Company, National Fire Insurance Company of Hartford, Transportation Insurance Company, and Valley Forge Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-317 of the Code of Virginia ("Code") by failing to use an insurance policy or endorsement as of the effective date that such policy or endorsement was filed with the Commission; and § 38.2-1906 D of the Code by making or issuing an insurance contract or policy not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated September 4, 2019, November 22, 2019, and January 29, 2020; have tendered to the Treasurer of Virginia the sum of Fifteen Thousand Dollars ($15,000); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00088
DECEMBER 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LORI A. SUHR,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Lori A. Suhr ("Suhr" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on May 7, 2019 when the Defendant failed to disclose a felony conviction in Missouri in 2012.

Suhr is a Missouri resident licensed with the following lines of authority: Life & Annuities and Health.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective March 29, 2020; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from March 29, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00091
SEPTEMBER 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
METROMILE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that Metromile Insurance Company (the "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. of the Virginia Administrative Code ("Rules"), by failing to properly issue first party claim payments under the insured's Uninsured Motorist Property Damage Coverage.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company electronic correspondence dated April 21, 2020, and April 22, 2020; has confirmed restitution was made to 42 consumers in the amount of Sixteen Thousand Seven Hundred Eighty Six Dollars and Eighty-five Cents ($16,786.85); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00092
DECEMBER 15, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MONICA MANRIQUEZ,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Monica Manriquez ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1809 A of the Code of Virginia ("Code") by failing to provide the Bureau with requested documents responsive to an investigation; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission when the Defendant failed to disclose a misdemeanor conviction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated March 23, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's March 23, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1809 A of the Code by failing to provide the Bureau with requested documents responsive to an investigation; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00094
OCTOBER 6, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ASHLEY NICHOL WAGONER,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Ashley Nichol Wagoner ("Wagoner" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1813 A of the Code of Virginia ("Code") by failing to hold premiums for insurance policies in a fiduciary capacity by receiving premiums on insurance policies and failing to remit the premiums to the insurance carrier; § 38.2-1826 A of the Code by failing to report to the Commission within thirty (30) calendar days a change in residence when Wagoner moved from Virginia to North Carolina; and § 38.2-1831 (10) of the Code by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, or untrustworthiness in the conduct of business in this Commonwealth or elsewhere, or demonstrating financial irresponsibility in the handling of applicant, policyholder, agency, or insurance company funds by receiving premiums on insurance policies and failing to remit the premiums to the insurance carrier.

Wagoner was a Virginia resident licensed with the following lines of authority: Life & Annuities, Health, and Property & Casualty.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective April 6, 2020; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from April 6, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00096
SEPTEMBER 21, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TODD ALLEN DAVIS,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Todd Allen Davis ("Davis" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) of the Code of Virginia ("Code") by making false or fraudulent statements on an application relating to the business of insurance for the purpose of obtaining a benefit from an insurer when the Defendant filled out and submitted two insurance applications to the insurance company which falsely listed another agent as the agent of record; and § 38.2-1831 (10) of the Code by using dishonest practices in the conduct of business in this Commonwealth when the Defendant submitted applications which falsely listed another agent as the agent of record to an insurance company.

Davis is a Virginia resident licensed with the following lines of authority: Life & Annuities and Health.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective April 30, 2020; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from April 30, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00097
JUNE 3, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SAMUEL RICHARD ACQUAH,
Defendant

ORDER GRANTING RECONSIDERATION

On May 13, 2019, the Virginia State Corporation Commission ("Commission") issued an Order Revoking License in this matter, revoking the Defendant, Samuel Richard Acquah's ("Defendant" or "Mr. Acquah") insurance license. On June 3, 2020, Mr. Acquah petitioned the Commission for Rehearing or Reconsideration of the Order Revoking License ("Petition").

NOW THE COMMISSION, upon consideration of this matter, and pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure, 5 VAC-5-20-10 *et seq*., grants reconsideration at this time solely for the purpose of continuing jurisdiction over this matter and considering the Petition. The Order Revoking License is hereby suspended pending the Commission's reconsideration.

Accordingly, IT IS ORDERED THAT:

(1) Reconsideration is granted at this time solely for the purpose of continuing jurisdiction over this matter and considering the Petition.

(2) Pending the Commission's consideration of the Petition, the Order Revoking License is suspended.

(3) This matter is continued generally.

CASE NO. INS-2020-00097
AUGUST 19, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
SAMUEL RICHARD ACQUAH,
Defendant

ORDER ON RECONSIDERATION

On May 13, 2020, the Virginia State Corporation Commission ("Commission") entered an Order Revoking License[1] ("Revoking Order") in this matter, revoking Samuel Richard Acquah's (the "Defendant" or "Mr. Acquah") insurance license for violating § 38.2-1819 (A) of the Code of Virginia ("Code") by failing to pay, at the time of applying for a license, a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

On June 3, 2020, the Defendant filed a Petition for Rehearing or Reconsideration[2] ("Petition") with the Commission. In the Petition, Mr. Acquah indicated that he had paid the nonrefundable application processing fee, submitted proof of payment to the Bureau, and requested that his non-resident insurance license be reinstated.

[1] Doc. Con. Cen. No. 200530060.

[2] Doc. Con. Cen. No. 200610141.

By Order Granting Reconsideration entered on June 3, 2020,[3] the Commission granted reconsideration to continue the Commission's jurisdiction over the matter, consider the Petition, and suspend the revocation of the Defendant's license.

The Bureau has been able to confirm that the Defendant paid the nonrefundable application processing fee within hours of the entry of the Revoking Order. (See attached Exhibits 1 and 2.) As such, the Bureau recommends, in this instance, that the Revoking Order be vacated.

NOW THE COMMISSION, upon reconsideration of this matter, and having considered the record herein, and the recommendation of the Bureau, is of the opinion that the Defendant's license should be reinstated.

Accordingly, IT IS ORDERED THAT:

(1) The Order Revoking License entered May 13, 2020, is VACATED.

(2) The Defendant's license is REINSTATED.

(3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

[3] Doc. Con. Cen. No. 200620003.

CASE NO. INS-2020-00098
MAY 13, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ANNALISA NICODA BURRELL,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Annalisa Nicoda Burrell ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1819 (A) of the Code of Virginia ("Code") by failing to pay, at the time of applying for a license, a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 24, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 24, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1819 (A) of the Code by failing to pay, at the time of applying for a license, a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00099
MAY 13, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RONALD NATHANIEL BUSH,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Ronald Nathaniel Bush ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1819 (A) of the Code of Virginia ("Code") by failing to pay, at the time of applying for a license, a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 24, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 24, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1819 (A) of the Code by failing to pay, at the time of applying for a license, a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00100
MAY 13, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JAMES W. LAVOIE,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that James W. Lavoie ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1819 (A) of the Code of Virginia ("Code") by failing to pay, at the time of applying for a license, a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 24, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 24, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1819 (A) of the Code by failing to pay, at the time of applying for a license, a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00101
MAY 13, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TANYEA THOMAS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Tanyea Thomas ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1819 (A) of the Code of Virginia ("Code") by failing to pay, at the time of applying for a license, a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 24, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 24, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1819 (A) of the Code by failing to pay, at the time of applying for a license, a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00102
SEPTEMBER 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ALLIED PROPERTY & CASUALTY INSURANCE COMPANY, AMCO INSURANCE COMPANY, CRESTBROOK INSURANCE COMPANY, HARLEYSVILLE PREFERRED INSURANCE COMPANY, NATIONWIDE GENERAL INSURANCE COMPANY, NATIONWIDE INSURANCE COMPANY OF AMERICA, NATIONWIDE MUTUAL INSURANCE COMPANY, and NATIONWIDE PROPERTY AND CASUALTY INSURANCE COMPANY
Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Allied Property & Casualty Insurance Company, AMCO Insurance Company, Crestbrook Insurance Company, Harleysville Preferred Insurance Company, Nationwide General Insurance Company, Nationwide Insurance Company of America, Nationwide Mutual Insurance Company, and Nationwide Property and Casualty Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-2201 D of the Code of Virginia ("Code") by failing to follow the provisions for payment of medical expense benefits as provided under the statute.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated May 1, 2020 and May 6, 2020; have confirmed that restitution was made to 779 consumers in the amount of Two Million Forty-six Thousand Four Hundred Six-nine Dollars and Fifty-six Cents ($2,046,469.56); have tendered to the Treasurer of Virginia the sum of Two Thousand Five Hundred Dollars ($2,500) for each of the Defendant companies for a total amount of Twenty Thousand Dollars ($20,000); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00104
DECEMBER 10, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TYRELL LEWIS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Tyrell Lewis ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission when the Defendant failed to disclose a misdemeanor conviction in Florida in 2013.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated March 9, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's March 9, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00107
AUGUST 20, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
METROMILE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that Metromile Insurance Company (the "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-228 of the Code of Virginia ("Code") by failing to provide proof of future financial responsibility to the Commissioner of the Department of Motor Vehicles without unreasonable delay; § 38.2-305 A of the Code by failing to provide accurate information as required by the statute in the insurance policy; § 38.2-305 B of the Code by failing to provide the Important Information notice to policyholders; § 38.2-510 A 10 of the Code by failing to include a statement setting forth the coverage under which payments are being made; § 38.2-517 A 3 of the Code by failing to provide the insured or claimant the proper notice in connection with a glass claim arising under a motor vehicle insurance policy; § 38.2-610 A of the Code by failing to have an adverse underwriting decision notice that complies with the statute; § 38.2-1905 A of the Code by failing to provide an Accident Surcharge Point notice in compliance with the statute; § 38.2-1905 C of the Code by failing to properly assign points under the Safe Driver Insurance Plan; § 38.2-1906 A of the Code failing to file with the Commission all rates and supplementary rate information for use in Virginia on or before the date they become effective; § 38.2-1906 D of the Code by failing to use the rate and supplementary rate information on file with the Bureau; § 38.2-2201 D of the Code by failing to obtain a valid Assignment of Benefits from the insured authorizing direct payment to the medical provider; § 38.2-2202 A of the Code by failing to provide the Medical Expense Benefits Coverage Options notice in the precise language of the statute; § 38.2-2202 B of the Code by failing to provide the Uninsured Motorist Optional Limits notice in the precise language of the statute; § 38.2-2208 A of the Code by failing to retain valid proof of mailing of the nonrenewal notice to the insured; § 38.2-2210 A of the Code by failing to have the 60-day Cancellation Warning notice in bold face type; § 38.2-2212 F of the Code by failing to properly terminate insurance policies; § 38.2-2214 of the Code by failing to provide an insured with a statement of rate classification; § 38.2-2220 of the Code by failing to use forms in the precise language of the standard auto forms filed and adopted by the Commission; § 38.2-2230 of the Code by failing to provide a compliant Rental Reimbursement Coverage notice; § 38.2-2234 A of the Code by failing to provide a compliant adverse action notice that is based, in whole or in part, on credit information; § 38.2-2234 B of the Code by failing to update the insured's credit at least once every three years; § 38.2-2234 E of the Code by using credit information obtained more than 90 days prior to the policy effective date; as well as 14 VAC 5-400-40 A of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. of the Virginia Administrative Code ("Rules"), by failing to fully disclose all pertinent benefits and coverages applicable to a claim; 14 VAC 5-400-70 D of the Rules by failing to offer a fair and reasonable amount on a claim; and 14 VAC 5-400-80 D by failing to provide claimants with a copy of the Defendant's prepared estimate as required by the Rules and by failing to properly handle such claims with such frequency as to indicate a general business practice as identified by 14 VAC 5-400-25.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company electronic correspondence dated September 3, 2019, January 3, 2020, March 2, 2020, April 21, 2020, and May 8, 2020; has confirmed restitution was made to 34 consumers in the amount of Eleven Thousand Two Hundred Ten Dollars and Ninety-four Cents ($11,210.94); has tendered to the Treasurer of Virginia the sum of Sixty Thousand Three Hundred Dollars ($60,300); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00108
AUGUST 3, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MAX D. MONROE,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Max D. Monroe ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission when the Defendant failed to disclose that he had a misdemeanor judgement withheld or deferred in Missouri in 2012.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 22, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 22, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00109
AUGUST 3, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MARIO SANTANA,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Mario Santana ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken in Florida on December 21, 2017, in Louisiana on July 12, 2018, and in Delaware on December 17, 2018.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 22, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 22, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00111
AUGUST 20, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DAIRYLAND INSURANCE COMPANY, and PEAK PROPERTY AND CASUALTY INSURANCE CORPORATION,
Defendants

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that Dairyland Insurance Company and Peak Property and Casualty Insurance Corporation (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated:

§ 38.2-305 A of the Code of Virginia ("Code") by failing to include the information required by the statute in the insurance policy;

§ 38.2-305 B of the Code by failing to provide the Important Information notice to policyholders;

§ 38.2-502 (1) of the Code by failing to properly represent the benefits, advantages, conditions or terms of an insurance policy;

§ 38.2-510 A 3 of the Code by failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies;

§ 38.2-510 A 6 of the Code by failing to make a prompt, fair and equitable settlement of a claim in which liability was reasonably clear;

§ 38.2-604.1 of the Code by failing to have a Financial Information Collection and Disclosure Practices notice that complies with the statute;

§ 38.2-604 C of the Code by failing to accurately provide the required notice of information collection and disclosure practices to insureds;

§ 38.2-610 A of the Code by failing to have an adverse underwriting decision notice that complies with the statute;

§ 38.2-1318 C of the Code by failing to provide the examiners convenient access to files, documents, and records of the Defendants that are relevant to the examination;

§ 38.2-1822 A of the Code by allowing an entity to act as an agent without first obtaining a license from the Commonwealth of Virginia;

§ 38.2-1833 of the Code by failing to appoint an agent within thirty (30) days of the date of the insurance application;

§ 38.2-1905 A of the Code by failing to have an Accident Surcharge Point notice in compliance with the statute;

§ 38.2-1905 C of the Code by failing to properly assign points under the Safe Driver Insurance Plan;

§ 38.2-1906 A of the Code by failing to file with the Commission all rate and supplemental rate information for use in Virginia on or before the date they become effective;

§ 38.2-1906 D of the Code by failing to use the rate and supplementary rate information on file with the Bureau;

§ 38.2-2202 A of the Code by failing to include the Medical Expense Benefits Coverage Options notice in the precise language of the statute;

§ 38.2-2202 B of the Code by failing to include the Uninsured Motorist Optional Limits notice in the precise language of the statute;

§ 38.2-2210 A of the Code by failing to have the 60-day Cancellation Warning notice on or attached to the application;

§§ 38.2-2212 D, 38.2-2212 E, and 38.2-2212 F of the Code by failing to properly terminate insurance policies;

§ 38.2-2214 of the Code by failing to use the Rate Classification Statement in the form approved by the Commission;

§ 38.2-2230 of the Code by failing to offer, in writing, the option of purchasing rental reimbursement coverage, or otherwise failing to have a compliant Rental Reimbursement Coverage notice;

§ 38.2-2234 A of the Code by failing to have a compliant Automobile Insurance Credit Disclosure Notice; as well as,

14 VAC 5-400-30 of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. of the Virginia Administrative Code ("Rules"), by failing to properly document the claim file to sufficiently reconstruct events and/or dates that were pertinent to the claim;

14 VAC 5-400-40 A of the Rules by failing to fully disclose all pertinent benefits and coverages applicable to a claim;

14 VAC 5-400-60 B of the Rules by failing to notify the insured, in writing, every 45 days of the reason for the Defendants' delay in completing the investigation of a claim;

14 VAC 5-400-70 D of the Rules by failing to offer a fair and reasonable amount on a claim; and

14 VAC 5-400-80 D of the Rules by failing to provide claimants with a copy of the Defendants' prepared estimate as required by the Rules.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in the Defendants' correspondence dated July 1, 2019, October 10, 2019, April 13, 2020, and May 15, 2020; have confirmed restitution was made to 83 consumers in the amount of Sixty-two Thousand Four Hundred Ninety-two Dollars and Thirty-eight Cents ($62,492.38); have tendered to the Treasurer of Virginia the sum of Seventy Eight Thousand Dollars ($78,000); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

1. The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

2. This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00113
DECEMBER 22, 2020

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

For revisions of advisory loss costs and assigned risk workers' compensation insurance rates

FINAL ORDER

On July 17, 2020, the National Council on Compensation Insurance, Inc. ("NCCI"), filed an application with the State Corporation Commission ("Commission") for approval of certain changes applicable to voluntary market advisory loss costs and assigned risk rates and rating values for new and renewal workers' compensation insurance policies becoming effective on or after April 1, 2021 ("Application").[1] The Application consists of two separate components: a voluntary market loss cost filing and an assigned risk rate filing. Both the voluntary loss cost filing and the assigned risk rate filing address the same two categories of workers' compensation classifications: (i) industrial classifications, including coal mine classifications; and (ii) federal ("F") classifications.

With respect to voluntary loss costs, NCCI proposed an overall decrease of 20.2% for industrial classifications; an overall decrease of 13.1% for the F classifications; an overall decrease of 3.0% for the surface coal mine classification; and an overall decrease of 3.0% for the underground coal mine classification.[2]

With respect to the assigned risk rates, NCCI proposed an overall decrease of 12.8% for industrial classifications; an overall decrease of 5.3% for F classifications; an overall increase of 7.6% for the surface coal mine classification; and an overall increase of 10.8% for the underground coal mine classification.[3]

Jay A. Rosen ("Mr. Rosen"), NCCI's actuary, and Dr. Leonard F. Herk ("Dr. Herk"), NCCI's economist, filed direct testimony and exhibits on behalf of NCCI. Mr. Rosen stated that the Application generally used the methodologies approved by the Commission or mutually agreed to by the Virginia Working Group,[4] to calculate the loss costs, rates, and rating values, with certain exceptions as identified in his report.[5] Dr. Herk's testimony described NCCI's development of its proposed method to determine the profit and contingency factor ("P&C Factor"), as well as his analysis of the various inputs into the model used to calculate the P&C Factor.[6] Based upon Mr. Rosen's and Dr. Herk's testimonies, the Application proposed using of a P&C Factor of 1.0%.[7]

On September 11, 2020, the Bureau of Insurance ("Bureau") filed the direct testimony and exhibits of its actuary Scott J. Lefkowitz ("Mr. Lefkowitz") and its economist Dr. Raymond E. Spudeck ("Dr. Spudeck. Though the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") and the Iron Workers Employers Association and the Washington Construction Employers Association (the "Associations") previously filed Notices of Participation, neither filed direct testimony in response to the Application.

In his testimony, among other matters, Dr. Spudeck provided ranges for a proposed P&C Factor and opined that using the Commission-approved methodology, the P&C Factor used in computing the overall assigned risk rates for industrial classes would be 1.35 %, and for the coal mine occupational disease classification it would be 7.17%.[8] However, Dr. Spudeck accepted NCCI's proposed 1.0 % P&C Factor as appropriate for this proceeding,[9] without stipulating to the methodology used by NCCI to calculate this value.

---

[1]Application, Exhibit ("Ex.") 2. The Commission's Docketing Order, Doc. Con. Cen. No. 200650109 (June 30, 2020), established the procedural schedule for the filing of the Application and other responsive documents.

[2] *See e.g.* Jay A. Rosen Direct Testimony ("Rosen Direct"), Ex. 3 at 2.

[3] *See id.*

[4] The Virginia Working Group was established upon prior direction of the Commission and comprises all interested parties to this ratemaking process. The Virginia Working Group is tasked with using the expertise of its members to discuss and resolve specific actuarial or economic issues. The Virginia Working Group then presents these outcomes to the Commission with the intent to enhance the efficiency of these proceedings.

[5] Rosen Direct, Ex. 3 at 4.

[6] Dr. Herk Direct Testimony ("Herk Direct"), Ex. 4 at 7-13. As in prior years, the Commission is not adopting NCCI's current methodology for calculating the P&C Factor.

[7] *See e.g.*, Application, Ex. 2, Part 1 of 4 at 14.

[8] *See e.g.* Spudeck Direct, Ex. 6 at 5.

[9] *See* Spudeck Direct, Ex. 6 at 13. As in prior years, the Commission is not adopting NCCI's proposed methodology for calculating the P&C Factor.

After conducting his own actuarial analysis and relying upon Dr. Spudeck's testimony regarding the appropriate P&C Factor value, Mr. Lefkowitz opined that the voluntary loss costs and assigned risk rates proposed by NCCI in the Application were acceptable.[10] In their respective testimonies, Dr. Spudeck and Mr. Lefkowitz recommended that the Virginia Working Group continue to address certain issues for future applications and proceedings. NCCI did not file rebuttal testimony.

Through its June 30, 2020 Docketing Order, the Commission assigned this matter to a Hearing Examiner to oversee the proceedings. On October 20, 2020, the Hearing Examiner held a virtual electronic hearing, using the Commission's web based video platform to consider the Application. Charles H. Tenser, Esquire, appeared on behalf of NCCI; Patricia A.C. McCullagh, Esquire, appeared on behalf of the Bureau; C. Meade Browder, Esquire, and John Farmer, Esquire, appeared on behalf of Consumer Counsel; and Fred Codding, Esquire, appeared on behalf of the Associations. No public witnesses appeared to testify at the hearing. Further, in lieu of live testimony, the written direct testimonies of Mr. Rosen, Dr. Herk, Mr. Lefkowitz and Dr. Spudeck were admitted into evidence based upon the parties' agreement to waive cross-examination of these witnesses.

During the hearing, the Bureau and NCCI, through their respective counsel, summarized the Application and relevant testimonies. Consumer Counsel, through its counsel, asserted that it believed the rates proposed by the Application were appropriate but, like Bureau Witness Dr. Spudeck, did not stipulate to the methodologies used by NCCI to calculate the P&C Factor.

On October 28, 2020, the Hearing Examiner issued a report ("Report") recommending that the Commission (1) approve the Application for revision of advisory loss costs and assigned risk workers' compensation insurance rates; (2) direct the new revised loss costs and assigned risk workers' compensation insurance rates be applied to new and renewal policies effective on and after April 1, 2021; (3) direct the Virginia Working Group to continue to meet and address concerns and items that could potentially impact the workers' compensation insurance ratemaking process in Virginia; and, (4) to pass the papers in this matter to the file for ended causes. The Report also directed that comments to the report, should any be deemed warranted, should be filed on or before November 6, 2020. Consumer Counsel filed comments on November 6, 2020 reiterating its position that it did not oppose the loss costs and assigned risk rates proposed by the Application, but did not endorse the methodologies used to calculate these values, and that the methodologies should be subject to ongoing review. None of the other participants filed comments to the Report.

NOW THE COMMISSION, upon consideration of this matter, the Hearing Examiner's Report and considering the record in its entirety, finds and ORDERS THAT:

(1) The recommendations of the Hearing Examiner should be adopted.

(2) The following changes applicable to the voluntary market advisory loss costs and assigned risk rates shall be, and they are hereby, APPROVED for use with respect to new and renewal workers' compensation insurance policies effective on or after April 1, 2021:

Voluntary Loss Costs	
Industrial Classes (general)	20.2 % decrease
Federal Classes	13.1 % decrease
Surface Coal (Class 1005)	3.0 % decrease
Underground Coal (Class 1016)	3.0 % decrease
Assigned Risk Rates	
Industrial Classes (general)	12.8 % decrease
Federal Classes	5.3 % decrease
Surface Coal (Class 1005)	7.6 % increase
Underground Coal (Class 1016)	10.8 % increase

(3) The Virginia Working Group is directed to meet, review and attempt to reach consensus as to the most appropriate method to calculate Virginia voluntary loss costs and assigned risk rates for any future proceedings.

(4) On or before June 1, 2021, NCCI, the Bureau, Consumer Counsel, and the Associations shall recommend jointly to the Commission a proposed schedule for any year 2022 voluntary loss costs/assigned risk rate revision proceeding before the Commission. The proposed schedule shall address: (i) "pre-filing" of any discovery requests by the Bureau, Consumer Counsel, and any other parties; (ii) the date on which NCCI proposes to file with the Commission any voluntary loss costs/assigned risk rate revision application and its direct testimony; (iii) the date on which NCCI proposes to file its responses to pre-filed discovery requests; (iv) the dates for the pre-filing of the direct testimony of the Bureau, Consumer Counsel, and any respondents; (v) the date for filing by NCCI of its rebuttal testimony; and (vi) the date(s) of any proposed hearing before the Commission.

[10] *See e.g.* Lefkowitz Direct, Ex. 5 at 3, 10-12.

CASE NO. INS-2020-00118
JULY 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of an assessment on health carriers offering qualified individual health or dental plans through the Virginia Health Benefit Exchange on the federal platform for the 2021 calendar year

ASSESSMENT ORDER

Pursuant to Chapter 65 of Title 38.2 (§§ 38.2-6500 *et seq.*) of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to begin development and operation of a Virginia Health Benefit Exchange ("Exchange"), which is intended to operate as a State-based Exchange on the Federal platform for plan years 2021 and 2022, and shall be administered by the Health Benefits Exchange Division.

Following enactment of the federal Patient Protection and Affordable Care Act, 42 U.S.C. §§ 18001 *et seq*., each state has implemented a health insurance exchange where consumers may find information about options as well as purchase health insurance. Health insurance exchanges in each state generally have been one of the following types: (1) federally-facilitated exchange, in which the Federal Government performs the exchange's functions; (2) state-based exchange ("SBE"), in which the state performs all of the exchange's functions; and (3) state-based exchange on the federal platform ("SBE-FP"), in which the state performs the exchange's functions with assistance from the Federal Government on eligibility and enrollment functions of the exchange. Prior to 2020, the Commonwealth of Virginia operated a federally-facilitated exchange. In 2020, the Virginia General Assembly passed legislation (Chapter 65 of Title 38.2 (§ 38.2-6500 *et seq.*)) to establish the Exchange. Pursuant to this legislation and effective July 1, 2020, the Exchange begins as a SBE-FP and then transitions to a SBE over the course of several years.

Pursuant to 45 CFR § 156.50, a health insurance exchange – whether federally-facilitated or state-based – is financially supported through user fees assessed to health carriers operating on the exchange. For SBE-FPs (which rely on the Federal Government to assist with eligibility and enrollment functions of the exchange), 45 CFR § 156.50(c)(2) requires that a health carrier operating on the SBE-FP pay the Department of Health and Human Services ("HHS") a user fee. The amount of this user fee is established based on the annual Notice of Benefit and Payment Parameters ("Notice"), which was published most recently by the Centers for Medicare & Medicaid Services ("CMS") in May 2020. The Notice also sets the user fee assessed to carriers operating on federally-facilitated exchanges.

As part of the most recent Notice, CMS retained the same rates as those previously set for plan year 2020. For plan year 2021, the Notice thus establishes a user fee of 2.5% of total monthly premiums for SBE-FPs and a user fee of 3.0% for federally-facilitated exchanges. SBE-FPs are not limited to the user fee set forth in the Notice and may assess additional amounts to support the operations of an exchange.

For plan year 2021, the Exchange will operate as a SBE-FP and the user fee of 2.5% established by the Notice applies. Additionally, § 38.2-6510 of the Code further authorizes the Exchange to fund its operations, in part, through special fund revenues generated by assessment fees on health carriers offering plans through the Exchange. Section 38.2-6510 of the Code provides that funding for the Exchange shall be in an amount sufficient to support its ongoing operations, and that assessments on health carriers shall be reasonable and necessary to support the development, operations, and prudent cash management of the Exchange. Such assessments are required to be approved by the Commission prior to implementation and shall not exceed 3.0% of the carrier's total monthly premium as set forth in the statute or except as otherwise allowed.

For plan year 2021, the recommendation is to assess a user fee in the amount of 0.5% of a carrier's total monthly premium from effectuated enrollment in qualified health plans and qualified dental plans sold in the individual market. This assessment is in addition to the user fee of 2.5% for SBE-FPs established by the Notice, such that the total user fee assessed for plan year 2021 is 3.0%.

The Commission is mindful of the impact that assessments may have and sensitive to the reality that such assessments often are passed through to the consumer. These considerations are heightened by current public health and economic concerns, which affect the health insurance marketplace as well as those whom the Exchange should help, including consumers without health insurance and those in underserved communities. The goal of the Commission is to keep user fees to a minimum to avoid unwanted impact on those served by the Exchange, as well as ensure that any fees comply with the requirements of § 38.2-6510 C of the Code limiting assessments to those funds "reasonable and necessary" to support the development of the Exchange.

Here, the proposed assessment of 0.5% achieves those goals. The Commission notes that, when this assessment is added to the 2.5% user fee established by the Notice, the total user fee of 3.0% is the same as that previously used by Virginia's federally-facilitated exchange for plan year 2020. This effectively means that the user fee remains unchanged for plan year 2021 and is consistent with CMS's decision to retain the same user fees for plan years 2020 and 2021. The Commission further notes that a total user fee of 3.0% is consistent with the same fee assessed in states with federally-facilitated exchanges and that would have applied if Virginia had continued with its own federally-facilitated exchange. Finally, the proposed assessment is reasonable and necessary for purposes of developing the Exchange as it begins operations and an eventual transition to a SBE.

UPON CONSIDERATION thereof, and upon the finding of the Commission that it is reasonable, necessary, and proper to do so under applicable laws,

IT IS HEREBY ORDERED that:

1. For plan year 2021 that begins January 1, 2021, there shall be ASSESSED upon health carriers operating in the Exchange, based on that carrier's total monthly premium from effectuated enrollment in qualified health benefit plans and qualified dental plans sold in the Commonwealth of Virginia in the individual market through the State-based Exchange on the Federal platform, a sum equal to 0.5% of total monthly premium. This amount shall be in addition to the user fee required by 45 CFR § 156.50(c)(2), which amount is 2.5% of total monthly premium for plan year 2021;

2. The assessment fee shall be paid monthly. The Health Benefit Exchange Division, through the Bureau of Insurance as necessary, is instructed to provide further guidance to carriers regarding the calculation and payment of the assessment fee;

3. The assessment fee of 0.5% shall be paid to the state treasury and deposited to the special fund designated "Health Insurance Exchange Special Fund State Corporation Commission" in accordance with § 38.2-6510 A of the Code; and,

4. The assessment fee shall not be assessed to carriers on qualified health benefit plans or qualified dental plans sold in the small employer market or to plans sold off the Exchange.

CASE NO. INS-2020-00123
JULY 29, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JAMES BRAINARD,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that James Brainard ("Brainard" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on February 13, 2020 when the Defendant failed to disclose that he had a felony judgement withheld or deferred in Arizona in 2014.

Brainard is an Arizona resident licensed with the following lines of authority: Property & Casualty.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective June 22, 2020; and has agreed not to make any application to transact the business of insurance in Virginia for a period of one (1) year from June 22, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00128
JUNE 22, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Amending Rules Governing Minimum Standards for Medicare Supplement Policies

ORDER TO TAKE NOTICE

Section 12.1-13 of the Code of Virginia ("Code") provides that the State Corporation Commission ("Commission") shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and § 38.2-223 of the Code provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code.

The rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code are set forth in Title 14 of the Virginia Administrative Code. A copy also may be found at the Commission's website: https://scc.virginia.gov/pages/Case-Information.

As a result of action by the 2020 General Assembly, specifically Acts of Assembly Chapter 1161 (SB 250), the Bureau of Insurance ("Bureau") has undertaken a review of Chapter 170 of Title 14 of the Virginia Administrative Code, entitled "Rules Governing Minimum Standards for Medicare Supplement Policies," for compliance with this new legislation.

The new legislation requires insurers, health services plans and health maintenance organizations issuing Medicare supplement policies or certificates in Virginia to offer to persons under age 65 who reside in the Commonwealth, are eligible for Medicare by reason of disability and are enrolled in Medicare Part A and Part B, an opportunity to purchase at least one of the Medicare Supplement policies or certificates it issues. The Bureau has created a new section in Chapter 170 at 14 VAC 5-170-95 to address this new requirement, and amended the application found at 14 VAC 5-170-160. This new section and amendment to the application are necessary to define these new requirements for both health carriers and consumers.

NOW THE COMMISSION is of the opinion that the proposal to amend the Rules at Chapter 170 of Title 14 of the Virginia Administrative Code as submitted by the Bureau should be considered for adoption with a proposed effective date on or before January 1, 2021.

Accordingly, IT IS ORDERED THAT:

(1) The proposal to amend Chapter 170 of Title 14 of the Virginia Administrative Code, by adding a new section at 14 VAC 5-170-95 and amending 14 VAC 5-170-160, is attached hereto and made a part hereof.

(2) All interested persons who desire to comment in support of or in opposition to, or request a hearing to oppose amendments to Chapter 170 shall file such comments or hearing request on or before August 17, 2020, with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS-2020-00128. Interested persons desiring to submit comments electronically may do so by following the instructions at the Commission's website: https://scc.virginia.gov/pages/Case-Information. All comments shall refer to Case No. INS-2020-00128.

(3) If no written request for a hearing on the proposal to amend rules as outlined in this Order is received on or before August 17, 2020, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposal, may adopt the new section and amendments in Chapter 170 of Title 14 of the Virginia Administrative Code as submitted by the Bureau.

(4) The Bureau shall provide notice of the proposal to all carriers licensed in Virginia to write accident and sickness insurance and to all interested persons.

(5) The Commission's Division of Information Resources shall cause a copy of this Order, together with the proposal to amend rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(6) The Commission's Division of Information Resources shall make available this Order and the attached proposal on the Commission's website: https://scc.virginia.gov/pages/Case-Information.

(7) The Bureau shall file with the Clerk of the Commission a certificate of compliance with the notice requirements of Ordering Paragraph (4) above.

(8) This matter is continued.

NOTE: A copy of the attachment entitled "Rules Governing Minimum Standards for Medicare Supplement Policies " is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2020-00128
SEPTEMBER 2, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Amending Rules Governing Minimum Standards for Medicare Supplement Policies

ORDER ADOPTING AMENDMENTS TO RULES

By Order to Take Notice ("Order") entered June 22, 2020, insurers and interested persons were ordered to take notice that subsequent to August 17, 2020, the State Corporation Commission ("Commission") would consider the entry of an order adopting amendments to rules set forth in Chapter 170 of Title 14 of the Virginia Administrative Code, entitled "Rules Governing Minimum Standards for Medicare Supplement Policies" ("Rules"), which amends the Rules at 14 VAC 5-170-160 and adds a new section at 14 VAC 5-170-95, unless on or before August 17, 2020, any person objecting to the adoption of the amendments to the Rules filed a request for a hearing with the Clerk of the Commission ("Clerk").

The Order also required insurers and interested persons to file their comments in support of or in opposition to the proposed amendments to the Rules with the Clerk on or before August 17, 2020.

No request for a hearing was filed with the Clerk. Comments were timely filed with the Clerk from the following: William Vaughan of Falls Church, Virginia; Jill Hanken with the Virginia Poverty Law Center; and Doug Gray, Executive Director of the Virginia Association of Health Plans. Late comments from Kimberly Robinson with Cigna were sent directly to the Bureau of Insurance ("Bureau") which also were considered.

The amendments to the Rules are necessary as a result of action by the 2020 General Assembly, specifically Acts of Assembly Chapter 1161 (SB 250). This new legislation requires insurers, health services plans and health maintenance organizations issuing Medicare supplement policies or certificates in Virginia to offer to persons under age 65 who reside in the Commonwealth, are eligible for Medicare by reason of disability and are enrolled in Medicare Part A and Part B, an opportunity to purchase at least one of the Medicare Supplement policies or certificates it issues. The Bureau created a new section at 14 VAC 5-170-95 to address this new requirement, and amended the application found at 14 VAC 5-170-160. This new section and amendment to the application are necessary to define these new requirements for both health carriers and consumers.

Following review of the submitted comments, the Bureau filed a Response to Comments ("Response"). The Response recommends to the Commission a minor amendment to 14 VAC 5-170-160 application questions concerning future enrollment in Medicare. Regarding the remaining comments, the Response does not recommend any further revisions to the proposed amendments.

NOW THE COMMISSION, having considered the proposed amendments, the comments filed and the Bureau's Response, is of the opinion that the attached amendments to the Rules should be adopted as amended, effective November 1, 2020.

Accordingly, IT IS ORDERED THAT:

(1) The amendments to the Rules Governing Minimum Standards for Medicare Supplement Policies at Chapter 170 of Title 14 of the Virginia Administrative Code that amend the Rules at 14 VAC 5-170-160 and adds a new section at 14 VAC 5-170-95, which are attached hereto and made a part hereof, are hereby ADOPTED effective November 1, 2020.

(2) The Bureau shall provide notice of the adoption of the amendments to the Rules to all insurers licensed in Virginia to write accident and sickness insurance and to all interested persons.

(3) The Commission's Division of Information Resources shall cause a copy of this Order, together with the amended Rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(4) The Commission's Division of Information Resources shall make available this Order and the attached amendments to the Rules on the Commission's website: https://scc.virginia.gov/pages/Case-Information.

(5) The Bureau shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of Ordering Paragraph (2) above.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the attachment entitled "Rules Governing Minimum Standards for Medicare Supplement Policies" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2020-00131
JULY 31, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DEVONTA MOORE,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Devonta Moore ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken in New York on November 1, 2019.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 7, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's May 7, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00136
JULY 10, 2020

COMMONWEALTH OF VIRGINIA , *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting New Rules Governing Balance Billing for Out-of-Network Health Care Services

ORDER TO TAKE NOTICE

Section 12.1-13 of the Code of Virginia ("Code") provides that the State Corporation Commission ("Commission") shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and § 38.2-223[1] of the Code provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code.

The rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code are set forth in Title 14 of the Virginia Administrative Code. A copy also may be found at the Commission's website: http://scc.virginia.gov/pages/Case-Information.

The Bureau of Insurance ("Bureau") has submitted to the Commission a proposal to promulgate new rules in Chapter 405 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Balance Billing for Out-of-Network Health Care Services," which are recommended to be set out at 14 VAC 5-405-10 through 14 VAC 5-405-90.

The proposed new rules are necessary as a result of action by the 2020 General Assembly, specifically Acts of Assembly Chapter 1080 (HB 1251) and Chapter 1081 (SB 172). This legislation, in part, adds §§ 38.2-3445.01 through 38.2-3445.07 to Chapter 34 of Title 38.2 of the Code. These sections, which become effective January 1, 2021, address balance billing by out-of-network providers. The provisions of the Bureau's proposed rules are intended to establish requirements and processes to carry out the provisions of these new Code sections that protect consumers from surprise balance billing from out-of-network providers for emergency health care services or nonemergency ancillary and surgical services received at an in-network facility. The proposed rules also set forth procedures for the use of arbitration between health carriers and out-of-network providers to address reimbursement disputes concerning balance billing.

NOW THE COMMISSION is of the opinion that the proposal to adopt new rules recommended to be set out at Chapter 405 of Title 14 in the Virginia Administrative Code as submitted by the Bureau should be considered for adoption with a proposed effective date on or before January 1, 2021.

Accordingly, IT IS ORDERED THAT:

(1) The proposed new rules entitled "Rules Governing Balance Billing for Out-of-Network Health Care Services," recommended to be set out at 14 VAC 5-405-10 through 14 VAC 5-405-90, are attached hereto and made a part hereof.

(2) All interested persons who desire to comment in support of or in opposition to, or request a hearing to oppose the adoption of proposed Chapter 405 shall file such comments or hearing request on or before September 1, 2020, with the Clerk of the Commission, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS-2020-00136. Interested persons desiring to submit comments electronically may do so by following the instructions at the Commission's website: https://scc.virginia.gov/casecomments/Submit-Public-Comments. All comments shall refer to Case No. INS-2020-00136.

(3) If no written request for a hearing on the adoption of the proposed rules as outlined in this Order is received on or before September 1, 2020, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposal, may adopt the proposed rules as submitted by the Bureau.

(4) The Bureau shall provide notice of the proposal to all carriers licensed in Virginia to write accident and sickness insurance and to all interested persons.

(5) The Commission's Division of Information Resources shall cause a copy of this Order, together with the proposed new rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(6) The Commission's Division of Information Resources shall make available this Order and the attached proposal on the Commission's website: https://scc.virginia.gov/pages/Case-Information.

[1] Specific authority to adopt rules to implement the provisions of §§ 38.2-3445 through 38.2-3445.06 is also granted to the Commission in § 38.2-3445.07. This Code section becomes effective January 1, 2021.

(7) The Bureau shall file with the Clerk of the Commission a certificate of compliance with the notice requirements of Ordering Paragraph (4) above.

(8) This matter is continued.

NOTE: A copy of the attachment entitled "Rules Governing Balance Billing for Out-of-Network Health Care Services" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2020-00136
OCTOBER 23, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting New Rules Governing Balance Billing for Out-of-Network Health Care Services

ORDER ADOPTING RULES

By Order to Take Notice ("Order") entered July 10, 2020, insurers, health care providers, and all other interested persons were ordered to take notice that subsequent to September 1, 2020, the State Corporation Commission ("Commission") would consider the entry of an order adopting new rules in Chapter 405 of Title 14 of the Virginia Administrative Code, entitled "Rules Governing Balance Billing for Out-of-Network Health Care Services" (hereinafter referred to as "Rules"), recommended to be set out at 14 VAC 5-405-10 through 14 VAC 5-405-90, unless on or before September 1, 2020 any person objecting to the adoption of said Rules filed a request for hearing with the Clerk of the Commission ("Clerk").

The Order also required insurers, health care providers, and all other interested persons to file their comments in support of or in opposition to the proposed Rules with the Clerk on or before September 1, 2020.

The proposed Rules are necessary as a result of action by the 2020 General Assembly, specifically Acts of Assembly Chapter 1080 (HB 1251) and Chapter 1081 (SB 172). This legislation, in part, adds §§ 38.2-3445.01 through 38.2-3445.07 to Chapter 34 of Title 38.2 of the Code. These sections become effective January 1, 2021. The provisions of the Bureau's proposed Rules are intended to establish requirements and processes to carry out the provisions of these new Code sections, which protect consumers from "surprise" balance billing from out-of-network providers for emergency health care services or nonemergency ancillary and surgical services received at an in-network facility. The proposed Rules also set forth procedures for the use of arbitration between health carriers and out-of-network providers to address reimbursement disputes concerning balance billing.

Following entry of the Order to Take Notice, the Bureau received comments from twenty-four (24) stakeholders, including health insurance carriers, health insurance providers, a consumer advocacy organization, and individual citizens. The comments generally were supportive of the proposed Rules and some addressed certain issues for further consideration. No requests for a hearing were filed with the Clerk.

The majority of comments received related to the following three categories: (i) the definitions of "clean claim" and "geographic area" as set forth in 14 VAC 5-405-20; (ii) the jurisdictional scope of balance billing protections as set forth in 14 VAC 5-405-30 A and G; and (iii) the arbitration process as set forth in 14 VAC 5-405-40. The Bureau carefully evaluated all comments and developed a Response to Comments ("Response"), which was filed with the Clerk on October 16, 2020.

As a result of comments filed and additional review by the Bureau, the Response recommends several amendments to the proposed Rules.

First, the Response revises definitions in 14 VAC 5-405-20, including the following:

- "Arbitrator" has been revised to allow only individuals – instead of entities – to apply as an arbitrator;
- "Clean claim" has been revised to remove the timeframe requirement to file a claim;
- The definition of "geographic area" has been removed to allow carriers, providers, and arbitrators more flexibility in resolving balance billing disputes; and
- The definitions of "self-funded group health plan" and "group health plan" have been removed and replaced with "elective group health plan" to avoid confusion about the types of group health plans that may opt-in to the balance billing requirements.

Second, the Response amends 14 VAC 5-405-30 by removing language limiting the prohibition on balance billing to out-of-network providers "located in Virginia." This language has been removed from subsection A for consistency with the statute as written, and subsection G has been removed.

Third, regarding 14 VAC 5-405-40, the Response notes that a Notice of Intent to Arbitrate form has been developed and timeframes have been clarified or changed for consistency with the statute.

Fourth, the Response revises arbitrator qualifications in 14 VAC 5-405-50 to allow for applications from individuals only, consistent with the revised definition of "arbitrator." Additionally, the Response clarifies and revises the conflict of interest requirements to require disclosure to the parties.

Fifth, the Response revises 14 VAC 5-405-60 C to indicate that the Commission will not request adjustments to the data set but will instead accept and implement adjustments in accordance with statutory requirements.

Sixth, consistent with the removal of the definition of "self-funded group plan" and inclusion of the definition of "elective group health plan," the Response replaces reference in 14 VAC 5-405-80 from "self-funded group health plan" to "elective group health plan."

Finally, the Response includes other technical amendments to the proposed Rules for clarification or correction, revises the Notice of Consumer Rights based on comments received, and now includes other related forms that were not developed previously.

NOW THE COMMISSION, having considered the proposal to adopt new Rules, the comments filed, the Bureau's Response and the amendments recommended by the Bureau as a result of the comments, is of the opinion that the attached new Rules and appurtenant forms should be adopted, effective January 1, 2021.

Accordingly, IT IS ORDERED THAT:

(1) Chapter 405 of the new Rules entitled "Rules Governing Balance Billing for Out-of-Network Health Care Services," set out at 14 VAC 5-405-10 through 14 VAC 5-405-90 and forms which are attached hereto and made a part hereof, are hereby ADOPTED effective January 1, 2021.

(2) The Bureau of Insurance forthwith shall give notice of the adoption of the new Rules to all carriers licensed in Virginia to write accident and sickness insurance and to all Life & Health interested persons.

(3) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, together with the revisions to the Rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(4) The Commission's Division of Information Resources shall make available this Order and the attached amendments to the Rules on the Commission's website: scc.virginia.gov/pages/Case-Information.

(5) The Bureau shall file with the Clerk of the Commission a certificate of compliance with the notice requirements of Ordering Paragraph (2) above.

(6 This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the attachment entitled "Rules Governing Balance Billing for Out-Of-Network Health Care Services" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2020-00137
SEPTEMBER 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, TRANSPORTATION INSURANCE COMPANY, and VALLEY FORGE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that American Casualty Company of Reading, Pennsylvania, Continental Casualty Company, National Fire Insurance Company of Hartford, Transportation Insurance Company, and Valley Forge Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated May 18, 2020; have confirmed that restitution was made to 53 consumers in the amount of Thirty-two Thousand Seven Hundred Six Dollars and Sixty Seven Cents ($32,706.67); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00138
SEPTEMBER 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ACADIA INSURANCE COMPANY, CONTINENTAL WESTERN INSURANCE COMPANY, FIREMEN'S INSURANCE COMPANY OF WASHINGTON, D.C., TRI-STATE INSURANCE COMPANY OF MINNESOTA, UNION INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Acadia Insurance Company, Continental Western Insurance Company, Firemen's Insurance Company of Washington, D.C., Tri-State Insurance Company of Minnesota, and Union Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances during the period from September 1, 2019 through December 31, 2019 violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated March 10, 2020; have confirmed by company correspondence dated March 10, 2020 that restitution was made to 71 consumers in the amount of Seven Thousand Four Hundred Fifty-four Dollars and Thirty-six Cents ($7,454.36); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00139
SEPTEMBER 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ACADIA INSURANCE COMPANY, CONTINENTAL WESTERN INSURANCE COMPANY, FIREMEN'S INSURANCE COMPANY OF WASHINGTON, D.C., TRI-STATE INSURANCE COMPANY OF MINNESOTA, UNION INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Acadia Insurance Company, Continental Western Insurance Company, Firemen's Insurance Company of Washington, D.C., Tri-State Insurance Company of Minnesota, and Union Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances during the period from November 1, 2019 through November 17, 2019 violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated March 10, 2020, and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00140
SEPTEMBER 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ACADIA INSURANCE COMPANY, CONTINENTAL WESTERN INSURANCE COMPANY, FIREMEN'S INSURANCE COMPANY OF WASHINGTON, D.C., TRI-STATE INSURANCE COMPANY OF MINNESOTA, UNION INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Acadia Insurance Company, Continental Western Insurance Company, Firemen's Insurance Company of Washington, D.C., Tri-State Insurance Company of Minnesota, and Union Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances during the period from October 1, 2019 through November 17, 2019 violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated March 10, 2020, and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00142
DECEMBER 10, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CARRIE RENEE MILLER,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Carrie Renee Miller ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1819 (A) of the Code of Virginia ("Code") by failing to pay, at the time of applying for a license, a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 8, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's May 8, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1819 (A) of the Code by failing to pay, at the time of applying for a license, a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00143
AUGUST 3, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ZASHARYLINE JESYL MORALES LEON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Zasharyline Jesyl Morales Leon ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1819 (A) of the Code of Virginia ("Code") by failing to pay, at the time of applying for a license, a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 8, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's May 8, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1819 (A) of the Code by failing to pay, at the time of applying for a license, a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00146
AUGUST 3, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
YOLANDA DANIEL,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Yolanda Daniel ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken in Pennsylvania on May 8, 2019 and in Arkansas on January 9, 2020.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 22, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's May 22, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00146
AUGUST 12, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
YOLANDA DANIEL,
Defendant

ORDER GRANTING RECONSIDERATION

On August 3, 2020, the Virginia State Corporation Commission ("Commission") issued an Order Revoking License in this matter. On August 5, 2020, Yolanda Daniel petitioned the Commission for Rehearing or Reconsideration of her Virginia Insurance License ("Petition").

NOW THE COMMISSION, upon consideration of this matter, and pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure, 5 VAC-5-20-10 *et seq*., of the Administrative Code, grants reconsideration at this time solely for the purpose of continuing jurisdiction over this matter and considering the Petition. The Order Revoking License is hereby suspended pending the Commission's reconsideration.

Accordingly, IT IS ORDERED THAT:

(1) Reconsideration is granted at this time solely for the purpose of continuing jurisdiction over this matter and considering the Petition.

(2) Pending the Commission's consideration of the Petition, the Order Revoking License is suspended.

(3) This matter is continued generally.

CASE NO. INS-2020-00146
DECEMBER 18, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
YOLANDA DANIEL,
Petitioner

ORDER ON RECONSIDERATION

The Commission, by Order entered on August 3, 2020 ("Order Revoking License"), revoked the license of Yolanda Daniel ("Petitioner") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"). The Order was based upon the Bureau of Insurance's ("Bureau") allegations that the Petitioner had violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Petitioner in another jurisdiction when the Petitioner failed to report administrative actions taken in the Commonwealth of Pennsylvania ("Pennsylvania") on May 8, 2019 and the State of Arkansas ("Arkansas") on January 9, 2020 regarding the Petitioner's Pennsylvania and Arkansas insurance licenses.

On August 4, 2020, the Petitioner filed a Petition for Rehearing and Reconsideration ("Petition") with the Commission. In the Petition, the Petitioner indicated that she did not receive the Bureau's Show Cause Letters dated April 27, 2020 and May 22, 2020 pertaining to the above referenced alleged violation of the Code.

The Show Cause letters were mailed to the Defendant's address shown in the records of the Bureau.

On August 12, 2020, the Commission entered an Order Granting Reconsideration to continue the Commission's jurisdiction over the matter and to suspend the revocation of the Petitioner's license pending the Commission's consideration of the Petition.

On December 2, 2020, the Petitioner filed a Motion to Withdraw the Petition for Reconsideration.

NOW THE COMMISSION, having reconsidered the record herein, and having considered the Petitioner's Motion to Withdraw the Petition for Reconsideration, GRANTS the Petitioner's Motion to Withdraw the Petition for Reconsideration, and ORDERS that the Petition for Reconsideration is WITHDRAWN, that the Order Revoking License is unsuspended, and the case is dismissed.

CASE NO. INS-2020-00147
SEPTEMBER 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ALLSTATE VEHICLE AND PROPERTY INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Allstate Vehicle and Property Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-317 A of the Code of Virginia ("Code") by issuing insurance policies or endorsements without having filed such policies or endorsements with the Commission at least thirty days prior to their effective date.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated December 30, 2019, and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00148
AUGUST 3, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
WILLIAM ANTON PRESTON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that William Anton Preston ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission when the Defendant failed to disclose a misdemeanor conviction in Texas in 2009; and § 38.2-1831 (3) of the Code by obtaining or attempting to obtain a license through misrepresentation or fraud when the Defendant filed two license applications with the Commission and did not disclose a misdemeanor conviction in either application.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 24, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's February 24, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission; and § 38.2-1831 (3) of the Code by obtaining or attempting to obtain a license through misrepresentation or fraud.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00151
NOVEMBER 19, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ATLANTIC SPECIALTY INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Atlantic Specialty Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-317 A of the Code of Virginia ("Code") by failing to use insurance policies or endorsements on file and approved by the Commission as of the identified effective date.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated March 17, 2020; has tendered to the Treasurer of Virginia the sum of Two Thousand Five Hundred Dollars ($2,500); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00152
DECEMBER 18, 2020

IN THE MATTER OF
NATIONAL CROP INSURANCE SERVICES, INC.

ORDER ADOPTING EXAMINATION REPORT

The Bureau of Insurance (the "Bureau") recommends and requests that the Virginia State Corporation Commission (the "Commission") approve and adopt a multi-state market conduct examination report (the "Report") for National Crop Insurance Services, Inc. ("NCIS"), encompassing the period from January 1, 2014 through December 31, 2018, pursuant to § 38.2-1925(E)(2) of the Code of Virginia. A copy of the Report is attached hereto and made a part hereof.

The multi-state market conduct examination was conducted by the South Dakota Division of Insurance, along with the Bureau, on behalf of the Advisory Organization Examination Oversight Working Group of the National Association of Insurance Commissioners. The primary purpose of such examination was to determine NCIS's compliance with applicable state laws and regulations in performing its regulated functions. The Report of such examination was issued to NCIS on March 16, 2020.

NOW THE COMMISSION, having considered the recommendation of the Bureau that the Commission approve and adopt the Report as applicable, is of the opinion, finds, and ORDERS that the Report is hereby approved and adopted. This case is dismissed.

NOTE: A copy of the Market Conduct Examination Report is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2020-00153
NOVEMBER 19, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ASSURANCEAMERICA INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that AssuranceAmerica Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-2201 D of the Code of Virginia ("Code") by issuing medical expense benefits payments not in accordance with the aforementioned statute.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company electronic correspondence dated April 13, 2020, April 16, 2020, and April 17, 2020; has confirmed restitution was made to 15 consumers in the amount of Twenty-Four Thousand Nine Hundred Forty-One Dollars and Sixty-three Cents ($24,941.63); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

1. The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

2. This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00154
AUGUST 21, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ASSURANCEAMERICA INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that AssuranceAmerica Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-510 A 10 of the Code of Virginia ("Code") by making claims payments to insureds or beneficiaries that were not accompanied by a statement setting forth the coverage under which payments are being made; § 38.2-2201 D of the Code by failing to obtain a valid Assignment of Benefits from the insured authorizing direct payment to the health care provider; as well as 14 VAC 5-400-30 C of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. of the Virginia Administrative Code ("Rules"), by failing to properly document the claim file to sufficiently reconstruct events and/or dates that were pertinent to the claim; 14 VAC 5-400-70 D of the Rules by failing to offer a fair and reasonable amount on a claim; and by failing to properly handle claims with such frequency as to indicate a general business practice as identified by 14 VAC 5-400-25.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated April 27, 2020 and June 30, 2020; has confirmed restitution was made to 55 consumers in the amount of Sixteen Thousand Four Hundred Dollars and Fifteen Cents ($16,400.15); has tendered to the Treasurer of Virginia the sum of Twelve Thousand Dollars ($12,000); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00155
SEPTEMBER 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
THE TRAVELERS INDEMNITY COMPANY OF AMERICA and TRAVELERS PERSONAL SECURITY INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that The Travelers Indemnity Company of America and Travelers Personal Security Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-2201 D of the Code of Virginia ("Code") by issuing medical expense benefits payments not in compliance with the aforementioned statute.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting nor denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in the Defendants' correspondence dated May 27, 2020 and May 29, 2020; have confirmed restitution was made to 333 consumers in the amount of $1,001,696.59; and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

1. The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

2. This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00165
JULY 31, 2020

IN THE MATTER OF
PRINCIPAL LIFE INSURANCE COMPANY, and PRINCIPAL NATIONAL LIFE INSURANCE COMPANY

Ex Parte: In the matter of Approval of a Multi-State Regulatory Settlement Agreement between Principal Life Insurance Company, Principal National Life Insurance Company, Principal Life Insurance Company of Iowa, and the California Department of Insurance, Florida Office of Insurance Regulation, New Hampshire Insurance Department, North Dakota Insurance Department, and the Pennsylvania Insurance Department

ORDER APPROVING SETTLEMENT AGREEMENT

ON THIS DAY came the Bureau of Insurance ("Bureau"), by counsel, and requests that the State Corporation Commission ("Commission") approve and accept a multi-state Regulatory Settlement Agreement ("Agreement"), dated June 11, 2020, a copy of which is attached hereto and made a part hereof, by and between the commissioners of insurance for the states of California, Florida, New Hampshire, North Dakota, and Pennsylvania and Principal Life Insurance Company, Principal National Life Insurance Company, and Principal Life Insurance Company of Iowa. Principal Life Insurance Company and Principal National Life Insurance Company, domiciled in Iowa, are licensed to transact the business of insurance in the Commonwealth of Virginia. Principal Life Insurance Company of Iowa is not licensed to transact the business of insurance in the Commonwealth of Virginia and the Commission asserts no jurisdiction in this matter with this company. The Bureau also requests authority to execute any documents attendant to the Agreement necessary to evidence the Commission's acceptance of the Agreement.

NOW THE COMMISSION, having considered the terms of the Agreement together with the recommendation of the Bureau that the Commission approve and accept the Agreement, is of the opinion, finds, and ORDERS that: (i) the Agreement hereby is APPROVED AND ACCEPTED; and (ii) the Commissioner of Insurance hereby is authorized to execute any attendant documents necessary to evidence the Commission's approval and acceptance of the Agreement.

NOTE: A copy of the attachment entitled " Regulatory Settlement Agreement" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2020-00167
DECEMBER 10, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
CHESAPEAKE HOLDING COMPANY, *et al.*
Defendants

ORDER REVOKING LICENSE

Based on a review of the records of the Bureau of Insurance ("Bureau"), it is alleged that the Defendants, whose names are set forth in Attachment A, which is attached hereto and made a part hereof, each of which is duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agency in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1820 (B) (2) of the Code of Virginia ("Code") by failing to designate an employee, officer, director, manager, member, or partner to serve as the licensed producer responsible for the Defendant's compliance with the insurance laws, rules, and regulations of Virginia; and § 38.2-1826 (E) of the Code by failing to report within 30 calendar days to the Commission the removal, for any reason, of the Defendant's designated licensed producer responsible for the business entity's compliance with the insurance laws, rules and regulations of Virginia, along with the name of the new designated licensed producer.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid violations.

The Defendants have been notified of the right to a hearing before the Commission in this matter by letter dated June 24, 2020, and mailed to the Defendants' addresses shown in the records of the Bureau.

The Defendants, having been advised in the above manner of the right to a hearing in this matter, have failed to request a hearing, and have not otherwise communicated with the Bureau.

The Bureau, upon the Defendants' failure to request a hearing, has recommended that the Commission enter an order revoking the Defendants' licenses to transact business as insurance agencies in Virginia.

NOW THE COMMISSION is of the opinion and finds that the Defendants each have violated § 38.2-1820 (B) (2) of the Code by failing to designate an employee, officer, director, manager, member, or partner to serve as the licensed producer responsible for the Defendant's compliance with the insurance laws, rules, and regulations of Virginia; and § 38.2-1826 (E) of the Code by failing to report within 30 calendar days to the Commission the removal, for any reason, of the Defendant's designated licensed producer responsible for the business entity's compliance with the insurance laws, rules and regulations of Virginia, along with the name of the new designated licensed producer.

The Commission also finds that each Defendant should be allowed the opportunity to reapply and obtain its license immediately, provided the Defendant includes the name of the designated licensed producer on the application. Furthermore, the Commission shall vacate the Order Revoking License as to any Defendant who reapplies for licensure and provides the required designated licensed producer information within 20 days of the date of entry of this order.

Accordingly, IT IS ORDERED THAT:

(1) The licenses of the Defendants to transact business as insurance agencies in Virginia are hereby REVOKED.

(2) All appointments issued under said licenses are hereby VOID.

(3) The Defendants shall transact no further business in Virginia as insurance agencies.

(4) Each Defendant may immediately reapply to the Commission to be licensed as an insurance agency provided the Defendant includes the name of the designated licensed producer on the application. The Commission also shall vacate this Order as to any Defendant that reapplies for licensure and provides the required designated licensed producer information within 20 days of the date of entry of this Order.

(5) The Bureau shall provide each Defendant with a copy of this Order and notify every insurance company for which the Defendants hold appointments to act as insurance agencies.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

ATTACHMENT A
INS-2020-00167

54-1827022	CHESAPEAKE HOLDING COMPANY	15 NORTH KING ST	LEESBURG, VA 20176
47-1866244	ESTATE LIFE INSURANCE AGENCY LLC	9544 25TH BAY ST	NORFOLK, VA 23518-1812
90-0621847	MILLENIUM INSURANCE AGENCY INC	1953 GALLOWS RD, SUITE 185	VIENNA, VA 22182-3997
83-2892039	NEXGENFINANCIAL LLC	321 E MAIN STREET, SUITE CL14	NORFOLK, VA 23510
20-2234137	PAI SERVICES, LLC	305 FELLOWSHIP ROAD, SUITE 300	MT. LAUREL, NJ 08054
26-4146270	QUICK QUOTE US LLC	700 WEST HILLSBORO BLVD, BLDG 1, STE 105	DEERFIELD BEACH, FL 33441
27-2193366	RAINTREE TITLE AND ESCROW LLC	3207 CHURCHLAND BLVD	CHESAPEAKE, VA 23321
46-3502795	RATEFORCE INSURANCE LLC	3423 PIEDMONT RD	ATLANTA, GA 30305
59-3727660	SCHANTZ AGENCY INC	302 THIRD STREET, SUITE 7B	NEPTUNE BEACH, FL 32266
20-0610755	STANDARD PLUS INC	PO BOX 9006	LEAGUE CITY, TX 77574-9006
81-4942272	VIRGINIA FIRST TITLE & SETTLEMENT GROUP LLC	310 S JEFFERSON STREET	ROANOKE VA 24121

CASE NO. INS-2020-00168
AUGUST 13, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Rules to Implement the Requirements of the Insurance Data Security Act

ORDER TO TAKE NOTICE

Section 12.1-13 of the Code of Virginia ("Code") provides that the State Corporation Commission ("Commission") shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and § 38.2-223 of the Code provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code.

The rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code are set forth in Title 14 of the Virginia Administrative Code. The Bureau of Insurance ("Bureau") has submitted to the Commission proposed additions to the rules set forth in Title 14 of the Virginia Administrative Code, by adding Chapter 430, entitled Rules Governing Insurance Data Security Risk Assessment and Reporting, 14 VAC 5-430-10 *et seq*. ("Rules"). A copy of this order may also be found at the Commission's website: https://scc.virginia.gov/pages/Case-Information.

The addition of Chapter 430 to Title 14 of the Virginia Administrative Code is necessary to implement the provisions of Title 38.2, Chapter 6, Article 2, known as the Insurance Data Security Act, § 38.2-621, *et seq.* of the Code which was added during the 2020 General Assembly (Chapter 0264 of the 2020 Acts of Assembly), which requires that certain cybersecurity initiatives and notification procedures be implemented by insurers, insurance agencies and licensees or third-party providers defined or governed by Title 38.2 of the Code. The proposed revisions as contained in Chapter 430 of the Virginia Administrative Code include the following:

- Requirements for implementing a periodic Information Security Program Risk Assessment, which will, among other things, identify internal or external cybersecurity threats and address safeguards to manage the potential threats.

- Requirements for implementing Information Security Program Security Measures to manage, protect against and respond to cybersecurity threats.

- Requirements and obligations of the Bureau's licensees who engage third-party providers to ensure compliance with the Code and the Rules.

- Requirements for reporting cybersecurity events to the Commissioner of Insurance and maintaining related records.

NOW THE COMMISSION, is of the opinion that the proposed revisions submitted by the Bureau to revise Title 14 of the Virginia Administrative Code by adding Chapter 430, Rules 14 VAC 5-430-10 through 14 VAC 5-430-70, should be considered for adoption with a proposed effective date of December 1, 2020.

Accordingly, IT IS ORDERED THAT:

(1) The proposal to add Rules 14 VAC 5-430-10 through 14 VAC 5-430-70 is attached hereto and made a part hereof.

(2) All interested persons who desire to comment in support of or in opposition to, or request a hearing to oppose the revisions to the Rules, shall file such comments or hearing request on or before October 26, 2020, with the Clerk of the Commission, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS-2020-00168. Interested persons desiring to submit comments electronically may do so by following the instructions at the Commission's website: https://scc.virginia.gov/casecomments/Submit-Public-Comments. All comments shall reference Case No. INS-2020-00168.

(3) If no written request for a hearing on the proposal to revise the Rules, as outlined in this Order, is received on or before October 26, 2020, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposal, may adopt the Rules as submitted by the Bureau.

(4) The Bureau shall provide notice of the proposal to revise the Rules to all insurers, burial societies, fraternal benefit societies, health services plans, risk retention groups, joint underwriting associations, group self-insurance pools, and group self-insurance associations licensed by the Commission, to qualified reinsurers in Virginia, and to all interested persons.

(5) The Commission's Division of Information Resources shall cause a copy of this Order, together with the proposal to revise the Rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(6) The Commission's Division of Information Resources shall make available this Order and the attached proposed revisions to the Rules on the Commission's website: https://scc.virginia.gov/pages/Case-Information.

(7) The Bureau shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of Ordering Paragraph (4) above.

(8) This matter is continued.

NOTE: A copy of the attachment entitled " Chapter 430 Insurance Data Security Risk Assessment and Reporting " is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2020-00179
OCTOBER 16, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SAFE AUTO INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that Safe Auto Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-305 A of the Code of Virginia ("Code") by failing to include the information required by the statute in the insurance policy; § 38.2-502 (1) of the Code by misrepresenting the benefits, advantages, conditions or terms of an insurance policy; § 38.2-510 A 1 of the Code by misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue; § 38.2-510 A 10 of the Code by failing to include with claims payments a statement setting forth the coverage under which payments are being made; § 38.2-511 of the Code by failing to maintain a complete record of the Defendant's written complaints as required by statute; § 38.2-604 B of the Code by failing to have an Information Collection and Disclosure Practices notice that complies with the statute; § 38.2-604 C of the Code by failing to provide insureds with a compliant abbreviated written notice regarding the Defendant's Notice of Information Collection and Disclosure Practices; § 38.2-1904 D of the Code by failing to confirm the conviction date prior to surcharging a policy for a traffic violation; § 38.2-1906 D of the Code by failing to use the rate and supplementary rate information on file with the Bureau; § 38.2-2201 D of the Code by failing to obtain a valid assignment of benefits from the insured authorizing direct payment to the medical provider; § 38.2-2206 A of the Code by improperly applying the uninsured motorist exclusion of the first $200 of the loss or damage; § 38.2-2220 of the Code by failing to use forms in the precise language of the standard forms previously filed and adopted by the Commission; as well as 14 VAC 5-400-30 C, 14 VAC 5-400-40 A, and 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*., of the Virginia Administrative Code, by failing to properly handle claims with such frequency as to indicate a general business practice.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated May 27, 2020 and July 29, 2020; has confirmed restitution was made to 77 consumers in the amount of Twenty Thousand Three Hundred Sixty Six Dollars and Eighty-six Cents ($20,366.86); has tendered to the Treasurer of Virginia the sum of Fifty Six Thousand Dollars ($56,000); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00181
SEPTEMBER 23, 2020

IN THE MATTER OF:
MADISON NATIONAL LIFE INSURANCE COMPANY, INC.

Ex Parte: In the matter of Approval of a Multi-State Regulatory Settlement Agreement between Madison National Life Insurance Company, Inc. and the District of Columbia Department of Insurance, the Delaware Department of Insurance, the Kansas Insurance Department, the Wisconsin Office of the Commissioner of Insurance, and the South Dakota Division of Insurance

ORDER APPROVING SETTLEMENT AGREEMENT

ON THIS DAY came the Bureau of Insurance ("Bureau"), by counsel, and requests that the State Corporation Commission ("Commission") approve and accept a multi-state Regulatory Settlement Agreement ("Agreement"), dated June 25, 2020, a copy of which is attached hereto and made a part hereof, by and between the commissioners of insurance for the District of Columbia, Delaware, Kansas, Wisconsin, and South Dakota, and Madison National Life Insurance Company, Inc. Madison National Life Insurance Company, Inc., domiciled in Wisconsin, is licensed to transact the business of insurance in the Commonwealth of Virginia. The Bureau also requests authority to execute any documents attendant to the Agreement necessary to evidence the Commission's acceptance of the Agreement.

NOW THE COMMISSION, having considered the terms of the Agreement together with the recommendation of the Bureau that the Commission approve and accept the Agreement, is of the opinion, finds, and ORDERS that: (i) the Agreement hereby is APPROVED AND ACCEPTED; and (ii) the Commissioner of Insurance hereby is authorized to execute any attendant documents necessary to evidence the Commission's approval and acceptance of the Agreement.

NOTE: The Regulatory Settlement Agreement is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2020-00182
SEPTEMBER 23, 2020

IN THE MATTER OF
STANDARD SECURITY LIFE INSURANCE COMPANY OF NEW YORK

Ex Parte: In the matter of Approval of a Multi-State Regulatory Settlement Agreement between Standard Security Life Insurance Company of New York and the District of Columbia Department of Insurance, the Delaware Department of Insurance, the Kansas Insurance Department, the Wisconsin Office of the Commissioner of Insurance, and the South Dakota Division of Insurance

ORDER APPROVING SETTLEMENT AGREEMENT

ON THIS DAY came the Bureau of Insurance ("Bureau"), by counsel, and requests that the State Corporation Commission ("Commission") approve and accept a multi-state Regulatory Settlement Agreement ("Agreement"), dated June 25, 2020, a copy of which is attached hereto and made a part hereof, by and between the commissioners of insurance for the District of Columbia, Delaware, Kansas, Wisconsin, and South Dakota, and Standard Security Life Insurance Company of New York. Standard Security Life Insurance Company of New York, domiciled in New York, is licensed to transact the business of insurance in the Commonwealth of Virginia. The Bureau also requests authority to execute any documents attendant to the Agreement necessary to evidence the Commission's acceptance of the Agreement.

NOW THE COMMISSION, having considered the terms of the Agreement together with the recommendation of the Bureau that the Commission approve and accept the Agreement, is of the opinion, finds, and ORDERS that: (i) the Agreement hereby is APPROVED AND ACCEPTED; and (ii) the Commissioner of Insurance hereby is authorized to execute any attendant documents necessary to evidence the Commission's approval and acceptance of the Agreement.

NOTE: The "Regulatory Settlement Agreement" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2020-00183
SEPTEMBER 23, 2020

IN THE MATTER OF
INDEPENDENCE AMERICAN INSURANCE COMPANY

Ex Parte: In the matter of Approval of a Multi-State Regulatory Settlement Agreement between Independence American Insurance Company and the District of Columbia Department of Insurance, the Delaware Department of Insurance, the Kansas Insurance Department, the Wisconsin Office of the Commissioner of Insurance, and the South Dakota Division of Insurance

ORDER APPROVING SETTLEMENT AGREEMENT

ON THIS DAY came the Bureau of Insurance ("Bureau"), by counsel, and requests that the State Corporation Commission ("Commission") approve and accept a multi-state Regulatory Settlement Agreement ("Agreement"), dated June 25, 2020, a copy of which is attached hereto and made a part hereof, by and between the commissioners of insurance for the District of Columbia, Delaware, Kansas, Wisconsin, and South Dakota, and Independence American Insurance Company. Independence American Insurance Company, domiciled in Delaware, is licensed to transact the business of insurance in the Commonwealth of Virginia. The Bureau also requests authority to execute any documents attendant to the Agreement necessary to evidence the Commission's acceptance of the Agreement.

NOW THE COMMISSION, having considered the terms of the Agreement together with the recommendation of the Bureau that the Commission approve and accept the Agreement, is of the opinion, finds, and ORDERS that: (i) the Agreement hereby is APPROVED AND ACCEPTED; and (ii) the Commissioner of Insurance hereby is authorized to execute any attendant documents necessary to evidence the Commission's approval and acceptance of the Agreement.

NOTE: The "Regulatory Settlement Agreement" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2020-00185
NOVEMBER 6, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AXIS INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market analysis inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that AXIS Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-316 B of the Code of Virginia ("Code") by failing to use insurance policies or forms on file and approved by the Commission; § 38.2-1822 A of the Code by failing to comply with licensed agent requirements; § 38.2-1833 A 1 of the Code by failing to comply with agent appointment requirements by accepting applications from unappointed agents; as well as 14 VAC 5-90-50 A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, 14 VAC 5-90-10 *et seq*. of the Virginia Administrative Code ("Rules"), by using advertisements in a format and content that are not sufficiently complete and clear to avoid deception or the capacity or tendency to mislead or deceive; 14 VAC 5-90-60 B 6 by failing to disclose the limited nature of an insurance policy and by failing to clearly and conspicuously state the limited nature of an insurance policy in advertisements as required by statute; 14 VAC 5-90-130 A of the Rules by failing to state the name of the actual insurer and the form number or numbers of the policy advertised.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan set forth in the Bureau's letter dated August 21, 2020; has tendered to the Treasurer of Virginia the sum of Sixty Seven Thousand Six Hundred Dollars ($67,600); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00187
SEPTEMBER 21, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ALLIED PROPERTY & CASUALTY INSURANCE COMPANY, AMCO INSURANCE COMPANY, CRESTBROOK INSURANCE COMPANY, NATIONWIDE GENERAL INSURANCE COMPANY, NATIONWIDE INSURANCE COMPANY OF AMERICA,
NATIONWIDE MUTUAL INSURANCE COMPANY, and NATIONWIDE PROPERTY AND CASUALTY INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that Allied Property & Casualty Insurance Company, AMCO Insurance Company, Crestbrook Insurance Company, Nationwide General Insurance Company, Nationwide Insurance Company of America, Nationwide Mutual Insurance Company, and Nationwide Property and Casualty Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. of the Virginia Administrative Code ("Rules"), by failing to properly issue first party claim payments under the insured's Uninsured Motorist Property Damage Coverage.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated June 12, 2020, and June 24, 2020; have confirmed restitution was made to 14 consumers in the amount of Seven Thousand Six Hundred Eighty Five Dollars and Sixty-four Cents ($7,685.64); have tendered to Virginia the sum of Two Thousand Five Hundred Dollars ($2,500) for each of the Defendant companies for a total of Seventeen Thousand Five Hundred Dollars ($17,500), and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

1. The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

2. This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00189
SEPTEMBER 18, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
KREIDER RECRUITMENT & CONSULTING LLC,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Kreider Recruitment & Consulting LLC ("KRC" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1813 A of the Code of Virginia ("Code") by failing to remit premium funds in the ordinary course of business when the Defendant received funds from insureds and held the funds for six months before sending the funds to the insurers entitled to the payments; § 38.2-1831 (6) of the Code by improperly withholding any moneys received in the course of doing insurance business; § 38.2-1831 (10) of the Code by using fraudulent or dishonest practices, or demonstrating incompetence, or untrustworthiness in the conduct of business in this Commonwealth, or demonstrating financial irresponsibility in the handling of applicant, policyholder, agency, or insurance company funds.

KRC is a Virginia resident agency licensed with the following lines of authority: Life & Annuities, and Property & Casualty.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective August 24, 2020; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from August 24, 2020.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00191
SEPTEMBER 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SAUD QURESHI,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Saud Qureshi ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 A of the Code of Virginia ("Code") by making fraudulent representations on documents relating to the business of insurance for the purpose of obtaining a commission or other benefit from and insurer or individual when the Defendant prepared insurance quotes listing individuals as drivers in a household for the purpose of attaining eligibility or reducing the premium.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated July 8, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's July 8, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-512 A of the Code by making fraudulent representations on documents relating to the business of insurance for the purpose of obtaining a commission or other benefit from and insurer or individual.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00197
NOVEMBER 13, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LIFE INSURANCE COMPANY OF THE SOUTHWEST,
Defendant

SETTLEMENT ORDER

Based on a market analysis inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Life Insurance Company of the Southwest ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-610 A 1 of the Code of Virginia ("Code") by failing to provide written notice of an adverse underwriting decision; § 38.2-610 A 2 of the Code by failing to provide applicants with a summary of rights regarding adverse underwriting decisions; § 38.2-1822 A of the Code by failing to comply with licensed agent requirements; and 14 VAC 5-41-80 B of the Commission's Rules Governing Advertisement of Life Insurance and Annuities, 14 VAC 5-41-10, *et seq*. of the Virginia Administrative Code by using the phrase "inexpensive," "low cost" or any similar term in an advertisement without demonstrating that it is fact to the satisfaction of the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan set forth in the Bureau's letter dated June 16, 2020; has tendered to the Treasurer of Virginia the sum of Six Thousand Six Hundred Dollars ($6,600); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00200
SEPTEMBER 29, 2020

APPLICATION OF
TIME INSURANCE COMPANY

For approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia

ORDER APPROVING APPLICATION

By application filed with the State Corporation Commission ("Commission") dated September 11, 2020, Time Insurance Company, in rehabilitation ("Time" or "Applicant"), a Wisconsin-domiciled insurer, by its Rehabilitator, the Wisconsin Office of the Commissioner of Insurance, requested approval of the assumption and transfer ("assumption reinsurance agreement") of 42 life insurance policies and 1,246 supplemental health policies from Time to National Health Insurance Company ("NHIC"), a Texas-domiciled insurer, pursuant to § 38.2-136 C of the Code of Virginia ("Code").

On April 10, 2019, the Commission entered an order suspending the license of Time to transact the business of insurance in Virginia. On July 29, 2020, the Circuit Court of Dane County, Wisconsin, entered an order placing Time into rehabilitation. NHIC is licensed to transact the business of insurance in Virginia and is in good standing.

Pursuant to § 38.2-136 C of the Code, the Applicant has requested that the Commission waive the policyholder consent to this transaction required by § 38.2-136 B of the Code because a delinquency proceeding has been instituted against Time for the purpose of rehabilitating the insurer. The assumption reinsurance agreement represents the Rehabilitator's plan to rehabilitate Time based on its determination of the best interest of policyholders.

The Bureau of Insurance ("Bureau"), having reviewed the application to ensure that Virginia policyholders will not lose any rights or claims afforded under their original contracts pursuant to Chapter 17 of Title 38.2 of the Code, has recommended that the application be approved.

NOW THE COMMISSION, having considered the application, the recommendation of the Bureau that the application be approved, and the law applicable hereto, is of the opinion that the application should be approved.

Accordingly, IT IS ORDERED THAT the application of Time Insurance Company for the approval of the assumption reinsurance agreement pursuant to § 38.2-136 C of the Code be, and it is hereby, APPROVED.

CASE NO. INS-2020-00201
OCTOBER 5, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SAFE AUTO INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that Safe Auto Insurance Company (the "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. of the Virginia Administrative Code ("Rules"), by failing to properly issue first party claim payments under the insured's Uninsured Motorist Property Damage Coverage.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company electronic correspondence dated September 23, 2020; has confirmed restitution was made to 130 consumers in the amount of Fifty Thousand Seven Hundred Sixty Nine Dollars and Eighty-one Cents ($50,769.81); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

1. The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

2. This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00202
OCTOBER 8, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DAIRYLAND INSURANCE COMPANY, and PEAK PROPERTY AND CASUALTY CORPORATION,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that Dairyland Insurance Company and Peak Property and Casualty Corporation ("Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. of the Virginia Administrative Code, by failing to properly handle first party total loss claims.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company electronic correspondence dated September 24, 2020; have confirmed restitution was made to 69 consumers in the amount of Twenty Two Thousand Nine Hundred Eighty Nine Dollars and Seventy-eight Cents ($22,989.78); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT :

1. The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

2. This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00208
OCTOBER 22, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
OMNI INDEMNITY COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Omni Indemnity Company (the "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1906 A of the Code of Virginia ("Code") by failing to file with the Commission certain rate and supplementary rate information for use in Virginia on or before the date they become effective.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated March 2, 2020; has confirmed restitution was made to 623 consumers in the amount of One Hundred Three Thousand Three Hundred Eleven Dollars and Forty-three Cents ($103,311.43); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00210
OCTOBER 22, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of the assessment upon certain companies and surplus lines brokers to pay the expense of the Bureau of Insurance for the calendar year 2021

ASSESSMENT ORDER

Pursuant to §§ 38.2-400 and 38.2-403 of the Code of Virginia ("Code"),

IT IS ORDERED that there be, and there is hereby, ASSESSED, for the calendar year 2021 upon each company and surplus lines broker subject to Title 38.2 of the Code, except premium finance companies licensed pursuant to Chapter 47 of Title 38.2 of the Code and providers of continuing care registered pursuant to Chapter 49 of Title 38.2 of the Code, as its just share of the expense of maintaining the Bureau of Insurance, the greater of (i) $300 or (ii) in proportion to its direct gross premium income on business done in the Commonwealth of Virginia during the calendar year of 2020, a sum equal to .00025 (.025%) of such direct gross premium income.

CASE NO. INS-2020-00211
NOVEMBER 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BERKLEY NATIONAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that Berkley National Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated: § 38.2-317 of the Code of Virginia ("Code") by failing to use an insurance policy or endorsement as of the effective date that such policy or endorsement was filed with the Commission; and § 38.2-1906 D of the Code by making or issuing an insurance contract or policy not in accordance with the rate and supplementary rate information filings that are in effect for the company.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated May 12, 2020; has tendered to the Treasurer of Virginia the sum of Two Thousand Five Hundred Dollars ($2,500); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00212
NOVEMBER 20, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AMERICAN INCOME LIFE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market analysis inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that American Income Life Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated 14 VAC 5-41-40 C of the Commission's Rules Governing Advertisement of Life Insurance and Annuities, 14 VAC 5-41-10, *et seq*. of the Virginia Administrative Code ("Administrative Code") by using statistical information in advertisements without identified sources or accurately demonstrating recent and relevant facts; 14 VAC 5-41-40 H of the Administrative Code by failing to include the required disclosure in advertisements containing estimated costs of funeral goods and services; 14 VAC 5-90-40 of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, 14 VAC 5-90-10 *et seq*. of the Administrative Code, by presenting the required disclosures in a manner that are minimized, rendered obscure or presented in an ambiguous fashion so as to be confusing or misleading; 14 VAC 5-90-60 B 3 of the Administrative Code by failing to disclose the exceptions, reductions, and limitations of the limited policies advertised; 14 VAC 5-90-60 B 6 of the Administrative Code by failing to include the required disclosures regarding policies providing benefits for specified illnesses only; 14 VAC 5-90-90 A of the Administrative Code by failing to provide current and relevant facts relating to the policy advertised; 14 VAC 5-90-90 C of the Administrative Code by failing to disclose the source of any statistics used in an advertisement.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1040 of the Code of Virginia ("Code") to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan set forth in the Bureau's letter dated June 15, 2020; has tendered to the Treasurer of Virginia the sum of Eighteen Thousand Dollars ($18,000); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00213
NOVEMBER 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
NOVA CASUALTY COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that Nova Casualty Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated: § 38.2-317 H of the Code of Virginia ("Code") by failing to notify the Commission that certain insurance policies or endorsements filed and approved will not be used as of the effective date requested.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated July 7, 2020; has tendered to the Treasurer of Virginia the sum of Two Thousand Five Hundred Dollars ($2,500); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

1. The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

2. This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00215
NOVEMBER 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
OCCIDENTAL FIRE & CASUALTY COMPANY OF NORTH CAROLINA,
Defendant

SETTLEMENT ORDER

Based on a market conduct investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Occidental Fire & Casualty Company of North Carolina ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings that are in effect for the company.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company electronic correspondence dated September 9, 2020; and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00216
DECEMBER 11, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LINCOLN NATIONAL LIFE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market analysis inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Lincoln National Life Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-508 (1) of the Code of Virginia ("Code") by offering an insurance program in an unfairly discriminatory manner; § 38.2-509 A 1 of the Code by offering an insurance program that was not plainly expressed in the contract originally issued and agreed upon between the Defendant and the insured; 14 VAC 5-41-40 E of the Commission's Rules Governing Advertisement of Life Insurance and Annuities, 14 VAC 5-41-10, *et seq*. of the Virginia Administrative Code ("Rules") by failing to indicate that coverage may expire when either no premiums are paid following the initial premium, or subsequent premiums are insufficient to continue coverage; 14 VAC 5-41-80 B of the Rules by using the term "affordable" in an advertisement without demonstrating the factuality of this term to the satisfaction of the Commission; and, 14 VAC 5-41-90 J of the Rules by using the term "advisor" in advertisements in a way that implies that the Defendant is generally engaged in an advisory business where compensation is unrelated to sales.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan set forth in the Bureau's letter dated May 22, 2020; has tendered to the Treasurer of Virginia the sum of Seven Thousand Eight Hundred Dollars ($7,800); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2020-00223
DECEMBER 11, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ERIE INSURANCE COMPANY, and ERIE INSURANCE EXCHANGE,
Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Erie Insurance Company and Erie Insurance Exchange (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1905 A of the Code by increasing its insureds' premiums or charging points under a safe driver insurance plan as a result of a motor vehicle accident where the accident was not caused either wholly or partially by the named insured, a resident of the same household, or other customary operator.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated November 4, 2020, have confirmed that restitution was made to 22 consumers in the amount of Fourteen Thousand Three Hundred Seventy One Dollars ($14,371), have tendered to the Treasurer of Virginia the sum of Two Thousand Five Hundred Dollars ($2,500) for each of the Defendant companies for a total of Five Thousand Dollars ($5,000), and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

DIVISION OF PUBLIC SERVICE TAXATION

CASE NO. PST-2017-00022
FEBRUARY 28, 2020

APPLICATION OF
WHEELABRATOR PORTSMOUTH, INC.

For review and correction of assessment of the value of property subject to local taxation – Tax Year 2017

FINAL ORDER

Wheelabrator Portsmouth, Inc. ("Wheelabrator" or "Company"), filed with the State Corporation Commission ("Commission") on November 13, 2017, an application for review and correction ("Application") of the assessment of certain property subject to local taxation for Tax Year 2017 by the Commission pursuant to Chapter 26 of Title 58.1 of the Code of Virginia ("Code").[1] Wheelabrator owns and operates a waste-to-energy cogeneration plant located at 3809 Elm Avenue, Portsmouth, Virginia 23704 ("Portsmouth Facility").[2] Wheelabrator asserts that the Commission's assessed value[3] of the Portsmouth Facility as of January 1, 2017, failed to account fairly and fully for physical depreciation, functional obsolescence, and economic obsolescence; exceeds fair market value; and violates Section 2 of Article X of the Constitution of Virginia.[4]

On February 14, 2018, the Commission issued an Order for Notice and Hearing ("Procedural Order" or "Scheduling Order") in which the Commission, among other things: docketed the Application; directed notice of the Application to the City of Portsmouth ("Portsmouth"); directed Wheelabrator to file testimony and exhibits by which the Company expects to establish its case; provided an opportunity for interested persons to participate; directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits thereon; scheduled a public hearing; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission and to file a report.

On March 23, 2018, Portsmouth filed a notice of participation.

On May 22, 2018, the Hearing Examiner issued a ruling modifying the procedural schedule at the request of Wheelabrator for additional time to fully prepare the testimony and exhibits that the Company required to establish its case. Among other things, the public hearing was rescheduled from October 24, 2018, to March 12, 2019. The Hearing Examiner further granted all participants, including Wheelabrator, additional time to file testimony and exhibits. On February 4, 2019, the Hearing Examiner, through a subsequent ruling and in response to a Staff motion, rescheduled the hearing again from March 12, 2019, to May 7, 2019.

On August 8 and 10, 2018, Wheelabrator filed its direct testimony and exhibits.[5] Wheelabrator filed the testimony of six witnesses, including its MR Valuation Consulting Report ("MRV Report"). On October 22 and 23, 2018, Portsmouth filed its testimony and exhibits addressing the valuation of the Portsmouth Facility.[6] On December 19, 2018, Staff filed its testimony and exhibits.[7] Staff's testimony addressed the history and consistency of its tax assessments of electric suppliers, including the methodology used to derive the fair market value of the Portsmouth Facility. Staff also filed the testimony of an independent consultant, Mr. Howard Lubow, of Overland Consulting, L.L.C. ("Overland"), who was retained by Staff to develop an independent appraisal and analysis of the fair market value of the Portsmouth Facility and to address the MRV Report. The results of Overland's analysis are contained in the Overland Report. On February 28, 2019, Wheelabrator filed its rebuttal testimony.[8] Wheelabrator filed the rebuttal testimony of five witnesses who responded to the testimony of Portsmouth and Staff.

On May 7, 2019, the Hearing Examiner convened an evidentiary hearing on the Application. Wheelabrator, Portsmouth, and Staff participated at the hearing. No public witnesses testified at the hearing.[9]

---

[1] Code § 58.1-2600 *et seq.*

[2] Ex. 1 (Application) at 1.

[3] *See In the matter of: The assessment of Water, Heat, Light, and Power Corporations; Electric Suppliers; Pipeline Distribution Companies; and Telecommunications Companies for the 2017 Tax Year*, Matter No. PST-2017-00014, Doc. Con. Cen. No. 170910174, Assessment Order (Sept. 11, 2017).

[4] Ex. 1 (Application) at 2.

[5] Wheelabrator filed an uncontested Motion for Modification of Scheduling Order, which was granted by Hearing Examiner's Ruling dated August 13, 2018. The Hearing Examiner's Ruling extended again the time for filing not only Wheelabrator's direct testimony and exhibits, but the filing deadlines for Portsmouth and Staff to file their testimony and exhibits, and for Wheelabrator to file its rebuttal testimony.

[6] Portsmouth filed two uncontested agreed motions to revise procedural date, which were granted by Hearing Examiner Rulings dated October 5, 2018, and October 23, 2018. Portsmouth filed the testimony of three witnesses, but at the hearing Portsmouth moved to withdraw the testimony of one of its witnesses, David H. Cole. The Hearing Examiner granted the request, and all testimony and cross-references to the withdrawn witness' testimony were stricken. *See* Tr. 286-287.

[7] The Staff filed an uncontested Motion for an Extension of Time to file Staff Testimony and to Amend Procedural Schedule, which was granted by Hearing Examiner Ruling dated December 7, 2018. Through this Ruling, the Hearing Examiner again extended the time for filing not only Staff testimony, but rebuttal testimony as well.

[8] Wheelabrator filed a Motion for Modification of Scheduling Order and Further Extension of Time to File Rebuttal Witness Summaries and Exhibits, which was granted by Hearing Examiner Ruling dated February 25, 2019.

[9] Tr. 5-6.

On July 10, 2019, Wheelabrator, Portsmouth, and Staff filed Post-Hearing Briefs. Concurrent with the filing of its Post-Hearing Brief, Portsmouth filed its Respondent City of Portsmouth's Motion to Strike ("Portsmouth Motion"), which renewed Portsmouth's motion to strike the MRV Report (initially made at the hearing) on the basis that that the MRV Report and testimony in support of the MRV Report are based on erroneous facts.[10] On July 24, 2019, Wheelabrator filed its Response in Opposition to the City of Portsmouth's Motion to Strike the Testimony of Wheelabrator's Expert Witnesses ("Response"), in which Wheelabrator incorporated by reference its arguments and facts set forth in its Post-Hearing Brief, as well as testimony and arguments submitted into evidence at the hearing in this matter.[11] On August 5, 2019, Portsmouth filed a Reply to Wheelabrator's Response. Portsmouth maintained that the MRV Report and supporting testimony "are founded on an erroneous factual foundation because they ignore information that was known or knowable as of the date of valuation, and assume facts which were not true. Therefore, this testimony and evidence is inadmissible and should be struck."[12]

In its Post-Hearing Brief, Wheelabrator renewed its motion to strike the testimony of Staff witness Lubow (initially made at the hearing) ("Wheelabrator Motion") on the basis that Mr. Lubow did not perform an actual property appraisal, he is not licensed as an appraiser, and he does not hold any certificate from any appraisal bodies.[13] Staff responded to the Wheelabrator Motion at the hearing and in Staff's Post-Hearing Brief.[14]

On November 8, 2019, the Hearing Examiner issued the Report of Michael D. Thomas, Senior Hearing Examiner ("Report"). In his Report, the Hearing Examiner summarized the record in this matter and made certain findings and recommendations for the Commission. The Hearing Examiner recommended granting the Portsmouth Motion, striking the MRV Report and supporting testimony from the record in this matter.[15]

The Hearing Examiner recommended denying the Wheelabrator Motion and admitting the testimony of Mr. Lubow, based in part on the recent Supreme Court of Virginia case, *Va. Int'l Gateway, Inc. v. City of Portsmouth*, where the Court found that:

> a trial court may qualify a person as an expert witness to testify regarding the value of real estate without regard to his or her Virginia licensure status. It did not, however, render licensure status irrelevant. Licensure remains an important consideration in assessing a prospective expert's qualifications. Code § 54.1-2010 (B) stands only for the proposition that a trial court cannot refuse to qualify an otherwise appropriate expert solely for the lack of an active Virginia license at trial.[16]

The Hearing Examiner recommended that the Commission accept Staff's determination of the fair market value of the Portsmouth Facility in the Overland Report, affirm Staff's assessment of the Portsmouth Facility for the 2017 Tax Year, and dismiss Wheelabrator's Application.[17] The Hearing Examiner recommended that even if the Commission does not grant Portsmouth's Motion, the Commission should still affirm Staff's assessment of the Portsmouth Facility for the 2017 Tax Year and dismiss Wheelabrator's Application because the MRV Report is not credible.[18] The Hearing Examiner recommended the Commission rely instead on the Overland Report to establish that the fair market value of the Portsmouth Facility exceeds the amount of the assessment determined by Staff; therefore, no adjustment to the amount of the assessment is warranted.[19]

On December 2, 2019, Wheelabrator filed objections to the Hearing Examiner's Report. Wheelabrator objected to the Hearing Examiner's finding that the testimony of Staff witness Lubow be admitted, and that Wheelabrator's Application be denied, on the basis that the Hearing Examiner's recommendations ignore controlling Supreme Court of Virginia precedent and misapply the facts of this case.[20] Wheelabrator asked that its Application be granted and that the Commission adjust the 2017 assessment, with interest, costs and other relief to make it whole.[21] Also on December 2, 2019, the Staff and Portsmouth filed comments in support of the Hearing Examiner's Report.

NOW THE COMMISSION, having considered all of the evidence in this matter pursuant to the Constitution of Virginia and the applicable statutes and law, is of the opinion and finds that Wheelabrator has not shown that the Commission's assessment of its property for Tax Year 2017 was erroneous.[22] Accordingly, we deny Wheelabrator's Application.

---

[10] *See, e.g.,* Portsmouth Motion to Strike at 2; Tr. 38-40, 44, 52, 574.

[11] *See* Wheelabrator Response at 2.

[12] Portsmouth Reply at 5.

[13] *See, e.g.,* Wheelabrator Post-Hearing Brief at 29; Tr. 437-438, 469, 571-572.

[14] *See* Tr. 438; Staff Post-Hearing Brief at 21-29.

[15] Report at 51-55, 69.

[16] *Id.* at 55-62, 69; *Va. Int'l Gateway, Inc.*, Sup. Ct. of Va. Rec. No. 180810, Opinion at 6 (Oct. 31, 2019).

[17] Report at 69.

[18] *Id.* at 65.

[19] *Id.*

[20] *See, e.g.,* Wheelabrator Objections to Report at 1.

[21] *See, e.g., id*. at 17.

[22] We deny the Portsmouth Motion and the Wheelabrator Motion to strike evidence in this matter. Rather, we admit all of the expert testimony submitted in this proceeding and give it the proper weight due.

Applicable Law

The Virginia Constitution

The Virginia Constitution mandates two principles of property taxation.

Article X, Section 1, provides in part*:*

> All taxes shall be levied and collected under general laws and shall be uniform upon the same class of subjects within the territorial limits of the authority levying the tax . . . .

Article X, Section 2 provides in part*:*

> All assessments of real estate and tangible personal property shall be at their fair market value, to be ascertained as prescribed by law.

The Virginia Supreme Court has explained that "[t]he dominant purpose of these provisions is to distribute the burden of taxation, as far as is practical, evenly and equitably. If it is impractical or impossible to enforce both the standard[s] . . . , the latter provision is to be preferred as the just and ultimate end to be attained."[23]

The Code of Virginia

Title 58.1 of the Code prescribes the authority and obligation of the Commission to centrally assess the value of real and personal property of electric suppliers,[24] such as Wheelabrator, for tax purposes.

Code § 58.1-2600 states, in relevant part:

> [the Commission] is hereby designated pursuant to Article X, Section 2 of the Constitution of Virginia as the central state agency responsible for the assessment of the real and personal property of all public service corporations, except those public service corporations for which the Department of Taxation is so designated, upon which the Commonwealth levies a license tax measured by the gross receipts of such corporations. The State Corporation Commission shall also assess the property of . . . every public service corporation in the Commonwealth in the business of furnishing heat, light and power by means of electricity, and each electric supplier, as provided by this chapter.

The Code requires each electric supplier to report all of its real and tangible property annually to the Commission. Code § 58.1-2628 D states, in relevant part:

> Every electric supplier as defined in § 58.1-2600 shall report annually, on April 15, to the Commission all real and tangible personal property owned by such electric supplier, leased by such electric supplier for a term greater than one year, or operated by such electric supplier in the Commonwealth and used directly for the generation, transmission or distribution of electricity for sale as of the preceding January 1, showing particularly the county, city, town or magisterial district in which such property is located, unless reported to the Commission by another corporation or electric supplier in the Commonwealth in the business of furnishing heat, light and power by means of electricity. Real and tangible personal property of every description in the Commonwealth leased by such electric supplier for a term greater than one year or operated by such electric supplier shall mean only those assets directly associated with production facilities and shall not mean real estate or vehicles. The report shall also show the total gross receipts less sales to federal, state and local governments for their own use.

The Commission then assesses the value of the reported property. Code § 58.1-2633 A provides, in relevant part:

> The Commission shall assess the value of the reported property subject to local taxation of each . . . electric supplier, . . . , and shall assess the license tax levied hereon if such company is subject to the license tax under this article.

The right of an electric supplier to contest a Commission tax assessment is derived from the Code. Code §58.1-2670 states, in relevant part:

> Any taxpayer, the Commonwealth or any county, city or town aggrieved by any action of the Commission in the ascertainment of, or the assessment for taxation of, the value of any property of any corporation or company assessed by the Commission, or in the ascertainment of any tax upon any company or corporation of its property, at any time within three months after receiving a certified copy of such assessment of value or tax, may apply to the Commission for a review and correction of any specified item or items thereof after which date the Commission shall have no authority under this section or any other provision of law to receive any application or complaint concerning the assessment of value or tax. Such application shall be in a form prescribed by the Commission and shall set forth with reasonable certainty the item or items, of which a review and correction are sought, and the grounds of the complaint. The application shall also be verified by affidavit.

---

[23] *Smith v. City of Covington*, 205 Va. 104, 108 (1964) (citing *Norfolk v. Snyder,* 161 Va. 288 (1933); *Lehigh Portland Cement Co. v. Commonwealth*, 146 Va. 146 (1926)). *See also, e.g., Bd. of Supervisors of Fairfax Cnty v. Telecomms. Indus., Inc.*, 246 Va. 472, 477 (1993) (citing *R. Cross, Inc. v. City of Newport News,* 217 Va. 202, 207 (1976) (quoting *Skyline Swannanoa, Inc. v. Nelson Cnty,* 186 Va. 878, 881 (1947))); *Bd. of Supervisors of Fairfax Cnty v. Leasco Realty, Inc.,* 221 Va. 158, 166 (1980).

[24] Wheelabrator is an electric supplier as defined by Code § 58.1-2600.

Should an electric supplier contest an assessment, the Commission must hear testimony and consider evidence on the matter and notify all affected localities. Code § 58.1-2671 states, in relevant part:

> Upon the filing of any such application, the Commission shall fix a time and place at which it will hear such testimony with reference thereto as any of the parties may desire to introduce and the applicant shall cause a copy of the application and notice of the time and place of the hearing to be served upon the company or corporation or the Commonwealth and each county, city and town whose revenue is, or may be, affected thereby, at least ten days prior to the day set for the hearing.

Finally, the Commission must adjust the tax if it finds the assessment is excessive or insufficient. Code § 58.1-2673 states, in part:

> If, from the evidence introduced at such hearing or its own investigations, the Commission is of opinion that the assessment or tax is excessive, it shall reduce the same or if it is insufficient, it shall increase the same. If the decision of the Commission is in favor of the taxpayer, in whole or in part, appropriate relief shall be granted, including the right to recover from the Commonwealth or local authorities, or both, as the case may be, any excess of taxes that may have been paid. The order of the Commission shall be enforced by mandamus, or other proper process, issuing from the Commission.

The Standard of Review

While the Code prescribes the authority of an electric supplier, such as Wheelabrator, to contest a Commission assessment, the Code does not expressly establish the standard of review for such actions. Notwithstanding, the applicable law is familiar. "The Commission's assessment is presumed correct and the burden is upon the owner of property to show that it is erroneous." *Gordonsville Energy, L.P. v. State Corp. Comm'n*, Sup. Ct. of Va. Rec. No. 050017, Opinion (2005) (citing *Norfolk & W. Ry. Co.*, 211 Va. at 695 (1971)). "The effect of th[e] presumption is that even if the assessor is unable to come forward with evidence to prove the correctness of the assessment this does not impeach it since the taxpayer has the burden of proving the assessment erroneous." *Norfolk & W. Ry. Co.,* 211 Va. at 695 (1971); s*ee also Fruit Growers Express Co. v. City of Alexandria*, 216 Va. 602, 610 (1976) (citations omitted). Further, "values are matters of opinion to which no rule of thumb can be applied. Before the valuation fixed by [the Commission] can be lowered by the court, the taxpayer must carry the burden of proving that the property in question is assessed at more than its fair market value . . . ." *Skyline Swannanoa, Inc.*, 186 Va. at 885 (1947).

The Virginia Supreme Court has defined "fair market value" as the "sale price when offered for sale 'by one who desires, but is not obliged, to sell it, and is bought by one who is under no necessity of having it.'" *Keswick Club v. Cnty of Albemarle*, 273 Va. 128, 136 (2007) (quoting *Tuckahoe Women's Club v. City of Richmond*, 199 Va. 734, 737 (1958)). The Court has also recognized that when assessing fair market value, the property is valued according to its highest and best use. *Shoosmith Bros. v. Cnty. of Chesterfield*, 268 Va. 241, 246 (2004) (citing *Norfolk & W. Ry. Co.,* 211 Va. at 699 (1971)). The Court has recognized that the assessment of property is not an exact science; valuing land, buildings and tangible personal property is dependent on many factors; experts disagree on the best method to establish fair market value. *See Southern Ry. Co. v. Commonwealth*, 211 Va. 210, 214 (1970); *Richmond, Fredericksburg & Potomac R.R. v. State Corp. Comm.*, 219 Va. 301, 313 (1978); *see also City of Richmond v. Gordon*, 224 Va. 103, 112 (1982). The Court has recognized, however, that the cost, income, and sales methods are the three valuation methods most widely used to assess fair market value. *Keswick Club*, 273 Va. at 137 (2007). The Court and this Commission have recognized and upheld the use of a cost less depreciation approach to valuing the property of public service companies. *See, e.g., Gordonsville Energy, L.P.*, Sup. Ct. of Va. Rec. No. 050017, Opinion (2005); *Norfolk & W. Ry. Co.*, 211 Va. at 697-98, 700-701 (1971) (citations omitted).

Background

The Portsmouth Facility

The Portsmouth Facility is a waste-to-energy facility that is actually composed of two separate facilities, separated by a public road.[25] On one side sits the refuse-derived fuel facility where the waste materials are delivered by truck to a large processing area where they are sorted.[26] When the process is complete, the waste materials are conveyed across the road to the power generation plant.[27] The United States Navy owns the land upon which the Portsmouth Facility sits.[28] Wheelabrator owns an easement that permits use of the ground for purposes of operating the plant, and two other small parcels containing the conveyor system between the two facilities.[29] Inside the power plant, the waste materials are transferred into large boilers, which burn the waste material.[30] The heat from the boilers is used to create steam, a certain amount of which is conveyed next door to the Naval Shipyard pursuant to a steam purchase contract between Wheelabrator and the United States Navy.[31] This steam permits the Navy to meet the Federal mandate that the Navy attempt to produce or procure 25% of its energy needs from renewable resources.[32] The remainder of the steam is used to run turbines, which generate electricity.[33]

---

[25] *See, e.g.,* Ex. 62 (Johnson Direct) at 4.

[26] *Id.*

[27] *Id.*

[28] *See, e.g., id.* at 4-5; Ex. 71 (Rodriguez Direct) at 4-5.

[29] *See, e.g.,* Ex. 62 (Johnson Direct) at 5; Ex. 71 (Rodriguez Direct) at 5.

[30] *See, e.g.,* Ex. 62 (Johnson Direct) at 4; Ex. 71 (Rodriguez Direct) at 6.

[31] *See, e.g.,* Ex. 62 (Johnson Direct) at 4; Ex. 71 (Rodriguez Direct) at 6.

[32] *See, e.g.,* Ex. 82 (Trimyer) at 8, EKT-4, EKT-5; Tr. 288; Portsmouth Post-Hearing Brief at 12.

[33] *See, e.g.,* Ex. 62 (Johnson Direct) at 4.

The Portsmouth Facility generates revenue in four ways. First, Wheelabrator is paid tipping fees on a per-ton basis by the waste haulers that dump the waste at the plant. This makes up the majority of the Portsmouth Facility's revenue.[34] Second, Wheelabrator is paid by the United States Navy for steam.[35] Third, Wheelabrator is paid for electricity and capacity it sells into the PJM Interconnection, L.L.C.[36] Fourth, Wheelabrator receives a small amount of revenue from selling the ferrous and non-ferrous metal that it collects out of the ash byproduct of the waste that is burned in the boilers.[37]

As of January 1, 2017, the assessment date, Wheelabrator was a party to a contract that is at the crux of Wheelabrator's case. The contract at issue is one with the Southeastern Public Service Authority ("SPSA") for residential waste that was set to expire January 24, 2018.[38] Loss of this contract without replacement, according to Wheelabrator, would cause the Portsmouth Facility's tipping fee revenue to fall from $34,529,000 in 2017 to $9,102,020 in 2018.[39] It would cause significant decreases in electricity revenue to approximately one-third of the revenues earned during the contract period.[40] It would also cause decreases in the Portsmouth Facility's metals revenue, because the amount of metal byproduct Wheelabrator is able to sell is directly related to the amount of waste collected and burned at the Portsmouth Facility.[41]

Ownership History of the Portsmouth Facility

The Portsmouth Facility was built and owned by the United States Navy to provide steam to the Norfolk Naval Shipyard in Portsmouth.[42] In 1999, the Navy transferred ownership of the Portsmouth Facility to SPSA.[43] Notwithstanding, the Navy continued to receive the steam it required from the Portsmouth Facility under a long-term purchase agreement.[44] In 2010, Waste Management, Inc., through its then-subsidiary Wheelabrator Technologies, Inc. ("WTI") (Wheelabrator's parent company), bought the Portsmouth Facility from SPSA for $150 million.[45] In 2014, Energy Capital Partners acquired WTI, including the Portsmouth Facility.[46]

Tax Assessment of the Portsmouth Facility

Staff assessed the Portsmouth Facility for the 2017 Tax Year on January 1, 2017, at a total value of $132,158,434, less pollution control equipment not subject to taxation of $36,116,548, for a total value subject to taxation of $96,041,886.[47]

Wheelabrator asserts that the fair market value of the Portsmouth Facility on January 1, 2017, should have been $21,650,000, less equipment not subject to taxation of $6,250,000, for a total value subject to taxation of $15,400,000.[48]

Wheelabrator's Challenge

Wheelabrator asserts that the Staff valued the Portsmouth Facility in excess of fair market value because Staff relied on facts not known or knowable as of January 1, 2017, failing to take into account market conditions or the reality of the SPSA residential waste contract in effect on that date.[49] Wheelabrator also asserts Overland miscalculated the fair market value of the Portsmouth Facility in the Overland Report by, among other things, valuing the facility as part of WTI's overall business rather than by consideration of the property in its "particular location."[50] Further, Wheelabrator asserts that the assessed value fails to recognize any economic or functional obsolescence related to parts of the plant that are not being used as originally designed because

[34] *See, e.g., id.* at 5; Wheelabrator Post-Hearing Brief at 8.

[35] *See, e.g.,.* Ex. 62 (Johnson Direct) at 5; Wheelabrator Post-Hearing Brief at 8.

[36] Ex. 62 (Johnson Direct) at 5.

[37] *Id.*

[38] *See, e.g.,* Ex. 30 (Refuse Derived Fuels and Waste to Energy Facilities Services Agreement between SPSA and Wheelabrator Technologies, dated 9/9/09). *See also, e.g.,* Ex. 62 (Johnson Direct) at 5; Ex. 78 (Johnson Rebuttal) at 4.

[39] Ex. 62 (Johnson Direct) at 6.

[40] *See, e.g., id.*; Tr. 186.

[41] *See, e.g.,* Ex. 62 (Johnson Direct) at 6; Tr. 186.

[42] *See, e.g.,* Ex. 62 (Johnson Direct) at 3; Ex. 71 (Rodriguez Direct) at 5; Ex. 82 (Trimyer) at 5; Portsmouth Post-Hearing Brief at 9-10.

[43] *See, e.g.,* Ex. 62 (Johnson Direct) at 3; Ex. 71 (Rodriguez Direct) at 5.

[44] *See, e.g.,* Ex. 71 (Rodriguez Direct) at 5; Portsmouth Post-Hearing Brief at 11-12.

[45] *See, e.g.,* Ex. 71 (Rodriguez Direct) at 5.

[46] *See, e.g.,* Ex.76 (Baldoni Direct) at 16, Tr. 213.

[47] Ex. 92 (Holloway) at 9, JEH-8.

[48] *See, e.g.,* Ex. 58 (MRV Report) at Table 1, page 60; Ex. 92 (Holloway) at JEH-12.

[49] *See, e.g.,* Wheelabrator Post-Hearing Brief at 2, 21.

[50] *See, e.g., id*. at 2.

the plant no longer burns coal.[51] Wheelabrator asserts that one can look no further than January 1, 2017, to determine what was known and knowable on the assessment date, or risk being in contravention of the Uniform Standards of Appraisal Practice ("USPAP") and applicable law.[52] Wheelabrator argues that any proper calculation of fair market value must take into account that on January 1, 2017, it was fact that the Portsmouth Facility was slated to lose revenue beginning in 2018, due to the loss of the SPSA residential waste contract, and would not be profitable after 2022, regardless of the future renewal of the United States Navy steam contract.[53] This "factual reality", as described by Wheelabrator, assumes the highest and best use of the Portsmouth Facility is as a greenfield, returned to the United States Navy.[54] This highest and best use assumption underlies every one of Wheelabrator's methods (the cost, income and sales approaches) for calculating fair market value in this case.[55]

Staff's Original Acquisition Cost Less Depreciation Approach

Per Code § 58.1-2628 D, all electric suppliers, including Wheelabrator, are required to file their annual tax report by April 15 of each year with all of the supplier's real and tangible personal property owned at original acquisition cost plus additions and retirements. Staff assesses each electric supplier based on the original acquisition cost information contained in its annual tax report.[56] Staff used Wheelabrator's annual tax report data to calculate fair market value of the Portsmouth Facility using the original acquisition cost less depreciation method as it has every year for Wheelabrator, since 2011.[57] Staff derived the building and improvement values for the Portsmouth Facility differently because there were no original acquisition costs associated with the structures in Wheelabrator's tax report.[58] Staff instead conducted its fair market value appraisals for the buildings and improvements using the Marshall & Swift Valuation Service to develop a Replacement Cost New Less Depreciation appraisal of the Portsmouth Facility buildings.[59] Staff also valued two parcels of land totaling 1.0995 acres that are owned by Wheelabrator using information collected from the City of Portsmouth's Real Estate Assessor's Office.[60] The final step in Staff's methodology was to apply the local assessment ratio, per the requirements of Code § 58.1-2604, which was 100 percent for the City of Portsmouth for Tax Year 2017, to all property with the exception of land.[61]

Staff hired independent consultant, Howard Lubow of Overland, to review the MRV Report and conduct an independent valuation of the Portsmouth Facility. Staff witness Lubow criticizes the MRV Report both for its assumptions and its methodology. The Overland Report values the Portsmouth Facility giving equal weight to the results of its three approaches (cost, income and sales approaches).[62] The Overland Report concludes that the Portsmouth Facility has a fair market value, as of January 1, 2017, of $134.0 million before reduction of tax-exempt pollution control equipment.[63]

Discussion

Staff assessed the Portsmouth Facility uniformly and in accordance with its proper highest and best use to determine its fair market value, consistent with the applicable law.

We begin with the Staff's uniform methodology. Staff assessed the Portsmouth Facility using the original cost less depreciation methodology. Staff has used the cost less depreciation methodology to assess the property of more than 300 utility companies for decades.[64] During the time, the Commission has upheld the methodology consistently[65] and the Court has upheld this methodology on at least three occasions. *See, e.g., Norfolk & W. Ry. Co.*, 211 Va. at 692 (1971); *Lake Monticello Service Co. v. Bd. of Supervisors of Fluvanna Cnty.,* 233 Va. 111 (1987); *Gordonsville Energy L.P.,* Va. Sup. Ct. Rec. No. 050017, Opinion (2005). Specifically, with respect to generation facilities such as the Portsmouth Facility, the Court has recognized:

---

[51] *See, e.g.,* Wheelabrator Post-Hearing Brief at 24; Wheelabrator Objections to Report at 16.

[52] *See* Wheelabrator Post-Hearing Brief.

[53] *Id.* at 29.

[54] *See, e.g., id.* at 12, 29 ("Wheelabrator has appropriately taken this *factual reality* into account in presenting its evidence of fair market value as of the assessment date, January 1, 2017." (emphasis added)).

[55] *See, e.g.,* Wheelabrator Post-Hearing Brief at 12, 29; Ex. 58 (MRV Report). Wheelabrator rejected the results of its market approach to determine the fair market value of the Portsmouth Facility because of insufficient data but nonetheless found the results informative. *See*, *e.g.*, Tr. 148-149, 165-168, 204.

[56] *See, e.g.,* Ex. 92 (Holloway) at 2-4.

[57] *See, e.g*., *id.* at 4; Staff Post-Hearing Brief at 14-18.

[58] *See, e.g.,* Ex. 92 (Holloway) at 5.

[59] *See, e.g., id.* at 4-5; Ex. 93 (Goodwyn) at 2.

[60] *See, e.g.,* Ex. 93 (Goodwyn) at 9-10.

[61] *See, e.g.,* Ex. 92 (Holloway) at 9.

[62] *See, e.g.,* Staff Post-Hearing Brief at 20; Ex. 94 (Lubow) at 5, Attachment 1, p. 1-12 to 1-16.

[63] *See, e.g.,* Staff Post-Hearing Brief at 20; Ex. 94 (Lubow) at 5, Attachment 1, p. 1-12 to 1-16.

[64] *See, e.g.,* Ex. 92 (Holloway) at 4.

[65] *See, e.g., Application of Gordonsville Energy, L.P., Application for review and correction of assessment of the value of property subject to local taxation-Tax Year 2002*, 2004 S.C.C. Ann. Rept. 172, Case No. PST-2002-00046, Final Order (2004); *Application of Gordonsville Energy, L.P., Application for review and correction of assessment of the value of property subject to local taxation-Tax Year 2002*, 2004 S.C.C. Ann. Rept. 173, Case No. PST-2002-00046, Opinion (2004); *Application of Hopewell Cogeneration Limited Partnership, Application for review and correction of assessment of the value of property subject to local taxation - Tax Year 2003*, 2006 S.C.C. Ann. Rept. 172, Case No. PST-2003-00065, Final Order (2006).

> The valuation and assessment of [public service corporation] properties under the fair market value standard of [Art. X, § 2] of the Constitution present a difficult problem because ... [public service corporations] are seldom sold so there are no comparable sales available to the Commission to assist it in arriving at its valuations. *In the absence of such comparable sales, which would be the best and fairest standard for fixing fair market values,* it is necessary for the Commission to arrive at a judgment on fair market value of the [public service corporation] properties on the basis of the other indicia of fair market value available to it.

Lake Monticello Service Co., 233 Va. at 115-16, 353 S.E.2d at 770 (1987) (quoting *Norfolk & W. Ry. Co*., 211 Va. at 697 (1971)(emphasis in original)).

The Staff did not apply this methodology blindly. First, to establish fair market value, Staff assessed all tangible property at its highest and best use, consistent with the applicable law. *Norfolk & W. Ry. Co.*, 211 Va. at 699 (1971); *see also Shoosmith Bros., Inc.,* 268 Va. at 246 (2004). The record establishes that the highest and best use of the Portsmouth Facility is as a waste-to-energy facility.[66] The Staff has assessed the Portsmouth Facility as it is actually being used since it first became subject to taxation in 2011.[67] On January 1, 2017, the Portsmouth Facility was still being operated in the same manner that it had been operated in the past, and would continue to be operated at least through the remainder of the questioned SPSA contract, through January 24, 2018.[68]

Consistent with the applicable law, the Staff also considered any and all facts that may affect the Staff's valuation of fair market value. Code § 58.1-2633 B provides that "the Commission shall assess the value of the property of such person, and its gross receipts upon the best and most reliable information that can be obtained by the Commission." As Staff witness Holloway explained, sometimes electric companies the Staff has assessed have had events that affected the value of the property, such as shutdowns or plants being put into cold storage, where Staff made an adjustment to value to reflect those events.[69] However, the Staff has not recognized such events until there is actual factual evidence that the plant is being permanently shut down or put into cold storage.[70] In contrast, Staff witness Holloway testified that "the Commission has never made an adjustment to the assessed value of any property based on a contract that may or may not expire in the future . . . . [or] on speculative assumptions that a plant may close at a future date."[71] Yet, this is exactly what Wheelabrator asks the Commission to do in this case. We agree with Staff that if the Commission were to base its assessments of over 300 public service companies on each company's future expectations as opposed to actual events as they happen, then the assessment process would be, in addition to overly burdensome, "greatly flawed, unpredictable, and without merit."[72]

Wheelabrator fails to establish that the Commission's assessment of the Portsmouth Facility is erroneous. Wheelabrator's case is premised on what the Company identifies as a "factual reality" on January 1, 2017, that SPSA had entered into an agreement with RePower L.L.C. ("RePower") for residential waste; therefore, Wheelabrator's contract with SPSA would certainly end and not be renewed in late January 2018, which would set off a chain of events leading to full closure and decommissioning of the Portsmouth Facility thereafter.[73]

We are not persuaded. When Staff assessed the Portsmouth Facility for Tax Year 2017, the evidence was too speculative for Staff to have considered what may or may not have occurred to the SPSA residential waste contract on or after January 24, 2018. The success of the RePower contract with SPSA on January 1, 2017, was uncertain.[74] As of January 1, 2017, just a year prior to the anticipated commercial operation date of the RePower facility per the terms of the RePower and SPSA contract,[75] full financing for the RePower facility remained unsecured; an offtake agreement for the new untested fuel pellets the RePower facility would fabricate remained unsecured; and, although some clearing and permitting had been performed, construction of the RePower facility had not yet begun.[76]

Wheelabrator management was aware of this uncertainty. A protest letter penned by Wheelabrator in March of 2016 identified, among other things, the following "enormous risks" attendant to SPSA's contract with RePower: (i) untried process/technology with no operating history; (ii) unproven

---

[66] The Portsmouth Facility has been operated as a waste-to-energy facility since it was built by the Navy in the 1980s. While the ownership of the Portsmouth Facility has changed over the years, its owners have continued to operate the facility as a waste-to-energy facility. The Portsmouth Facility continues to operate as a waste-to-energy facility today. *See, e.g.,* Ex. 62 (Johnson) at 1-2; Portsmouth Post-Hearing Brief at 9-12.

[67] *See, e.g.,* Ex. 92 (Holloway) at 4-9; Tr. 396.

[68] *See, e.g.,* Staff Post-Hearing Brief at 16; Tr. 396. It is uncontested that on January 1, 2017, Wheelabrator's contract with SPSA for residential waste was still in effect and would remain in effect until at least January 24, 2018, at which time the contract would expire. *See, e.g.,* Ex. 30 (Wheelabrator/SPSA Contract); Ex. 62 (Johnson Direct) at 5; Ex. 78 (Johnson Rebuttal) at 4. The SPSA/RePower L.L.C. contract recognizes the remaining term of the SPSA/Wheelabrator contract, "WHEREAS, SPSA is subject to an existing contract for disposal and processing of residential Solid Waste generated by its Member Communities at the Wheelabrator Portsmouth waste-to-energy facility, which contract expires at midnight on January 24, 2018." *See* Ex. 84 (SPSA/RePower Contract). On the January 1, 2017 assessment date, the Portsmouth Facility's operations were expected to continue as they had before for the entire 2017 Tax Year. *See, e.g.,* Tr. 396. No party in this case asserts otherwise.

[69] Tr. 396-397.

[70] *Id.*

[71] *Id.*

[72] *See, e.g.,* Tr. 397.

[73] *See, e.g.,* Ex. 70 (Appendix 6 to MRV Report); Tr. 126-135, 137-140, 151-152, 171-172, 174-176, 180, 197-201, 204-208, 212-213.

[74] *See, e.g.,* Tr. 212 "But there was indications that they were working on all those issues and trying to resolve them."

[75] Ex. 84 (SPSA/RePower contract).

[76] *See, e.g.,* Ex. 85 (RePower Reports); Ex. 87 (Minutes of SPSA Board of Directors beginning 1/27/2016); Ex. 66 (Newspaper Article dated 12/14/2016); Tr. 271, 320-321; Ex. 67 (Staff's Eighth Set of Discovery to Wheelabrator).

revenue stream for its products; and (iii) financial/ performance risk.[77] Wheelabrator also noted the lack of a "Plan B" should the RePower contract fail.[78] There is little indication in the record that Wheelabrator's concerns were unwarranted. Indeed, while its protest was rejected by SPSA, Wheelabrator was vocal to the press that the Company stood by its concerns.[79] There is likewise little indication that Wheelabrator's concerns were dispelled closer to the January 1, 2017 assessment date. As late as December 14, 2016, a widely circulated newspaper article explains that RePower was still trying to negotiate a contract with a customer for fuel pellets and that financing for the RePower facility would "hinge" on RePower locking in a pellet customer.[80] The evidence establishes that Wheelabrator witness Johnson, the Portsmouth Facility's general manager, attended the SPSA board meetings where the contract was repeatedly discussed. The December 14, 2016 SPSA board meeting minutes report Mr. Johnson in attendance and confirm that in mid-December 2016, no financing or offtake agreement had been entered into by RePower.[81] The SPSA board minutes further note that these two items had to be finalized in just over a month, by January 25, 2017, or RePower would be in breach of contract—an outcome Wheelabrator itself had warned of in its protest letter several months before.[82] While it is possible that the financing and offtake agreements could be finalized within the deadline, the "factual reality" is that as of January 1, 2017, they were not. Yet, Wheelabrator's valuation approaches make no room for this uncertainty.[83] As noted by Hearing Examiner Thomas, "there is no corroborating documentary evidence, either before or after January 1, 2017, supporting Wheelabrator's theory of the case. . . . It is simply not credible that Wheelabrator management contemplated shutting down and decommissioning the Portsmouth Facility in 2022."[84]

Further, while not necessary to our finding, the events occurring after the assessment date serve only to validate the uncertainty of the RePower contract on January 1, 2017. USPAP Advisory Opinion 34 states that "[w]ith market evidence that data subsequent to the effective date was consistent with the market expectations as of the effective date, the subsequent data should be used."[85] While Wheelabrator ignores subsequent events, Overland and Portsmouth are not incorrect in their application of USPAP Advisory Opinion 34 when they consider events subsequent to the assessment date in their analyses. The evidence in this case shows that data subsequent to January 1, 2017, is consistent with market expectations at that time. Soon after the assessment date, it was known that RePower was in fact not able to obtain a pellet customer nor obtain financing by the January 25, 2017 deadline.[86] By February 2017, a widely circulated newspaper article indicated SPSA was bothered by the missed deadline but that RePower was aiming for a deadline by the end of March.[87] By April, when Wheelabrator still had no pellet customer or financing, SPSA held the first public vote to terminate the RePower contract.[88] By August 2017, SPSA had terminated the RePower contract.[89] Data subsequent to the assessment date is consistent with market expectations of uncertainty for the RePower contract on January 1, 2017. Per USPAP Advisory Opinion 34, subsequent data can be used.

Applicable law establishes that the proper calculation of fair market value must consider the property at its highest and best use. Based on the Company's assumptions about the SPSA contract with RePower, Wheelabrator asserts that the Portsmouth Facility's highest and best use would be as a greenfield, returned to the United States Navy.[90] Every one of Wheelabrator's approaches to calculating fair market value is premised on the immediate termination of Wheelabrator's contract with SPSA in January 2018, due to timely satisfaction of the RePower agreement, and total closure of the Portsmouth Facility a few years later as a result.[91] Yet, even if one were to accept that the SPSA residential waste contract for the Portsmouth Facility would end in 2018, certain and total closure of the Portsmouth Facility within five years is likewise unsubstantiated by the record. For example, according to Staff witness Lubow, the closure of the Portsmouth Facility would be considered material under generally accepted accounting principles (GAAP), requiring disclosure.[92] Evidence of plant closure would have been disclosed in financial statements, goodwill and cashflow statements, communications with vendors and related entities.[93] Yet, Wheelabrator was unable to produce any such evidence before, on or even after January 1, 2017. Financial statements for WTI

[77] *See, e.g.,* Ex. 65 (Wheelabrator Protest Letter) at 9.

[78] *Id*. at 10.

[79] An April 2016 newspaper article quotes Wheelabrator as saying, "We stand by the issues raised in our protest and believe all SPSA communities should be concerned about the viability of the proposed alternative to energy-from-waste that SPSA has endorsed," *See* Ex. 89 (Wheelabrator Ends Protest over South Hampton Roads Trash Disposal dated 4/13/16).

[80] Ex. 66 (Newspaper Article dated 12/14/2016).

[81] Ex. 87 (December 14, 2016 SPSA Board Meeting Minutes).

[82] *Id*.; *see also, e.g.,* Ex. 65 (Wheelabrator Protest Letter) at 9.

[83] *See, e.g.,* Ex. 70 (Appendix 6 to MRV Report); Tr. 126-135, 137-140, 151-152, 171-172, 174-176, 180, 197-201, 204-208, 212-213.

[84] Hearing Examiner's Report at 65-66.

[85] *See, e.g.,* Ex. 100 (Rodriguez Rebuttal) at Exhibit 3; Ex. 99 (McMahon Rebuttal) at 6; Ex. 101 (Hazen Rebuttal) at 5; Tr. 40.

[86] *See, e.g.,* Ex. 88 (Minutes of SPSA Board of Director's Meetings Commencing 1/25/17); Ex. 66 (Newspaper Articles dated 12/4/16, 2/22/17, 4/26/2017).

[87] Ex. 66 (Newspaper Article dated 2/22/17).

[88] *See, e.g.,* Tr. 350.

[89] *See, e.g.,* Ex. 94 (Lubow) at 19.

[90] *See, e.g.,* Ex. 71 (Rodriguez Direct) at 10; Tr. 154-156, 203-204; Wheelabrator Objections to Report at 3.

[91] *See, e.g.,* Ex. 70 (Appendix 6 to MRV Report); Tr. 126-135, 137-140, 151-152, 171-172, 174-176, 180, 197-201, 204-208, 212-213.

[92] Ex. 94 (Lubow) at 12; Tr. 432; Staff Post-Hearing Brief at 5-6.

[93] *See, e.g.,* Staff Post-Hearing Brief at 6; Tr. 434-435.

(Wheelabrator's parent company) reflect entries of asset retirement obligations arising from *other* affiliates, but nothing regarding the Portsmouth Facility.[94] In fact, at the hearing, Wheelabrator witness Johnson testified that he was unable to recall any discussion of a plant closure at all prior to or on the January 1, 2017 assessment date.[95] Further, on December 14, 2016, both a widely disseminated newspaper article and the SPSA board minutes indicate that SPSA leadership personnel were to begin negotiations with Wheelabrator and Bay Disposal in response to their proposals for Solid Waste Hauling and Disposal Services for Non Municipal Waste Received at SPSA.[96] The record in this case establishes that the contract term could be extended, at SPSA's sole request, for up to 15 years.[97] Such bidding and contract terms are directly at odds with Wheelabrator's assumption that the Portsmouth Facility would be shuttered within five years. The record simply does not support Wheelabrator's premise that the Portsmouth Facility's highest and best use is a greenfield returned to the United States Navy. Wheelabrator's evidence of fair market value for the Portsmouth Facility is thus deeply flawed and in direct conflict with the applicable law.[98]

Even if we were to accept Wheelabrator's "factual reality" as true, however, witness Lubow identified flaws in the manner in which Wheelabrator's experts applied their methodologies, separate and apart from their flawed premises that the RePower contract would replace the Wheelabrator contract with SPSA in January 2018 and that the Portsmouth Facility would be shuttered as a result. Witness Lubow testified, for example, that Wheelabrator's experts ignored the implications and effects of net operating loss carryforwards when considering tax levels attributable to the Portsmouth Facility's operations and used an incorrect size premium in its calculation of cost of capital for the facility that more than doubled its cost of equity.[99] Furthermore, the MRV Report incorrectly includes an adjustment for an alleged functional obsolescence. Wheelabrator's appraisers assert that there is a functional obsolescence attributable to the design and operation of the facility, to-wit, it no longer burns coal, and has more burners and generators than it needs.[100] However, Company witness Johnson confirmed that the plant uses all four boilers and all three turbine generators during normal operation of the facility.[101] Johnson further confirmed that all equipment related to burning coal had been removed from the facility and is no longer in use.[102] No coal has been used in the Portsmouth Facility since SPSA took control of it from the U.S. Navy in 1999.[103] Accordingly, any reduction related to the Portsmouth Facility no longer burning coal should have been accounted for as part of the $150 million purchase price paid when the facility was bought from SPSA in 2010.[104]

The Overland Report and Mr. Lubow's supporting testimony confirm Staff's assessment of the Portsmouth Facility's fair market value is reasonable. Overland conducted a rigorous analysis of Staff's cost approach and found the results to be compelling.[105] Overland also conducted its own separate and independent valuation using six methods under the cost, income, and sales approaches as a check against Staff's cost approach. Overland's approach is consistent with the analyses Mr. Lubow has employed for over 35 years, including before this Commission in Case No. PST-2003-00065.[106] Overland's multitude of methods and approaches reached values supporting Staff's assessment of the fair market value of the Portsmouth Facility.[107] After equally weighting all of its results, Overland's market valuation for the Portsmouth Facility of $134 million is only slightly above the Staff's fair market value assessment of the Portsmouth Facility at $132,158,434, before accounting for pollution control equipment not subject to taxation.[108]

For the foregoing reasons, we find Wheelabrator failed to meet its burden to show that the Commission's January 1, 2017 assessment of its Portsmouth Facility was erroneous. Wheelabrator's Application is denied.

---

[94] *See, e.g.,* Tr. 434.

[95] *See, e.g.,* Tr. 108-114. *See also, e.g.,* Ex. 67 (Staff's Eighth Set of Discovery to Wheelabrator).

[96] Ex. 87 (December 14, 2016 SPSA Board Meeting Minutes). Portsmouth witness Trimyer corroborated Wheelabrator's response to this RFP. *See* Tr. 315-316.

[97] *See, e.g.,* Ex. 81 (Waste Hauling and Disposal Services Agreement); Tr. 316.

[98] Considering the Portsmouth Facility's highest and best use as a functioning waste-to-energy facility with a 40 year economic life (per Wheelabrator's assumptions), for example, yields a cost approach result ($90 million) that is closer to the range calculated by Staff and independent consultant Lubow. *See, e.g.,* Ex. 96 (Summary Cost Approach); Tr. 445-446.

[99] *See, e.g.,* Ex. 94 (Lubow) at 10, 14-17, 20; Tr. 462-463.

[100] *See, e.g.,* Ex. 58 (MRV Report) at 25, 41; Ex. 71 (Rodriguez Direct) at 5-6, 18, 23-24; Ex. 76 (Baldoni Direct) at 4-5, 12, 15; Ex. 94 (Lubow) at 12; Tr. 156-159; Wheelabrator Post-Hearing Brief at 8, 24; Wheelabrator Objections to Report at 16.

[101] Tr. 85.

[102] Tr. 84-86.

[103] Tr. 84-86; Ex. 62 (Johnson Direct) at 3.

[104] *See, e.g.,* Tr. 84-86.

[105] *See, e.g.,* Ex. 94 (Lubow) at 4, Attachment 1, p. 1-13 to 1-16, 7-1 to 7-9; Staff Post-Hearing Brief at 20.

[106] *See, e.g.,* Tr. 425-429; Staff Post-Hearing Brief at 21.

[107] *See, e.g.,* Ex. 94 (Lubow) at Attachment 1, p. 1-15.

[108] *See, e.g.,* Staff Post-Hearing Brief at 15, 20; Ex. 94 (Lubow) at 5, Attachment 1, p. 1-12 to 1-16.

Accordingly, IT IS ORDERED THAT:

(1) Wheelabrator Portsmouth, Inc.'s Application is denied.

(2) This case is dismissed.

CASE NO. PST-2018-00026
JUNE 23, 2020

APPLICATION OF
WHEELABRATOR PORTSMOUTH, INC.,

For review and correction of assessment of the value of property subject to local taxation – Tax Year 2018

DISMISSAL ORDER

Wheelabrator Portsmouth, Inc. ("Wheelabrator" or "Company"), filed with the State Corporation Commission ("Commission") on December 11, 2018, pursuant to § 58.1-2670 of the Code of Virginia ("Code"), an application for review and correction ("Application") of the assessment of certain property subject to local taxation for tax year 2018 by the Commission pursuant to Chapter 26 of Title 58.1 of the Code.[1] Wheelabrator owns and operates a waste-to-energy cogeneration plant located at 3809 Elm Avenue, Portsmouth, Virginia 23704 ("Portsmouth Facility").[2] Wheelabrator asserted that the Commission's assessed value[3] of Wheelabrator's Portsmouth Facility as of January 1, 2018, exceeded fair market value and failed to account fairly and fully for economic and functional obsolescence and for physical depreciation.[4]

On April 23, 2019, the Commission issued an Order for Notice and Hearing in which the Commission directed Wheelabrator to provide notice of the Application as required by Code § 58.1-2671; directed the Staff of the Commission ("Staff") to investigate the Application; provided interested parties an opportunity to participate in the proceeding as respondents; and assigned this matter to a Hearing Examiner to conduct all further proceedings.

On May 28, 2019, the City of Portsmouth filed its notice of intent to participate in the proceeding as a respondent.

On June 4, 2019, the assigned Hearing Examiner entered a Ruling scheduling a prehearing conference to establish a procedural schedule in this matter. The parties and Staff participated in the prehearing conference, which took place on July 16, 2019, as scheduled. Based upon information discussed and obtained during the prehearing conference, the Hearing Examiner issued a Ruling on July 18, 2019, continuing this matter until the final disposition of Wheelabrator's 2017 Application.[5]

On June 12, 2020, Wheelabrator filed a Withdrawal and Motion to Dismiss Application ("Motion to Dismiss"). Through its Motion to Dismiss, the Company provided notice that it was withdrawing its 2018 Application and requested that the 2018 Application be dismissed.

On June 16, 2020, the Report of Mary Beth Adams, Hearing Examiner ("Report") was entered. Therein the Hearing Examiner found that Wheelabrator's Motion to Dismiss should be granted and recommended that the Commission enter an Order dismissing the case.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the Hearing Examiner's Report, and the findings and recommendation contained therein, should be adopted and that this case should be dismissed.

Accordingly, IT IS SO ORDERED.

---

[1] Code § 58.1-2600 *et seq.*

[2] Application at 1.

[3] *See In the matter of: The assessment of Water, Heat, Light, and Power Corporations; Electric Suppliers; Pipeline Distribution Companies; and Telecommunications Companies for the 2018 Tax Year*, Matter No. PST-2018-00013, Doc. Con. Cen. No. 180910218, Assessment Order (Sept. 11, 2018).

[4] Application at 2.

[5] *Application of Wheelabrator Portsmouth, Inc., For review and correction of assessment of the value of property subject to local taxation - Tax Year 2017,* Case No. PST-2017-00022, Doc. Con. Cen. No. 200240006, Final Order (Feb. 28, 2020).

MATTER NO. PST-2020-00011
MAY 14, 2020

IN THE MATTER OF

The Assessment of the Special Regulatory Revenue Tax on Motor Vehicle Carriers and the Virginia Pilots' Association for the Tax Year 2020

ASSESSMENT ORDER

Pursuant to Article 6 of Chapter 26 of Title 58.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to assess a special regulatory revenue tax on common carriers of passengers by motor vehicle carrier in the Commonwealth of Virginia and the Virginia Pilots' Association. On January 6, 2020, the Commission's Division of Public Service Taxation sent each certificated motor vehicle carrier and the Virginia Pilots' Association a notice that its special regulatory revenue tax payment for the Tax Year 2020 would be due June 1, 2020.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the gross receipts of each such motor vehicle carrier and the Virginia Pilots' Association from business done within the Commonwealth of Virginia for the year ending December 31, 2019, is determined to be the amounts as recorded in the Commission's Division of Public Service Taxation, and the special regulatory revenue tax of sixteen hundredths of one percent of the gross receipts on said common carriers and the Virginia Pilots' Association for the Tax Year 2020 should be assessed.

Accordingly, IT IS ORDERED THAT:

1. The special regulatory revenue tax imposed by law on the gross receipts of each certificated motor vehicle carrier and the Virginia Pilots' Association shall be assessed as prescribed by Code §§ 58.1-2660, 58.1-2663, and 58.1-2664.

2. The special regulatory revenue tax on each certificated motor vehicle carrier and the Virginia Pilots' Association shall be paid by June 1, 2020, in accordance with Code § 58.1-2663.

3. The certified assessments shall be located in the Commission's Division of Public Service Taxation.

MATTER NO. PST-2020-00012
MAY 14, 2020

IN THE MATTER OF

The Assessment of the Special Regulatory Revenue Tax on Telecommunications Companies for the Tax Year 2020

ASSESSMENT ORDER

Pursuant to Article 6 of Chapter 26 of Title 58.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to assess a special regulatory revenue tax on telephone companies covered by Code § 58.1-2660 A 3. On January 6, 2020, the Commission's Division of Public Service Taxation sent each such telephone company a notice that its special regulatory revenue tax payment for Tax Year 2020 would be due June 1, 2020.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the gross receipts of said telephone companies from business done within the Commonwealth of Virginia for the year ending December 31, 2019, is determined to be the amounts as recorded in the Commission's Division of Public Service Taxation, and a special regulatory revenue tax of sixteen hundredths of one percent of the gross receipts on said companies for the Tax Year 2020 should be assessed.

Accordingly, IT IS ORDERED THAT:

1. The special regulatory revenue tax imposed by law on the gross receipts of each applicable telephone company shall be assessed as prescribed by Code §§ 58.1-2660, 58.1-2662.1, and 58.1-2664.

2. The special regulatory revenue tax on each telephone company shall be paid by June 1, 2020, in accordance with Code § 58.1-2663.

3. The certified assessments shall be located in the Commission's Division of Public Service Taxation.

MATTER NO. PST-2020-00013
MAY 14, 2020

IN THE MATTER OF

The Assessment of the Special Regulatory Revenue Tax and the State License Tax on Water Corporations for the Tax Year 2020

ASSESSMENT ORDER

Pursuant to Article 6 of Chapter 26 of Title 58.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to assess a special regulatory revenue tax on each corporation engaged in the business of furnishing water in the Commonwealth of Virginia. On January 6, 2020, the Commission's Division of Public Service Taxation sent water corporations in the Commonwealth of Virginia a notice that its special regulatory revenue tax payment for Tax Year 2020 would be due June 1, 2020.

Pursuant to Article 2 of Chapter 26 of Title 58.1 of the Code, the Commission is required to assess a state license tax on each corporation engaged in the business of furnishing water in the Commonwealth of Virginia.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the gross receipts of said water corporations from business done within the Commonwealth of Virginia for the year ending December 31, 2019, is determined to be the amounts as recorded in the Commission's Division of Public Service Taxation; that a special regulatory revenue tax of sixteen hundredths of one percent of the gross receipts on such water corporations for the Tax Year 2020 should be assessed; and that the state license tax of two percent of the gross receipts on such water corporations for the Tax Year 2020 should be assessed.

Accordingly, IT IS ORDERED THAT:

1. The special regulatory revenue tax imposed by law on the gross receipts of each water corporation shall be assessed as prescribed by Code § 58.1-2660 and § 58.1-2664.

2. The special regulatory revenue tax on each water corporation shall be paid by June 1, 2020, in accordance with Code § 58.1-2663.

3. The state license tax imposed by law on the gross receipts of each water corporation shall be assessed as prescribed by Code § 58.1-2626.

4. The state license tax on each water corporation shall be paid by June 1, 2020, in accordance with Code § 58.1-2635.

5. The certified assessments shall be located in the Commission's Division of Public Service Taxation.

MATTER NO. PST-2020-00014
MAY 14, 2020

IN THE MATTER OF

The Assessment of the Special Regulatory Revenue Tax on Railroad Companies for the Tax Year 2020

ASSESSMENT ORDER

Pursuant to Article 6 of Chapter 26 of Title 58.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to assess a special regulatory revenue tax on each non-exempt railroad company doing business in the Commonwealth of Virginia. On April 8, 2020, the Commission's Division of Public Service Taxation sent each railroad company a notice that its special regulatory revenue tax payment for Tax Year 2020 would be due June 1, 2020.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the gross transportation receipts of each such railroad company from business done within the Commonwealth of Virginia for the year ending December 31, 2019, is determined to be the amount as recorded in the Commission's Division of Public Service Taxation, and the special regulatory revenue tax of eighteen hundredths of one percent of said gross transportation receipts on said company for the Tax Year 2020 should be assessed.

Accordingly, IT IS ORDERED THAT:

1. The special regulatory revenue tax on each non-exempt railroad company shall be assessed as prescribed by Code §§ 58.1-2660 through 58.1-2662 and § 58.1-2664.

2. The special regulatory revenue tax on each non-exempt railroad company shall be paid by June 1, 2020, in accordance with Code § 58.1-2663.

3. The certified assessments shall be located in the Commission's Division of Public Service Taxation.

MATTER NO. PST-2020-00015
MAY 14, 2020

IN THE MATTER OF

The Assessment of the Gross Receipts Subject to the Minimum Tax on Telecommunications Companies and Certain Electric Suppliers for the Tax Year 2020

ASSESSMENT ORDER

Pursuant to Article 10 of Chapter 3 of Title 58.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to certify to the Virginia Department of Taxation for each tax year the name, address, and gross receipts for each telecommunications company that is either organized under Virginia law or a foreign corporation having income from Virginia sources. The Commission is also required to calculate and certify to the Virginia Department of Taxation for each tax year the name, address, and minimum tax for certain electric suppliers.

The Commission's Division of Public Service Taxation has gathered the information necessary for the Commission to comply with these statutory directives.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the gross receipts of each said company from business done within the Commonwealth of Virginia for the year ending December 31, 2019, is determined to be as recorded in the Commission's Division of Public Service Taxation; that the gross receipts subject to the minimum tax on said telecommunications companies for the Tax Year 2020 should be certified to the Virginia Department of Taxation as calculated by the Commission's Division of Public Service Taxation; and that the gross receipts and the minimum tax thereon for said electric suppliers for the Tax Year 2020 should be certified to the Virginia Department of Taxation as calculated by the Commission's Division of Public Service Taxation.

Accordingly, IT IS ORDERED THAT:

1. Pursuant to Code § 58.1-400.1, the name, address, and gross receipts for each telecommunications company, as covered herein, shall be certified to the Virginia Department of Taxation.

2. Pursuant to Code § 58.1-400.3, the name, address, and minimum tax as calculated from the gross receipts of each electric supplier, as covered herein, shall be certified to the Virginia Department of Taxation.

3. The certified information shall be located in the Commission's Division of Public Service Taxation.

MATTER NO. PST-2020-00016
MAY 14, 2020

IN THE MATTER OF

The Assessment of the Rolling Stock Tax on Motor Vehicle Carriers for the Tax Year 2020

ASSESSMENT ORDER

Pursuant to § 58.1-2655 B of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to assess the average value of the rolling stock used by each certificated motor vehicle carrier in the Commonwealth of Virginia in accordance with Article 5 of Chapter 26 of Title 58.1 of the Code. The Commission's Division of Public Service Taxation has prepared an assessment of the rolling stock of the certified motor vehicle carriers in the Commonwealth of Virginia.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the assessments should be made and that the rolling stock tax assessed for each certificated motor vehicle carrier is due and payable by June 1, 2020.

Accordingly, IT IS ORDERED THAT:

1. The taxes imposed by law on such rolling stock shall be assessed as prescribed by Code § 58.1-2652.

2. The rolling stock tax assessed on each certificated motor vehicle carrier shall be paid by June 1, 2020, in accordance with Code § 58.1-2652 B.

3. The rolling stock taxes collected shall be apportioned to the various cities, counties, and incorporated towns of the Commonwealth of Virginia as prescribed by Code § 58.1-2658.

4. The certified assessments shall be located in the Commission's Division of Public Service Taxation.

DIVISION OF PUBLIC UTILITY REGULATION

CASE NO. PUE-2001-00483
MARCH 6, 2020

APPLICATION OF
OLD MILL POWER COMPANY

For permanent licenses to conduct business as an electric and natural gas competitive service provider and an aggregator

ORDER CANCELLING LICENSES

On August 31, 2001, Old Mill Power Company ("Old Mill") filed an application with the State Corporation Commission ("Commission") to convert and expand its pilot licenses, License Nos. PE-12, PG-13, and PA-11,[1] to permanent licenses to provide competitive electric and natural gas services and to act as an aggregator to residential, commercial, and industrial customers in specific service territories throughout the Commonwealth of Virginia ("Virginia").

On November 2, 2001, the Commission issued its Order Granting Licenses[2] ("Order") to Old Mill which cancelled License No. PE-12 and granted License No. E-7 for the provision of competitive electric supply service to residential, commercial, and industrial throughout Virginia open to retail access. The Order cancelled License No. PG-13 and granted License No. G-9 to provide competitive natural gas service to residential, commercial, and industrial customers throughout Virginia open to retail access. The Order cancelled License No. PA-11 and granted License No. A-6 to provide electric and natural gas aggregation services to residential, commercial, and industrial customers in service territories open to retail access throughout Virginia.

On May 22, 2003, Old Mill filed a letter with the Commission stating, in part, that it was not seeking to renew License No. G-9.[3] On March 29, 2019, Old Mill filed a letter with the Commission stating, in part, that it was not seeking to renew License No. E-7.[4]

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that License No. G-9 and License No. E-7 issued to Old Mill should be cancelled and License No. A-6 shall remain in effect subject to the provisions of 20 VAC 5-312-10 *et al*.

Accordingly, IT IS ORDERED THAT:

(1) License No. G-9 and License No. E-7 are hereby cancelled.

(2) License No. A-6 to provide electric and natural gas aggregation services to residential, commercial, and industrial customers in service territories open to retail access throughout Virginia shall remain in effect.

(3) License No. A-6 does not grant Old Mill valid authority for the provision of any product or service not identified within the license itself.

(4) This case shall remain open for consideration of any subsequent amendments or modifications to License No. A-6.

---

[1] *Application of Old Mill Power Company, For licenses to conduct business in the electric and natural gas retail access pilot programs and to act as an aggregator*, Case No. PUE-2000-00574, 2000 S.C.C. Ann. Rept. 579, Order (Dec. 4, 2000).

[2] *Applications of Old Mill Power Company, For permanent licenses to conduct business as an electric and natural gas competitive service provider and an aggregator*, *and For licenses to conduct business in the electric and natural gas retail pilot programs and to act as an aggregator*, Case No. PUE-2001-00483 and PUE-2000-00574, 2001 S.C.C. Ann. Rept. 621, Order Granting Licenses (Nov. 2, 2001).

[3] *2003 Annual Update Of Old Mill Power Company Information for a License as a Competitive Service Provider of Electricity and for a License as an Aggregator,* Case No. PUE-2001-00483 (May 22, 2003).

[4] *Notice that Old Mill Power Company is Not Renewing Its Permanent License To Conduct Business as an Electricity CSP (License No. E-7),* Case No. PUE-2001-00483, Doc. Con. Cen. 190360061 (Mar. 29, 2019).

CASE NO. PUE-2001-00483
APRIL 23, 2020

APPLICATION OF
OLD MILL POWER COMPANY

For permanent licenses to conduct business as an electric and natural gas competitive service provider and an aggregator

ORDER CANCELLING LICENSE

On April 17, 2020, Old Mill Power Company ("Old Mill") filed a letter with the State Corporation Commission ("Commission") requesting the cancellation of the license issued to Old Mill by the Commission to provide electric and natural gas aggregation services to residential, commercial, and industrial customers in service territories open to retail access throughout Virginia (License No. A-6). Old Mill was granted License No. A-6 by the Commission on November 2, 2001.[1] Old Mill states that no party will be adversely impacted by cancellation of License No. A-6 as the Company has never provided, and does not currently provide, electric or natural gas aggregation services to any customers in Virginia.

NOW THE COMMISSION, upon consideration of the foregoing, and having been advised by the Staff of the Commission, is of the opinion and finds that License No. A-6 issued to Old Mill should be cancelled and this matter shall be closed.[2]

Accordingly, IT IS SO ORDERED.

[1] *See Applications of Old Mill Power Company, For permanent licenses to conduct business as an electric and natural gas competitive service provider and an aggregator, and For licenses to conduct business in the electric and natural gas retail pilot programs and to act as an aggregator*, Case No. PUE 2001-00483 and PUE-2000-00574, 2001 S.C.C. Ann. Rept. 621, Order Granting Licenses (Nov. 2, 2001).

[2] Old Mill's other licenses, to supply competitive natural gas service and competitive electric supply service, already have been cancelled. See the Commission's Order Cancelling Licenses entered in this docket on March 6, 2020.

CASE NO. PUE-2013-00045
MAY 29, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Concerning the establishment of a renewable energy pilot program for third party power purchase agreements

ORDER UPDATING GUIDELINES

On March 14, 2013, the Virginia General Assembly enacted Chapter 382 of the 2013 Virginia Acts of Assembly ("2013 Legislation") requiring the State Corporation Commission ("Commission") to conduct a renewable energy pilot program for third party power purchase agreements ("Pilot Program") within the service territory of Virginia Electric and Power Company and to establish certain guidelines regarding implementation of this Pilot Program. Pursuant to the 2013 Legislation, on November 14, 2013, the Commission established the Pilot Program and developed Guidelines Regarding Notice Information for a Third Party Renewable Power Purchase Agreement ("Guidelines").

On April 5, 2017, the Virginia General Assembly approved Chapter 803 of the 2017 Virginia Acts of Assembly ("2017 Amendments"), which, among other things, re-enacted the 2013 Legislation with amendments requiring that the Pilot Program be conducted within the certificated service territory of each investor-owned electric utility in Virginia, excepting any utility described in § 56-580 G of the Code of Virginia. As a result, updates to the *Applicability* and *Program Cap Management* sections of the Guidelines were made by the Commission on June 29, 2017, in this docket.

During its 2020 Session, the Virginia General Assembly enacted Chapters 1193 (HB 1526) and 1194 (SB 851) of the 2020 Virginia Acts of Assembly which, *inter alia,* amended the Pilot Program ("2020 Amendments").[1] The 2020 Amendments require that the Pilot Program be conducted within the certificated service territory of each investor-owned electric utility in Virginia, now including Kentucky Utilities Company d/b/a Old Dominion Power Company in addition to Virginia Electric and Power Company and Appalachian Power Company. The 2020 Amendments also: (i) increase the renewable generation capacities available for this program, (ii) increase the size of the renewable generation facilities eligible for inclusion in the program, and (iii) increase the overall caps of this program in the investor-owned utilities' service territories, based upon the utilities' peak load forecasts. As a result, updates to the *Applicability, Contents of Filing* and *Program Cap Management* sections of the Guidelines are necessary to reflect these legislative changes.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Guidelines should be updated as set forth in Attachment A to this Order to reflect the 2020 Amendments.[2]

Accordingly, IT IS ORDERED THAT:

[1] These Acts of Assembly are duplicate enactments known as the "Virginia Clean Economy Act." The 2020 Amendments to the Pilot Program are also included in Chapters 1178 (HB 572), 1187 (SB 710), 1189 (HB 1184, and 1239 (HB 1647) of the 2020 Acts of Assembly.

[2] A copy of the Guidelines that highlights the updates included in Attachment A also is attached to this Order as Attachment B. A copy of the Guidelines set forth in Attachment A and Attachment B also may be viewed at https://scc.virginia.gov/pages/Renewable-Energy-Pilot-Program.

(1) The instant case is moved from "closed" to "active" status in the records maintained by the Clerk of the Commission and is restored to the Commission's docket for the purpose of updating the Commission's Guidelines.

(2) The Guidelines, which were established pursuant to the 2013 Legislation and previously updated to reflect changes to the Pilot Program resulting from the 2017 Amendments, hereby are further updated as set forth in Attachment A to this Order to reflect the changes to the Pilot Program resulting from the 2020 Amendments.

(3) On and after the effective dates of these updates, any renewable third-party power purchase agreement established pursuant to the Pilot Program shall be established in accordance with these Guidelines and shall comply with the attendant statutory requirements.

(4) The updates to these Guidelines shall become effective on July 1, 2020.

(5) The Commission's Division of Public Utility Regulation shall provide copies of this Order by electronic transmission, or when electronic transmission is not possible, by mail, to: (i) all current Pilot Program participants; and (ii) individuals, organizations, and companies who (a) previously participated in the Commission's dockets establishing and updating the Pilot Program Guidelines, or (b) have otherwise been identified by the Commission Staff as interested in the development of solar and wind powered generation in the Commonwealth. This Order shall also be posted on the Commission's website.

(6) This case is dismissed.

NOTE: A copy of Attachment A and Attachment B is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUE-2014-00085
JANUARY 16, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SMART ONE ENERGY, LLC
Defendant

ORDER APPROVING SETTLEMENT

Pursuant to § 56-235.8 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with licensing alternative suppliers of natural gas energy to retail customers. The Commission is further charged by § 56-235.8 F of the Code with promulgating such rules and regulations as may be necessary to implement the provisions of § 56-235.8 of the Code. Such rules were promulgated and are codified in 20 VAC 5-312-10 *et seq*., Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

Pursuant to 20 VAC 5-312-20 ("Rule 20"), a competitive service provider ("CSP") is required to file a report with the Commission by March 31 of each year to update all information required in the CSP's original application for licensure. In addition, Rule 20 requires that a $100 administrative fee, paid by the CSP, accompany this report.

Further pursuant to Rule 20, a CSP provider is required to inform the Commission of the following within 30 days of their occurrence: (i) any change in its name, address and telephone numbers; (ii) any change in information regarding its affiliate status with the local distribution company; (iii) any changes to information provided pursuant to 20 VAC 5-312-40 A 13; and (iv) any changes to information provided pursuant to 20 VAC 5-312-40 A 15.

On September 26, 2014, Smart One Energy, LLC ("Smart One" or "Defendant"), was issued License No. G-42 ("License") granting it authority to conduct business as a CSP for natural gas to serve eligible residential and commercial customers throughout the service territories of Columbia Gas of Virginia, Inc., and Washington Gas Light Company. The License was granted subject to the provisions of the Retail Access Rules, the relevant September 26, 2014 Order Granting License ("Order")[1], and other applicable law.

The Order also required, under Ordering Paragraph (2) thereof, that at the time of annual renewal of the License, Smart One shall file a copy of its most recent audited financial statements directly with the Division of Utility Accounting and Finance ("UAF"). The Order further stated that the case would remain open for consideration of any subsequent amendments or modifications to the license.

The Division of Public Utility Regulation and UAF ("Staff of the Commission" or "Staff") are charged with investigating applications for CSP licensing and reviewing compliance by listed competitive service providers with the Commission's Retail Access Rules.

On November 21, 2019, the Commission issued a Rule to Show Cause ("Rule") alleging that the Defendant violated certain provisions of the Retail Access Rules.

Among other things, the Rule directed the Defendant to file a responsive pleading on or before December 16, 2019, and schedule a hearing for January 16, 2020. The Rule also afforded Smart One the opportunity to negotiate a settlement of the alleged violations by contacting the Commission's Office of General Counsel.

[1] *Application of Smart One Energy, LLC, For a license to conduct business as a competitive service supplier for natural gas,* Case No. PUE-2014-00085, 2014 S.C.C. Ann. Rpt. 481, Order Granting License (Sept. 26, 2014).

On December 12, 2019, without objection from Staff, the Defendant filed a Motion for Continuance of Filing and Hearing Dates ("Motion") for the purposes of negotiating a Settlement. The Motion was granted by the Senior Hearing Examiner on December 13, 2019.

On January 9, 2020, the Defendant and Staff, by counsel, jointly filed a Stipulation and Proposed Recommendation ("Stipulation"). Also, on January 9, 2020, Staff, by counsel, filed a Motion to Accept Settlement ("Settlement Motion") wherein Staff represented that the Defendant neither admits nor denies the allegations contained in the Rule but admits to the Commission's jurisdiction and authority in this matter. Staff also requested that the Senior Hearing Examiner enter a Ruling granting the Settlement Motion, recommending that the Commission enter an order accepting the proposed settlement, and recommending that the Commission dismiss the matter from the Commission's docket of active cases. Additionally, on January 9, 2020, the Senior Hearing Examiner issued a Report recommending that the Commission enter an Order granting the Settlement Motion and accepting the proposed settlement of the Rule.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth in the Stipulation, along with the representations of Staff in its Settlement Motion, as well as action already undertaken by the Defendant regarding formal notice to Washington Gas Light Company ("WGL") of its intent to discontinue service in Virginia, is of the opinion and finds that the Settlement Motion should be granted, and the proposed settlement of the Rule should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement is hereby accepted.

(2) On or before January 17, 2020, the Company shall upload to WGL's marketer portal the required transactions to return its current Virginia natural gas customers to WGL's sales service.

(3) The Company shall surrender to the Commission its Competitive Service Provider License No. G-42 valid in Virginia as of the date of the transfer of its last Virginia Customer to WGL's sale service, but not later than January 31, 2020.

(4) This case is hereby dismissed.

CASE NO. PUE-2014-00105
JUNE 3, 2020

APPLICATION OF
AGERA ENERGY, LLC

For a license to become a competitive supplier of electricity and natural gas

ORDER CANCELLING LICENSES

On November 4, 2014, Agera Energy, LLC ("Agera") completed an application with the State Corporation Commission ("Commission") for licenses to conduct business as a competitive service provider ("CSP") for electricity and natural gas pursuant to the Commission's Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 *et seq*.

On December 18, 2014, the Commission issued an Order Granting Licenses[1] ("Order") that granted Agera License No. E-31 to conduct business as a CSP for electricity to all eligible customers throughout Virginia. The Order also granted Agera License No. G-43 to conduct business as a CSP for natural gas to all eligible customers throughout Virginia.

On May 7, 2020, Agera filed a letter with the Commission stating that it is no longer serving any customers in Virginia and requesting cancellation of License Nos. E-31 and G-43.

NOW THE COMMISSION, upon consideration of the foregoing, and having been advised by the Staff of the Commission, is of the opinion and finds that License Nos. E-31 and G-43 issued to Agera should be cancelled and this matter should be closed.

Accordingly, IT IS SO ORDERED.

[1] *Application of Agera Energy LLC, For licenses to conduct business as a competitive service provider for electricity and natural gas*, Case No. PUE-2014-00105, 2014 S.C.C. Ann. Rept. 489, Order Granting Licenses (Dec. 18, 2014).

CASE NO. PUE-2014-00120
APRIL 22, 2020

APPLICATION OF
FRONT LINE POWER SOLUTIONS, LLC

For a license to conduct business as an electric and natural gas aggregator

ORDER CANCELLING LICENSE

On December 1, 2014, Front Line Power Solutions, LLC ("Front Line" or "the Company") filed an application with the State Corporation Commission ("Commission") for a license to conduct business as an aggregator of electricity and natural gas to eligible commercial customers throughout the Commonwealth of Virginia.

On February 20, 2015, the Commission issued its Order Granting License ("Order"), which granted License No. A-39 to Front Line "to provide competitive aggregation service for natural gas and electricity to eligible customers throughout the Commonwealth of Virginia as the Commonwealth opens to retail access and customer choice."[1]

On April 9, 2020, Front Line filed a letter with the Commission stating it wished to surrender License No. A-39.[2]

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that License No. A-39 issued to Front Line should be cancelled, and this case should be closed.

Accordingly, IT IS ORDERED THAT:

(1) License No. A-39 is hereby cancelled.

(2) This case hereby is dismissed.

[1] *Application of Front Line Power Solutions, LLC, For a license to conduct business as an aggregator of natural gas and electricity*, Case No. PUE 2014-00120, 2015 S.C.C. Ann. Rept. 258, Order Granting License (Feb. 20, 2015).

[2] *See* Document forwarded to the file by Richard W. Michaux, Jr., Case No. PUE-2014, Doc. Con. Cen. 200409123 (Apr. 14, 2020).

CASE NO. PUR-2018-00013
JANUARY 24, 2020

APPLICATION OF
ROANOKE GAS COMPANY

For a general increase in rates

FINAL ORDER

On October 10, 2018, Roanoke Gas Company ("Roanoke" or "Company") filed with the State Corporation Commission ("Commission") an application pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq*.) of the Code of Virginia ("Code") requesting authority to increase its rates and charges, effective for service rendered on and after January 1, 2019, and to revise other terms and conditions applicable to its gas service ("Application").

The Company requested authority to increase its base rates for natural gas service to produce an increase in revenues of approximately $10.5 million for the rate year beginning January 1, 2019 ("Rate Year"), of which approximately $4.7 million relates to costs associated with investments in infrastructure made pursuant to the Company's Steps to Advance Virginia's Energy ("SAVE") plan pursuant to § 56-603 *et seq*. of the Code.[1] The Company indicated that its proposed revenue requirement was based on an overall rate of return of 7.94% on rate base, including a return on common equity of 10.7%, and reflects a $1.04 million reduction for lower tax expense due to the implementation of the Tax Cuts and Jobs Act of 2017 ("TCJA").[2]

On October 26, 2018, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, among other things, docketed the Application; required Roanoke to publish notice of its Application; gave interested persons the opportunity to comment on or participate in the proceeding; and scheduled a public hearing. Pursuant to the Procedural Order, the Company implemented its proposed rates on an interim basis, subject to refund with interest, for service rendered on and after January 1, 2019.

The Sierra Club – Virginia Chapter ("Sierra Club") filed a notice of participation on February 13, 2019.

[1] Ex. 2 (Application) at 3. The Company represented that the SAVE Rider approved in Case No. PUR-2018-00102 did not include any SAVE-eligible investment prior to January 1, 2019. *Id.* at 4.

[2] *Id.* at 3; Ex. 9 (Nester Direct) at 2-3, 19. *See* Public Law 115-97.

On June 28, 2019,[3] the Commission's Staff ("Staff") filed testimony.[4] On July 29, 2019,[5] Roanoke filed rebuttal testimony.[6] On August 9, 2019, Staff filed supplemental testimony.[7] In addition, the Commission received 298 public comments on the Application.

The Hearing Examiner convened a public hearing on June 26, 2019, to receive public witnesses. Two public witnesses testified. The evidentiary hearing occurred August 14-15, 2019. Two public witnesses testified at the evidentiary hearing.

The Company, the Sierra Club and Staff participated in the evidentiary hearing, during which the Hearing Examiner received testimony from witnesses on behalf of the participants and admitted evidence on the Application. As directed by the Hearing Examiner at the conclusion of the hearing, and as modified by subsequent ruling, the participants filed post-hearing briefs on October 3, 2019.

On November 19, 2019, the Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner ("Report"), was filed. On December 10, 2019, the Company, the Sierra Club and Staff filed comments to the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows. The Commission has fully considered the evidence and arguments in the record supporting and opposing the Company's requests.[8] To the extent there is conflicting evidence or differing opinions from expert witnesses, the Commission has interpreted such and decided how much "weight to afford it."[9] Further, the Commission has concluded that its findings in this matter are properly supported by the record.[10]

First, the Commission approves a total base rate revenue requirement increase in the amount of $7.25 million based on the return on common equity approved below and inclusive of SAVE-related investment prior to January 1, 2019, as explained below.

COST OF CAPITAL

There are two cost of capital issues in this case, capital structure and return on equity ("ROE").

Capital Structure

In its Application, the Company proposed using Roanoke's actual capital structure as of June 30, 2018, for purposes of setting rates, which consists of 7.117% short-term debt, 33.248% long-term debt and 59.635% common equity.[11] In pre-filed testimony, Staff accepted the Company's proposed ratemaking capital structure, with Staff's updated cost rates for short-term debt and long-term debt.[12] In rebuttal testimony, however, the Company proposed updating the ratemaking capital structure to March 31, 2019, to capture an issuance of $10,000,000 in long-term debt on March 28, 2019, the proceeds of which were used to retire short-term debt.[13] Staff opposed the Company's revised ratemaking capital structure on the basis that it does not reasonably represent the cost of capital going forward.[14]

We find that the Company's proposed March 31, 2019 capital structure, which includes only $955,000 of short term debt, accounting for less than 1% of the overall capital structure,[15] is not representative of the debt and equity balances over the long term and, therefore, not representative of the Rate

[3] The Hearing Examiner granted Staff's Motion to Modify Procedural Schedule extending the date of (1) the evidentiary hearing from June 26, 2019, to August 14, 2019; (2) respondent testimony from May 1, 2019, to June 7, 2019; (3) Staff testimony from May 22, 2019, to June 28, 2019; and (4) the Company's rebuttal testimony from June 12, 2019, to July 24, 2019.

[4] Staff filed the testimony of Anna L. Clayton, Chang M. Lee, Andrew J. Eaken, John A. Stevens, Georgianne Ferrell, and Bernadette Johnson.

[5] The Hearing Examiner granted the Company's Motion to Modify Procedural Schedule extending the filing of rebuttal testimony from July 24, 2019, to July 29, 2019.

[6] Roanoke filed the rebuttal testimony of Niklas Banka, Paul W. Nester, Lawrence T. Oliver, Paul K. Schneider, Todd A. Shipman, and Robert R. Wells, II.

[7] Staff filed the supplemental testimony of Anna L. Clayton, and Chang M. Lee.

[8] *See Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

[9] *City of Alexandria v. State Corp. Comm'n*, 296 Va. 79, 102 (2018) ("The Commission is entitled to interpret the conflicting evidence and to decide the weight to afford it.") (citing *Board of Supervisors of Loudoun County*, 292 Va. at 458) (internal quotation marks omitted).

[10] *See, e.g., id.* ("[W]hether the Commission could have [reached a different conclusion] … is not the standard . . . . Instead, the question is whether there is sufficient evidence in the record to support the Commission's finding . . . .") (internal quotation marks and citations omitted).

[11] Ex. 9 (Nester Direct) at 2. The cost rates of short-term and long-term debt in the Company's original proposed capital structure were 3.090% and 4.251%, respectively. *Id.*

[12] Ex. 26 (Lee) at 4. Staff recommends a short-term cost rate of 3.50% and an overall effective cost rate of 4.28% for long-term debt. *Id.* at 6; Ex. 27 (Lee Supplemental) at 2.

[13] Ex. 43 (Oliver Rebuttal) at 4-5.

[14] *See* Staff's Post-Hearing Brief at 5-7; Tr. 243-44.

[15] Ex. 43 (Oliver Rebuttal), Attachment 1.

Year. Rather, we find that, for ratemaking purposes, the June 30, 2018 capital structure, with Staff's updated cost rates for short-term and long-term debt, is more representative of debt and equity balances during the Rate Year and going forward. This finding is supported by, among other things, the following: (1) the Company's recent historic average daily short-term debt balance;[16] (2) the Company's recent application, and Commission approval, to borrow up to $40 million of short-term debt over the next five years to finance capital expenditures, gas inventories and working capital needs;[17] and (3) the Company's 2019 Annual Financing Plan, which projected total 2019 debt to increase by $15 million, $5 million of which was projected to be short-term debt.[18]

Return on Equity

Company witnesses Nester and Shipman concluded that a return on equity ("ROE") of 10.7% represents Roanoke's cost of equity.[19] Included in the Company's recommended ROE are a size risk premium of 100-200 basis points and a flotation cost adjustment of five to ten basis points.[20] Staff witness Lee calculated Roanoke's market cost of equity to be between 8.70% and 9.70% and recommended that the Commission approve an ROE of 9.20%, the midpoint of this range.[21]

The Hearing Examiner found that Staff's recommended cost of equity range, modified to reflect a flotation cost adjustment of four basis points, is fair and reasonable.[22] The Hearing Examiner, therefore, recommended approval of the cost of equity range of 8.74% to 9.74%, with a midpoint ROE of 9.24%.[23] In doing so, the Hearing Examiner found that Roanoke's proposed size risk premium should be denied, stating that the Company has not shown that based on its size it is unable to attract capital at reasonable rates.[24]

The Commission agrees with the Hearing Examiner that the record in this proceeding supports a flotation cost adjustment of four basis points.[25] Further, the Commission agrees with the Hearing Examiner's finding that an ROE range for the Company of 8.74% to 9.74% is appropriate in this instance.[26]

The Commission, however, does not adopt the Hearing Examiner's recommendation to establish the Company's ROE at the midpoint of the range found reasonable herein. We find that Roanoke's unique characteristics (including its size as related to capitalization and number of customers) warrant establishing the Company's ROE at 9.44%. The Commission concludes that this return is supported by the evidence in the record, results in a fair and reasonable ROE, permits the attraction of capital on reasonable terms, fairly compensates investors for the risks assumed, and enables the Company to maintain its financial integrity.[27]

---

[16] *See* Report at 52-53; Staff's Post-Hearing Brief at 5 and n.13; Ex. 29 (Historic 12-Month Average of Short-Term Debt); Ex. 46 (Report of Action for approved financing activity in 2018); Tr. 244.

[17] *See* Staff's Post-Hearing Brief at 6-7; *Application of Roanoke Gas Company, For authority to issue up to $100 million in long-term securities and up to $40 million in short-term debt pursuant to Chapters 3 and 4 of Title 56 of the Code of Virginia*, Case No. PUR-2019-00100, Doc. Con. Cen. No. 190820029, Order Granting Authority (Aug. 8, 2019).

[18] *See* Staff's Post-Hearing Brief at 6-7; Ex. 48 (2019 Annual Financing Plan) at 3-4.

[19] Ex. 9 (Nester Direct) at 2-3; Ex. 42 (Shipman Rebuttal) at 23.

[20] Ex. 9 (Nester Direct) at 8-15; Ex. 43 (Oliver Rebuttal) at 13-15. The Company's proposed size premium adjustment is the primary difference between Staff and the Company. Ex. 26 (Lee) at 9.

[21] Ex. 26 (Lee) at 22.

[22] Report at 58.

[23] *Id.* at 58-59.

[24] *Id.* at 56-57.

[25] *Id.* at 57-58.

[26] *Id.* at 54-58.

[27] *See, e.g.,* Ex. 26 (Lee) at Appendices A through D.

Accordingly, the Commission has found that Roanoke's proposed cost of equity of 10.7% represents neither the actual cost of equity in the marketplace nor a reasonable ROE for the Company. Nor is Roanoke's proposed ROE consistent with the public interest. We note that the primary difference between Staff's cost of equity methodology and that of the Company is Roanoke's proposed upward adjustment of 100-200 basis points, which the Company asserts is needed to reflect a greater relative business risk due to Roanoke's smaller size compared to the proxy group companies.[28] While we recognize certain differences between Roanoke and the proxy group, as discussed in the pre-filed testimony of Company witness Nester,[29] the Company has not produced evidence or analyses supporting a size risk premium of the magnitude of 100-200 basis points. Roanoke has not shown that it has had difficulty raising debt capital at reasonable rates due to its size or that the Company's parent's ability to raise equity capital has been impaired due to the factors discussed in Company witness Nester's testimony.[30] We further note that the 59.63% proportion of equity in Roanoke's capital structure compares favorably to Roanoke's peer Virginia utilities, and this ratio of equity to debt helps to mitigate any additional risk possibly attributed to Roanoke's size.[31]

We recently addressed this issue in Case No. PUR-2018-00015.[32] As Roanoke pointed out in the Company's Comments to the Hearing Examiner's Report, we set Appalachian Natural Gas Distribution Company's ("ANGD") ROE 70 basis points above the bottom of the cost of equity range found reasonable in that case.[33] Our determination in that case was based on ANGD's unique characteristics (including its relatively small size as related to capitalization and number of customers, as well as the population and economic trends in its service territory).[34] Consistent with our finding in that case and based on the facts in this record, we approve an ROE of 9.44% for Roanoke, which is 70 basis points above the bottom of the range found reasonable in this case.

RATE YEAR ANALYSIS

The purpose of the Rate Year Analysis is to evaluate whether the Company's projected Rate Year revenue prior to any rate increase is sufficient to recover its projected Rate Year costs.[35] The Rate Year Analysis is, therefore, a comparison of projected Rate Year revenue to projected Rate Year costs, to determine whether Roanoke's earnings are projected to fall within the ROE range we just found reasonable, *i.e.*, 8.74% to 9.74%. If projected earnings fall within that range, no increase to base rate revenues is required.

We will evaluate the need for an increase or decrease in the base rates charged by Roanoke to its customers for items traditionally recovered through the base rate cost of service. Accordingly, we will perform this initial analysis without considering items previously related to the Company's SAVE Plan and Rider. After the Rate Year Analysis is complete – and in accordance with the plain language of Code § 56-604 F – the Commission will then *increase* base rates herein to "incorporate eligible infrastructure replacement costs previously reflected" in Roanoke's SAVE Rider.[36]

Summit View and Lafayette Gate Stations; Lafayette Loopline

As discussed below, the Commission finds that it was prudent for the Company to construct the Summit View and Lafayette Gate Stations and the Lafayette Loopline.[37] The Commission emphasizes, however, that it rejects the Company's characterization that such result is essentially mandatory because – according to Roanoke – the utility's management knows "best how to accomplish its prescribed duties," the Commission should give "deference to management," and any other result would usurp the powers of management.[38] Contrary to the Company's pleading, and as explained by the Supreme Court of Virginia, "[w]hile the Commission may not assume the duties or usurp the powers of utility management," the Commission undeniably possesses the "reasonable discretion to disallow any part of expenses actually incurred" if there is sufficient evidence to support such finding.[39]

---

[28] *See* Staff's Post-Hearing Brief at 9-11.

[29] Ex. 9 (Nester Direct) at 11-15.

[30] *See* Staff's Post-Hearing Brief at 11-12.

[31] *See* Ex. 26 (Lee), Schedule 13; Ex. 27 (Lee Supplemental) at 2; Staff's Post-Hearing Brief at 14.

[32] *Application of Appalachian Natural Gas Distribution Company, For a general increase in rates*, Case No. PUR-2018-00015, Doc. Con. Cen. No. 191120166, Final Order (Nov. 15, 2019) ("ANGD Order").

[33] ANGD Order at 4; Company's Comments to the Hearing Examiner's Report at 9, 15.

[34] ANGD Order at 4.

[35] *See* Ex. 16 (Clayton) at 5; Ex. 39 (Banka Rebuttal) at 4.

[36] Moreover, performing the Rate Year Analysis in this fashion excludes both costs and revenues previously associated with the Company's SAVE Plan and Rider.

[37] As explained by the Chief Hearing Examiner, however, the cost or prudence of the purchase of firm pipeline capacity is not an issue in this proceeding and is not part of the revenue requirement or cost of service in this case. Report at 63.

[38] *See, e.g.,* Company's Post-Hearing Brief at 37, 38, 42. Moreover, the Commission likewise rejects the Company's claim that arguments opposing the prudency of these facilities should be discounted because the Commission's Staff or others should have raised such arguments in prior cases. *See, e.g., id.* at 35-36. These issues are relevant to, and are appropriately raised in, the instant proceeding.

[39] *Lake of the Woods Util. Co. v. State Corp. Comm'n*, 223 Va. 100, 110 (1982) (citation omitted). *See also City of Alexandria*, 296 Va. at 102 ("the question is whether there is sufficient evidence in the record to support the Commission's finding…") (citing *BASF Corp. v. State Corp. Comm'n*, 289 Va. 375, 398 (2015) ("observing that the Commission's findings are only reversed if they are 'contrary to the evidence or without evidentiary support'")).

Turning to the record, the Commission finds that the Company's decision to construct the Summit View and Lafayette Gate Stations and the Lafayette Loopline was reasonable and prudent in order to provide additional capacity to meet Roanoke's public service obligations. This finding is supported by, among other things, the following:[40]

- These facilities are needed to procure additional capacity to serve firm load.[41]
- There are no reasonably comparable alternatives.[42]
- Additional infrastructure is needed to serve significant portions of the Company's certificated service territory in Franklin County.[43]
- As previously illustrated by comments from the Franklin County Administrator (and further testified to by the Company), the Summit View Gate Station is needed to support current economic development activities in that county.[44]
- It is not cost effective to serve those portions of Franklin County without the Summit View Gate Station.[45]
- It is reasonable for the Company to plan to meet firm obligations with firm supply.[46]
- It is reasonable to use design day requirements, and the actual supply requirements of the Company's firm customers, in planning for needed capacity.[47]
- The Company's methodology for determining design day requirements is reasonable.[48]
- The design day forecast was close to exceeding available supply in 2015 and currently exceeds such supply today.[49]
- The Company has been unable to increase its available firm capacity since 2006.[50]
- These facilities will also provide operational and ancillary benefits to the Company's system.[51]
- Roanoke did not commence detailed planning and construction of these facilities until after the Federal Energy Regulatory Commission approved the interstate pipeline for which the facilities are planned to interconnect.[52]

Next, the specific ratemaking treatment of these facilities for purposes of the instant proceeding is a matter within the Commission's delegated discretion. Based on the instant record, the Commission finds that: (1) the Summit View and Lafayette Gate Stations will not be reasonably utilized until interconnected with an interstate pipeline;[53] and (2) conversely, even without such interconnection, the Lafayette Loopline may be reasonably utilized to serve customers.[54] Accordingly, the Commission finds that the Company may defer the financing costs attendant to the Summit View and Lafayette Gate Stations (including Construction Work in Progress ("CWIP")) for potential future recovery; thus, the costs of these gate stations shall not be included in the rates approved herein. Conversely, the Commission further finds that it is reasonable to include the cost of the Lafayette Loopline in the rate base of this case as CWIP at this time.

---

[40] *See also* Ex. 51 (Schneider Rebuttal); Ex. 55 (Nester Rebuttal); Report at 38-39, 41-43. The Chief Hearing Examiner found that "based on diversity of pipeline operations, increase in reliability of supply, likely operational benefits, potential for economic development and system growth, … the Company's decision to construct the Lafayette and Summit View Gate Stations, and the Lafayette Loopline was prudent." Report at 65.

[41] *See, e.g.,* Company's Post-Hearing Brief at 48-53.

[42] *See, e.g., id.;* Ex. 55 (Nester Rebuttal) at 4.

[43] *See, e.g., id.* at 45-48; Ex. 55 (Nester Rebuttal) at 6-7

[44] *See, e.g., id.*; Tr. 409.

[45] *See, e.g., id.;* Ex. 55 (Nester Rebuttal) at 6-7.

[46] *See, e.g., id.* at 53-56.

[47] *See, e.g., id.* at 43-45.; Tr. 380-381.

[48] *See, e.g., id.*; *Id.*

[49] *See, e.g., id.*; Ex. 51 (Schneider Rebuttal) at 15, 18.

[50] *See, e.g., id.*; *Id.* at 14-15.

[51] *See, e.g., id.* at 56-57.

[52] *See, e.g., id.* at 60-61; Tr. 415.

[53] *See, e.g.,* Sierra Club's Comments on Hearing Examiner's Report at 4; Staff's Comments on Hearing Examiner's Report at 4.

[54] *See, e.g.,* Company's Post-Hearing Brief at 58. Sierra Club similarly notes that "[b]y contrast, Company Witness Nester testified that the now-completed Lafayette Loop Line has at least some marginal utility even absent the Gate Station." Sierra Club's Comments on Hearing Examiner's Report at 4 n.15.

TCJA Regulatory Liability

In December 2017, the TCJA was signed into law. Among other provisions, the TCJA reduced the federal corporate income tax rate from 35% to 21%, effective January 1, 2018. In order to ensure that the corporate tax rate reduction contained in the TCJA can ultimately benefit the customers of Virginia's electric, natural gas and water utilities through rates, the Commission issued an order on January 8, 2018, stating that, "effective January 1, 2018, Virginia utilities to which the [TCJA's] tax cut provisions are applicable shall accrue regulatory liabilities reflecting the Virginia jurisdictional revenue requirement impacts of the reduced corporate income tax rate . . . ."[55]

The Company and Staff agree to the amount of the regulatory liability and the rate year regulatory expense resulting from the TCJA.[56] Further, Staff acknowledged that the Company began refunding the regulatory liability resulting from the TCJA on January 1, 2019, and that the Company agreed to return the regulatory liability to customers over a 12-month period with a true-up in December 2019.[57] Based on the evidence in this proceeding, the Commission finds that it is appropriate for the Company's regulatory liability resulting from the TCJA to be returned over a 12-month period beginning in January 2019.

Eligible Safety Activity Costs

The Company did not contest two adjustments made by Staff to the Company's Eligible Safety Activity Costs ("ESAC") deferral.[58] On the remaining contested issue related to ESAC, the Hearing Examiner agreed with Staff and found that the Company should write off $422,922 of its ESAC deferral balance because the earnings test for the 12 months ended June 30, 2016 ("2016 Earnings Test") in the Company's 2016 Annual Informational Filing ("AIF") showed the Company earned an ROE of 10.13%, which was above its authorized ROE of 9.50%.[59]

Code § 56-235.10 C ("Subdivision C") states, in part:

> A natural gas utility may account for eligible safety activity costs to be recovered pursuant to this section as deferred costs . . . . The eligible safety activity costs deferred hereunder shall be included in new base rates and charges instituted pursuant to a Commission order establishing or confirming customer rates in a rate case . . . . Such deferred costs shall not be subject to write-off or write-down by the Commission in an earnings test filing made pursuant to Commission rules governing utility rate increases and annual informational filings except as provided in this subsection. The natural gas utility shall be deemed to have recovered eligible safety activity costs to the extent that the return on equity earned by the natural gas utility in an earnings test for a given year, after consideration of the treatment of regulatory assets, is in excess of the mid-point of the rate of return on equity range specified or confirmed in the natural gas utility's most recent rate case . . . .

Further, Code § 56-235.10 D ("Subdivision D") states:

> Any natural gas utility that has on its books eligible safety activity costs deferred pursuant to this section shall include an earnings test filing as part of any application for an annual informational filing or rate proceeding.

Staff excluded SAVE costs and revenues in the Company's 2016 Earnings Test to determine the Company's earnings recovered through base rates.[60] The Company argues that in doing so, Staff should have reclassified Administrative and General ("A&G") overheads that were previously capitalized to SAVE projects (and included in the SAVE Rider) as operations and maintenance ("O&M") expense for earnings test purposes.[61] While not opposing the Hearing Examiner's finding on this issue, the Company continued to disagree with Staff's calculations of the Company's earnings in the 2016 AIF.[62] The Company stated further, however, that should the Commission agree that Staff's adjustment was proper, the Company will commit to not seek recovery of any such deferred expenses in future rate proceedings.[63]

---

[55] *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Regulatory Accounting related to the federal Tax Cuts and Jobs Act of 2017*, Case No. PUR-2018-00005, 2018 S.C.C. Ann. Rept. 337, Order (Jan. 8, 2018) ("January 2018 Order").

[56] Staff's Post-Hearing Brief at 17.

[57] *Id.* at 16-17; Company's Post-Hearing Brief at 18-20; Tr. 205-06.

[58] *See* Report at 60; Staff's Post-Hearing Brief at 20-23; Company's Post-Hearing Brief at 27.

[59] *See id.* at 60-61; *Id.* at 23.

[60] *Id.* at 24.

[61] Company's Post-Hearing Brief at 28. If the A&G costs are expenses for earnings test purposes, then the Company would no longer be over-earning for the 2016 earnings test.

[62] Company's Comments to Hearing Examiner's Report at 3 n.3.

[63] Company's Post-Hearing Brief at 28. In addition, we grant Roanoke's request that "the Commission not explicitly order the Company to write-down its deferral in its GAAP financial statements." *Id.*

Neither Subdivision C nor D requires a reclassification to expense of costs that were included in the SAVE Rider for earnings test purposes. We agree with the Hearing Examiner that allowing the Company to include costs that the Company collected through the SAVE Rider to reduce base rate earnings in the 2016 Earnings Test is not appropriate and would result in double-recovery.[64] Accordingly, we find that based on the 2016 Earnings Test, Roanoke is required to write off $422,922 of its ESAC deferral. For ratemaking purposes, the Company's ESAC deferral balance as of January 1, 2019, is $904,048, and that $174,676 should be amortized annually during the five-year amortization period.[65]

O&M Expense Percentage – Labor-Related

The Company proposed use of O&M expense percentages of 59.17% for RGC Resources, Inc. ("Resources"), the parent company of Roanoke, and 64.28% for Roanoke based on the Company's Rate Year capital budget.[66] Staff applied a three-year average of historical O&M percentages, producing 51.89% and 60.52% O&M expense percentages for Resources and Roanoke, respectively.[67] Staff used a three-year average of historical O&M percentages to better reflect what is likely to occur during the Rate Year, noting that the expense percentages for the last three years have been fairly steady.[68] While still supporting its original calculation tied to the capital budget, the Company asserted that a five-year normalization would be more appropriate than the three-year normalization used by Staff.[69] Additionally, Staff noted that the Hearing Examiner's decision to use a five-year historic average is a reasonable approach.[70]

We find that it is reasonable to use a Rate Year O&M expense percentage of 52.35% and 62.22% for Resources and Roanoke respectively.[71] We agree with the Hearing Examiner that the use of a five-year average produces a normalized level of O&M expense percentage that is more likely reflective of the Rate Year.

Bad Debt Expense

In this proceeding, the Company projected a Rate Year level of bad debt expense in the amount of $160,000, which is based on fiscal year 2018 data.[72] The Company contended that actual Rate Year bad debt expense is likely to be higher than that level because Roanoke incurred bad debt expense of $227,902 for the period October 2018 through June 2019.[73] The Company asserted that the current level of bad debt expense is likely to continue throughout the Rate Year because (i) the Company's Rate Year 2019 winter heating season reflected normal weather; (ii) the Company currently has a low balance of prior write-offs available for potential future collection; and (iii) the Company's outsourcing of the customer service function has resulted in an increase in bad debt expense.[74]

Staff recommended a Rate Year level of bad debt expense of $97,761, based on actual bad debt write-offs net of collections for fiscal years 2015 through 2018, and actual net bad debt expense from October 2018 through June 2019.[75] The Hearing Examiner recommended that the Commission adopt Staff's Rate Year level of bad debt expense based on variability in the Company's bad debt expense from year to year.[76]

The Company objected to the Hearing Examiner's finding and recommendation on the basis that Code § 56-235.2 requires the Commission to make adjustments for "future costs as the Commission finds reasonably can be predicted to occur during the Rate Year."[77] Roanoke contended that the actual bad debt expense for the Rate Year is reasonably predicted to be "significantly higher" than the Company's proposed level of $160,000.[78]

Based on the instant record, we find Roanoke's proposed level of bad debt expense of $160,000 is reasonable. Including the level of bad debt expense proposed by the Company increases operations and maintenance expense by $62,239 and decreases the Rate Year projected earned ROE by 8 basis points.

---

[64] Report at 61. Staff's Post-Hearing Brief at 25.

[65] Staff's Post-Hearing Brief at 25.

[66] Ex. 16 (Clayton) at 38.

[67] *Id.* at 40.

[68] Staff's Comments to the Hearing Examiner's Report at 2.

[69] Company's Post-Hearing Brief at 30.

[70] Staff's Comments to the Hearing Examiner's Report at 3.

[71] Report at 62.

[72] Ex. 39 (Banka Rebuttal) at 8.

[73] Company's Post-Hearing Brief at 31; Ex. 39 (Banka Rebuttal) at 8.

[74] *Id.*; *Id.*at 8-10.

[75] Ex. 18 (Clayton Supplemental), Updated Adj. 10; Tr. 210-11. *See also* Staff's Post-Hearing Brief at 28 n.140.

[76] Report at 63.

[77] Company's Comments to the Hearing Examiner's Report at 17.

[78] *Id.* at 18.

Supplier Refunds

The Company contends that Staff's Gas Cost Adjustment to remove supplier refunds is inappropriate because gas costs are exclusive of supplier refunds.[79] Both Staff and the Company agree that gas revenues should equal gas expense.[80]

We agree with the Hearing Examiner that based on the record in this case a supplier refund component should be included in the calculation.[81] By removing, or not including, the supplier refund component in the gas expense calculation, as the Company proposes, Rate Year gas revenues do not equal Rate Year gas expense. Further, reflecting a credit for supplier refunds to the Company's per books test year level of gas costs results in a non-base rate recovery mechanism having an improper impact on base rates.[82] The Company's revision creates a mismatch between gas revenues and gas expense and it is rejected.[83]

Computer Support Fees

Staff made an adjustment to allocate a portion of all computer support costs to the Company's affiliate, RGC Midstream LLC ("Midstream") and other non-utility functions, reducing Roanoke's ongoing computer support fee expense by $14,000 or 2.4%.[84] Roanoke argued that Staff's adjustment should be rejected because Midstream exists for purposes of holding Resource's ownership in the Mountain Valley Pipeline and that Midstream did not use these functions.[85]

The Company's proposed computer support fees allocation is approved. The evidence in this case shows that Midstream is primarily a holding company with no revenue, customers, or employees.[86] The record does not demonstrate any benefits of the information technology functions flowing to Midstream or other non-utility functions.[87] Therefore, no adjustment to allocate the Company's proposed computer support fees is necessary.

Charitable Donations

Staff recommended an adjustment to reduce Test Year charitable donations by $18,118.[88] Consistent with our finding in the Final Order in Case No. PUR-2018-00080,[89] we find that all charitable donations should be removed from the cost of service for ratemaking purposes, which results in an additional reduction of $26,780.[90] As we noted in the Washington Gas Final Order, a utility holds a monopoly franchise to provide reliable service at just and reasonable rates. Accordingly, while a utility is free to support charities of its choice with shareholder funds, captive ratepayers can choose their own charitable causes to support and should not have to pay for the utility's choices.[91] Removing 100% of charitable donations reduces expenses by $26,780 and increases the Rate Year projected earned ROE by 5 basis points.

Summary

Based on the Commission's findings herein, the Rate Year Analysis, limited to items traditionally recovered through base rate costs of service, results in the Company's earned return of 5.53%, which is below the authorized ROE of 9.44%. Therefore, a base rate increase of $2.87 million is approved, exclusive of SAVE revenues.

---

[79] Company's Post-Hearing Brief at 32.

[80] Staff's Post-Hearing Brief at 31-32; Tr. 318.

[81] Report at 66.

[82] Staff's Post-Hearing Brief at 31.

[83] Report at 66.

[84] Ex. 16 (Clayton) at 31.

[85] Company's Post-Hearing Brief at 33-34.

[86] *Id.* at 34.

[87] *Id.*; Report at 66.

[88] Ex. 16 (Clayton), Appendix A at 60.

[89] *Application of Washington Gas Light Company, For authority to increase existing rates and charges and to revise the terms and conditions applicable to gas service pursuant to § 56-237 of the Code of Virginia*, Case No. PUR-2018-00080, Doc. Con. Cen. No. 191230144, Final Order (Dec. 20, 2019) at 18 ("Washington Gas Final Order"). *See also Application of Appalachian Power Company, For a 2011 biennial 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. PUE-2011-00037, 2011 S.C.C. Ann. Rept. 477, 491, Final Order (Nov. 30, 2011) (Commissioner Christie, dissenting). *See also Application of Virginia Electric and Power Company, For a 2011 biennial 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. PUE-2011-00027, 2011 S.C.C. Ann. Rept. 456, 467, Final Order (Nov. 30, 2011) (Commissioner Christie, concurring).

[90] *See* Ex. 16 (Clayton), Appendix A at 60.

[91] *See* Washington Gas Final Order at 18.

SAVE COSTS AND REVENUES

As explained above, the Rate Year Analysis herein is limited to items traditionally recovered through the base rate cost of service.[92] Thus, we will next determine the amount by which base rates must be increased further to "incorporate eligible infrastructure replacement costs previously reflected" in Roanoke's SAVE Rider, as provided for in Code § 56-604 F. We find that it is appropriate to increase base rates equal to the actual revenue requirement of the $32.8 million of SAVE investment as of December 31, 2018. Staff witness Clayton calculated the revenue requirement associated with the $32.8 million of SAVE investment to be $4.9 million.[93] Incorporating the ROE of 9.44% approved herein and the end of 2018 rolled-in SAVE investment, as well as the applicable tax rate and conversion factor, changes this number to $4.38 million.[94] Accordingly, we approve a total base rate revenue increase of $7.25 million.

CLASS COST OF SERVICE STUDY

Roanoke filed this rate increase with a class cost of service study methodology that it claimed it had employed since 2004.[95] Staff proposed a revised meter cost allocation factor, which changed the Company's customer count allocation factor to a factor derived from weighting the customer count of each class with the Company's estimated costs for a typical meter for each class.[96]

We agree with the Hearing Examiner that it is reasonable to adopt Staff's proposed meter cost allocator for this case.[97] The Company's use of a straight customer count allocation factor assumes no variation in costs between customer classes.[98] The use of the Company's customer count allocation factor in this case also significantly shifts the cost allocation to the residential class.[99] In contrast, a meter cost factor weighs customer counts by an estimated cost for a typical meter for each class and in turn more accurately reflects costs.[100] While there may be other appropriate methodologies under other circumstances, we find that in this case, where actual meter costs are not shown by the Company,[101] the use of the meter cost allocator in the cost of service study is appropriate.

RATE DESIGN

Recovery of SAVE in base rate

The Company proposes to recover all of the SAVE-related costs being rolled into base rates through an increase to its fixed customer charges.[102] Staff recommended that most of the SAVE revenues be recovered volumetrically.[103]

For the reasons stated therein, we agree with the recommendation in the Hearing Examiner's Report that the Company's SAVE revenues be mostly recovered from each class through volumetric rates.[104] This limits the increase to the customer charges, as we have done in other proceedings, while providing the Company a reasonable opportunity for recovery.[105] It also limits the possibility of cross-subsidization.[106]

---

[92] For example, removing all impacts of items previously related to the Company's SAVE Plan and Rider from the Rate Year Analysis decreases revenues by $5.1 million, decreases depreciation and property taxes by $1.3 million, and decreases rate base by $32.8 million, thereby decreasing the Rate Year projected earned ROE by 180 basis points. *See, e.g.,* Ex. 16 (Clayton) at 34-35, 54; Statement IX; Appendix A at 7. This is the result of excluding the impact of both the $32.8 million of SAVE Plan-related investments from the Rate Year Analysis and the $5.1 million of SAVE revenue that the Hearing Examiner included in the Rate Year Analysis.

[93] The revenue requirement of $4.9 million included an ROE of 9.75%.

[94] Consistent with our earlier discussion, we find that an ROE of 9.44% is reasonable for incorporating costs previously recovered through the SAVE Rider.

[95] Tr. 148. Staff asserted that the methodology used by the Company in this case was different than that submitted in prior cases. Tr. 253-255.

[96] Ex. 32 (Ferrell) at 8-9.

[97] Report at 69.

[98] *Id.*; Ex. 32 (Ferrell) at 7.

[99] Ex. 32 (Ferrell) at 8.

[100] Report at 68.

[101] Staff's Comments to the Hearing Examiner's Report at 6; Tr. 256-259. The Company acknowledged that direct assigning would be a better option. Tr. 348.

[102] Company's Post-Hearing Brief at 63-64.

[103] Ex. 37 (Stevens) at 8.

[104] Report at 70.

[105] *Id.*; Staff's Post-Hearing Brief 40-42.

[106] Staff's Post-Hearing Brief at 42.

Revenue Apportionment

The Company and Staff each made revenue apportionment recommendations consistent with their respective class cost of service studies. We agree with the Hearing Examiner's recommendation that the Company's revenue apportionment should be utilized for designing the final rates and for determining refunds.[107] In doing so, we recognize that the final rates will reflect Staff's proposed customer charges and the volumetric recovery of most of the SAVE costs, both of which are new precedents for the Company. Using the Company's proposed revenue apportionment addresses the Company's concerns of not being able to recover all of its revenue requirement under Staff's proposal.[108]

Accordingly, IT IS ORDERED THAT:

(1) Roanoke's annual base rate revenue requirement shall be increased by $7.25 million, which includes $4.38 million to incorporate costs associated with $32.8 million of investment previously reflected in SAVE Riders prior to January 1, 2019.

(2) A rate of return on common equity of 9.44% and a cost of equity range of 8.74% to 9.74% are hereby approved.

(3) The rates and charges approved herein are fixed and substituted for the rates and terms and conditions of service that the Company placed into effect on an interim basis with the first billing unit of January 2019. Roanoke shall forthwith file revised tariff sheets incorporating the impact of the findings herein, and in accordance with Code § 56-604 F, on rates and charges and terms and conditions of service with the Clerk of the Commission and the Commission's Division of Public Utility Regulation. The Clerk of the Commission shall retain such filing for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case. Refunds of interim rates shall be made as required below.

(4) The Company shall recalculate, using the rates and charges approved herein, each bill it rendered that used, in whole or in part, the rates and charges that took effect on an interim basis and subject to refund with the first billing unit of January 2019, and where application of the new rates results in a reduced bill, refund the difference with interest as set out below within ninety (90) days of the issuance of this Final Order. The Company shall not charge customers the difference if the aforementioned recalculation does not result in a reduced bill.

(5) Interest upon the ordered refunds shall be computed from the date payments of monthly bills were due to the date each refund is made at the average prime rate for each calendar quarter, compounded quarterly, using the average prime rate values published in the Federal Reserve Bulletin or in the Federal Reserve's Selected Interest Rates (Statistical Release H. 15) for the three (3) months of the preceding calendar quarter.

(6) The refunds ordered herein may be credited to the current customers' accounts. Refunds to former customers shall be made by check mailed to the last known address of such customers when the refund amount is $1 or more. The Company may offset the credit or refund to the extent of any undisputed outstanding balance for the current or former customer. No offset shall be permitted against any disputed portion of an outstanding balance. The Company may retain refunds to former customers when such refund is less than $1; however, such refunds shall be promptly made upon request. All unclaimed refunds shall be subject to Code § 55-210.6:2.

(7) Within sixty (60) days of completing the refunds ordered herein, the Company shall deliver to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance a report showing that all refunds have been made pursuant to this Final Order and detailing the costs incurred in effecting such refunds and the accounts charged.

(8) The Company shall bear all costs incurred in effecting the refunds ordered herein.

(9) This matter is dismissed.

[107] Report at 70-71.

[108] Tr. 351-353.

CASE NO. PUR-2018-00080
JANUARY 10, 2020

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to increase existing rates and charges and to revise the terms and conditions applicable to gas service pursuant to § 56-237 of the Code of Virginia

ORDER GRANTING RECONSIDERATION

On December 20, 2019, the State Corporation Commission ("Commission") issued a Final Order in this docket. On January 9, 2020, Washington Gas Light Company filed a Petition for Reconsideration.

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration. The Final Order is hereby suspended pending the Commission's reconsideration.

Accordingly, IT IS ORDERED THAT:

(1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration.

(2) Pending the Commission's reconsideration, the Final Order is suspended.

(3) This matter is continued generally.

CASE NO. PUR-2018-00080
JANUARY 30, 2020

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to increase existing rates and charges and to revise the terms and conditions applicable to gas service pursuant to § 56-237 of the Code of Virginia

ORDER ON RECONSIDERATION

On December 20, 2019, the State Corporation Commission ("Commission") issued a Final Order in this docket. On January 9, 2020, Washington Gas Light Company ("WGL" or "Company") filed a Petition for Reconsideration. On January 10, 2020, the Commission issued an Order Granting Reconsideration that continued the Commission's jurisdiction over this matter for the purpose of considering the Petition for Reconsideration, and that suspended the Final Order pending the Commission's reconsideration thereof.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Petition for Reconsideration is denied.

The Company asks for reconsideration of the following finding from the Final Order:

> In this proceeding, the Company proposes to transition from flow-through accounting to normalization accounting for all cost of removal [('COR')] and depreciation on its books. As part of this transition, the Company proposes to recover a $7.1 million regulatory asset over five years through base rate cost of service. This regulatory asset represents an alleged deferred tax deficiency on the Company's books resulting from the Company's historic underestimation of cost of removal for pre-1971 property in its depreciation rates. We find that it is appropriate for the Company to transition from flow-through accounting to normalization accounting for all cost of removal and depreciation for booking and ratemaking purposes. We also find, however, that due to a mismatch between the treatment of pre-1971 cost of removal for booking and ratemaking purposes, the Company has already recovered this amount through past SAVE Plan Rider revenue requirements as demonstrated by Staff. Thus, we find that it is not appropriate for the Company to recover the $7.1 million regulatory asset for a second time through base rate cost of service.[1]

Specifically, the Petition for Reconsideration states that "[i]n summary, [WGL] respectfully requests the Commission to reconsider its [Final] Order with respect to the findings regarding the regulatory asset for flow-through COR, and to give weight to the entirety of the record evidence. . . ."[2] WGL further asserts that "[i]t is unclear from the [Final] Order whether the Commission considered the extensive evidence provided by the Company on this issue, as the [Final] Order cites only to the [Commission Staff's ('Staff')] position."[3]

Initially, the Commission confirms that it considered the entire record.[4] As reflected by the finding quoted above from the Final Order, the Commission weighed the conflicting evidence presented by witnesses for WGL and Staff and gave greater weight to the testimony and exhibits presented by Staff's expert witness on this matter.[5]

Next, the Commission disagrees with WGL's characterization that "[a]s there are no costs in the SAVE Rider relating to retired plant, which would include the pre-1971 plant, the Company could not have included COR related to pre-1971 plant or the related income taxes through a SAVE Rider."[6] Rather, based on evidence provided by Staff's accounting witness, and as further discussed below, the Commission found that such representation does not properly describe this particular issue.[7]

---

[1] Final Order at 11 (footnotes omitted).

[2] Petition for Reconsideration at 11.

[3] *Id*.

[4] *See also Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

[5] *See, e.g., City of Alexandria v. State Corp. Comm'n*, 296 Va. 79, 102-103 (2018) ("'The Commission [is] entitled to interpret [the] conflicting evidence and to decide the weight to afford it.'") (quoting *Board of Supervisors of Loudoun County*, 292 Va. at 458).

[6] Petition for Reconsideration at 12.

[7] Accordingly, the Commission concluded that its finding on this issue is supported by the testimony and exhibits submitted by Staff. Contrary to WGL's assertion, this does not mean that the Final Order was contrary to the evidence because it contradicted the Company's testimony but, rather, that Staff's and WGL's experts disagreed. *See, e.g., City of Alexandria*, 296 Va. at 102 ("But this evidence does little more than show that the parties' experts disagreed, which does not render the Commission's findings contrary to the evidence….") (citing *BASF Corp. v. State Corp. Comm'n*, 289 Va. 375, 397 (2015)).

It is undisputed that the Company receives a tax benefit for COR.[8] For post-1970 plant, COR (and the Company's SAVE Rider) reflect *normalization* accounting.[9] Under normalization accounting, the COR tax benefit is passed on to customers throughout the life of the asset.[10] Conversely, for pre-1971 plant, COR is recorded based on *flow-through* accounting.[11] This means that the COR tax benefit is not recorded until the end of the pre-1971 asset's useful life.[12] This, in turn, means that customers do not receive the full value of the COR tax benefit until that asset is retired.[13] As a result, when pre-1971 plant is retired through the SAVE Rider, customers have yet to receive the full COR tax benefit.[14]

In this regard, WGL is correct that the SAVE Rider does not reflect pre-1971 plant. Because if it did, then the SAVE Rider would have been *decreased* to provide customers with the full COR tax benefit when pre-1971 plant was retired. The SAVE Rider, however, was not so decreased.[15] Thus, customers have still yet to receive the full COR tax benefit associated with pre-1971 plant retirements, and, as a result, the revenues received by the Company have remained higher than otherwise necessary to recover its reasonable cost of service.[16] Based on the instant record, the Commission found that a conservative and reasonable estimate of such revenues is approximately $7.1 million.[17]

Accordingly, the Commission found that the regulatory asset booked by WGL to reflect higher income tax expense (primarily due from underestimating COR) has been offset by the pre-1971 COR tax benefit that has yet to be passed on to customers. Likewise, because these amounts offset, the Commission did not *decrease* base rates in the instant proceeding to reflect the full value of the COR tax benefit.

Accordingly, IT IS ORDERED THAT:

(1) The Petition for Reconsideration is denied.

(2) The Final Order is modified as follows:

(a) the refunds required by Ordering Paragraph (4) of the Final Order shall be completed within ninety (90) days of issuance of this Order on Reconsideration; and

(b) The return of regulatory liabilities to customers required by Ordering Paragraph (9) of the Final Order shall be accomplished through a monthly bill credit over a 12-month period beginning within ninety (90) days of issuance of this Order on Reconsideration.

(3) The Final Order is no longer suspended.

(4) This case is dismissed.

---

[8] *See, e.g.,* Ex. 33 (Myers) at 11; Ex. 8 (Tuoriniemi Direct) at 76; Tr. 256.

[9] *See, e.g.,* Ex. 33 (Myers) at 11; Ex. 8 (Tuoriniemi Direct) at 76.

[10] *See, e.g.,* Ex. 33 (Myers) at 11 n.12.

[11] *See, e.g., id.* at 11; Ex. 8 (Tuoriniemi Direct) at 76.

[12] *See, e.g.,* Tr. 255, 257.

[13] *See, e.g.,* Tr. 257; Ex. 34.

[14] *See, e.g.,* Tr. 258; Ex. 34. Staff notes that it initially raised these issues in 2017 as part of WGL's SAVE Plan proceeding. *See, e.g.,* Ex. 33 (Myers) at 13 n.16; Tr. 310-11. Because it impacts base rate cost of service, the Commission deferred this matter to the instant base rate proceeding. *See Application of Washington Gas Light Company, For approval to amend its SAVE Plan pursuant to § 56-604 B of the Code of Virginia,* Case No. PUR-2017-00102, Order at 10 (Nov. 21, 2017).

[15] For infrastructure replacements associated with pre-1971 plant, the impacts of the retirement of the pre-1971 plant (and associated cost of removal) were included in the calculation of the SAVE Rider. *See, e.g.,* Tr. 306-310; Ex. 37 at Schedules 10 and 12. The SAVE Rider, however, was not decreased to incorporate the tax benefit associated with the cost of removal. *See, e.g.,* Ex. 33 (Myers) at 13-15; Tr. 261-64, 305-06.

[16] *See, e.g.,* Tr. 259; Ex. 34; Staff's Post-Hearing Brief at 17.

[17] As to this calculation, the Commission again finds that Staff witness Myers' calculations are reasonable. *See, e.g.,* Ex. 33 (Myers) at 14-15 and Appendix C; Tr. 262-67; Ex. 35. *See also* Hearing Examiner's Report at 113-17.

CASE NO. PUR-2018-00080
DECEMBER 17, 2020

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to increase existing rates and charges and to revise the terms and conditions applicable to gas service pursuant to §56-237 of the Code of Virginia

ORDER DENYING MOTION AND RELEASING BOND

On July 31, 2018, Washington Gas Light Company ("WGL" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq*.) of the Code of Virginia requesting authority to increase its rates and charges, effective for usage beginning with the January 2019 billing cycle, and to revise other terms and conditions applicable to its gas service.

On August 23, 2018, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, among other things, docketed the Application; required WGL to publish notice of its Application; gave interested persons the opportunity to comment on or participate in the proceeding; and scheduled a public hearing. The Procedural Order also required WGL to "file a bond with the Commission in the amount of $37.6 million payable to the Commission and conditioned to insure the prompt refund by the Company to those entitled thereto of all amounts the Company shall collect in excess of such rates and charges as the Commission may finally fix and determine."[1] In accordance with the Procedural Order, on November 2, 2018, WGL filed Bond No. 106894987, issued by Travelers Casualty and Surety Company ("Bond").

On December 20, 2019, the Commission issued its Final Order in this case, finding that "no increase or decrease to base rate revenues is necessary in this proceeding to recover costs traditionally recovered through base rates."[2] The Final Order approved a base rate revenue requirement increase in the amount of $13.2 million only, "to incorporate costs associated with $101.9 million of investment previously reflected in SAVE Riders prior to January 1, 2019."[3] As a result, Ordering Paragraph (4) of the Commission's Final Order directed the Company to

> recalculate, using the rates and charges approved herein, each bill it rendered that used, in whole or in part, the rates and charges that took effect on an interim basis and subject to refund with the first billing unit of January 2019, and where application of the new rates results in a reduced bill, refund the difference with interest as set out below within ninety (90) days of the issuance of this Final Order. The Company shall not charge customers the difference if the aforementioned recalculation does not result in a reduced bill.[4]

The Commission further directed WGL to provide a report to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance within 60 days of completing the required refunds.

On January 9, 2020, the Company filed a Petition for Reconsideration of the Final Order. The Commission issued an Order Granting Reconsideration on January 10, 2020, for the purpose of continuing jurisdiction over this matter and suspending the Final Order pending the Commission's consideration.

On January 30, 2020, the Commission issued its Order on Reconsideration, denying the Company's Petition for Reconsideration, directing that the refunds required by Ordering Paragraph (4) of the Final Order be completed within 90 days of issuance of the Order on Reconsideration, and dismissing the case.

On April 24, 2020, WGL filed a Motion to Request Extension of Time, requesting a 30-day extension to print and mail remaining rate refund checks required by the Final Order and Order on Reconsideration. On April 28, 2020, the Commission issued an Order Granting Extension and extending the deadline for the Company to print and mail refund checks to May 29, 2020.

On July 29, 2020, the Company filed a letter requesting release of the Bond and stating that the Company submitted its refund report ("Refund Report") to the Directors of the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance on July 16, 2020.

On October 30, 2020, the Commission Staff filed a "Motion to Reopen the Record and Require Washington Gas Light Company to File Report on Refunds" ("Motion"). The Motion stated that Staff reviewed the Refund Report, and after further discussions with the Company, Staff is not in agreement with the Company's methodology of calculating refunds due based on the rates and charges approved in the Commission's Final Order.[5] Staff's Motion requested that the Commission "reopen this docket and direct the Company to file a full refund report, which should include a narrative describing how the refunds were calculated as well as sample calculations illustrating the Company's methodology."[6] The Motion further requested the following:

---

[1] Procedural Order at 5.

[2] *See Application of Washington Gas Light Company, For authority to increase existing rates and charges to revise the terms and conditions applicable to gas service pursuant to § 56-237 of the Code of Virginia*, Case No. PUR-2018-00080, 2019 S.C.C. Ann. Rept. 199, 207, Final Order (Dec. 20, 2019) ("Final Order").

[3] *Id.* at 208.

[4] *Id.* at 209.

[5] *See* Motion at 2.

[6] *Id.*

> The Company should also discuss and provide examples of how they handle customers for whom under-billings were calculated for certain months but over-billings were calculated for other months (such as explaining if the Company nets the under-billings and over-billings in calculating a potential refund, or if it provides a refund based only on months for which over-billings are calculated). To the extent that such under-billings occurred, the Company should also quantify (1) the total amount of under-billings that were netted with over-billings, and (2) the total number of customers that were underbilled.[7]

The Company filed a Response to Staff's Motion on October 30, 2020 ("Response").

WGL states in its Response that

> the total refund amount for the entire interim rate period reflects a netting of months resulting in charges and those resulting in refunds, when the bills are recomputed using new rates and charges. This methodology is consistent with Commission directives because the total refund for each customer reflects both the application of new rates to *each monthly bill*, as well as consideration of *all the months* during the interim period.[8]

For some customers, the Company's netting methodology described above resulted in reduced refunds because those customers experienced months during the interim period where the recalculation of the monthly bill using approved rates and charges resulted in a higher bill.[9]

Staff filed a reply to WGL's Response on November 30, 2020 ("Reply"), asserting that WGL's methodology does not comply with the Final Order and requesting that the Commission direct the Company to recalculate and reissue refunds to customers (where applicable) based only on the months where the recalculation using approved rates results in a lower bill.[10]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that this case shall be reopened for the limited purpose of considering Staff's Motion and WGL's July 29, 2020 letter requesting release of the Bond. The Commission finds that, based on the facts of this case and the pleadings before us, WGL has fulfilled its refund responsibilities as directed by the Commission's orders in this case and the Bond shall be fully and unconditionally discharged and released. The Commission's finding on Staff's Motion is limited to this case only and has no precedential value for future rate cases filed by the Company or any other utility regulated by this Commission.

Accordingly, IT IS ORDERED THAT:

(1) This case is reopened for the purpose of considering Staff's Motion and the Company's July 29, 2020 Letter requesting release of the Bond.

(2) Staff's Motion to require WGL to recalculate and reissue refunds in this matter is denied.

(3) Bond Number 106894987 is fully and unconditionally discharged and released, and Travelers Casualty and Surety Company of America, its parents, affiliates, and subsidiaries hereby are released from any and all past, present, and future liability under said Bond. It is further acknowledged that Travelers Property Casualty Corporation acquired the surety business of the Reliance Group and, accordingly, Travelers Casualty and Surety Company of America, and its parents, affiliates, and subsidiaries hereby are also released from any and all past, present, and future liability under the Bond.

(4) This case is dismissed.

[7] *Id.* at 2-3.

[8] Response at 6 (emphasis in original).

[9] *See id.* at 3-4.

[10] Reply at 3-5.

CASE NO. PUR-2018-00107
JULY 29, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of revising the Commission's Regulations Governing Interconnection of Small Electrical Generators

ORDER ADOPTING REGULATIONS

On May 8, 2009, the State Corporation Commission ("Commission") adopted Regulations Governing Interconnection of Small Electrical Generators, 20 VAC 5-314-10 *et seq*. ("Interconnection Regulations"), in Case No. PUE-2008-00004.[1] The Commission initiated that rulemaking in accordance with § 56-578 of the Code of Virginia ("Code") which provides, in part:

> The Commission shall establish interconnection standards to ensure transmission and distribution safety and reliability, which standards shall not be inconsistent with nationally recognized standards acceptable to the Commission. In adopting standards pursuant to this subsection, the Commission shall seek to prevent barriers to new technology and shall not make compliance unduly burdensome and expensive.

[1] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of establishing interconnection standards for distributed electric generation*, Case No. PUE-2008-00004, 2009 S.C.C. Ann. Rept. 287, Order Adopting Regulations (May 8, 2009).

In that case, the Commission noted that "all electric energy distributors have the obligation to connect any retail customer, including those using distributed generation, located within its service territory to the distributor's facilities used for delivery of retail electric energy, subject to [the Commission's] rules and regulations and approved tariff provisions relating to connection of service."[2] Given the passage of time since the Commission established the Interconnection Regulations, recent changes in applicable laws and Federal Energy Regulatory Commission ("FERC") guidelines, and technological changes in the power industry, the Commission has concluded that it is appropriate to revisit the Interconnection Regulations.[3]

On September 5, 2018, the Commission entered an Order Initiating Rulemaking Proceeding in this docket to determine whether, and the extent to which, any of the Interconnection Regulations should be revised. In this regard, the Commission directed Commission Staff ("Staff") to solicit comments from, and to schedule a meeting or meetings (as necessary) with, stakeholders and persons having an interest in the Interconnection Regulations and the interconnection of small electrical generators in the Commonwealth of Virginia; to develop, with appropriate input from interested persons, a proposal for any necessary revisions to the current Interconnection Regulations; and to prepare and file a report ("Staff Report") on its findings and recommendations.

Subsequent to the Commission's Order Initiating Rulemaking, Staff developed initial draft revisions to the Interconnection Regulations ("Initial Draft Revisions") and shared them with interested stakeholders, who were provided an opportunity to comment on the Initial Draft Revisions and participate in a multiple-day working group meeting. Written comments were received from eight entities, and ten entities in addition to Staff participated in the working group meetings.[4]

In response to the written and verbal comments received from the interested stakeholders, Staff made updates to the Initial Draft Revisions. On September 12, 2019, the Staff filed its Staff Report, which included these proposed updates ("Proposed Rules").

On December 3, 2019, the Commission entered an Order for Notice and Comment ("Notice Order"). In the Notice Order, we found that the Proposed Rules should be considered for adoption; provided interested persons an opportunity to comment on, or to suggest modifications or supplements to, the Proposed Rules, or to request a hearing thereon, on or before February 21, 2020; and provided Staff an opportunity to respond to any comments on or before March 20, 2020 ("Staff comments"). We also directed that a copy of the Proposed Rules be sent to the Registrar of Regulations for publication in the *Virginia Register of Regulations*.[5]

Comments were filed by Virginia Electric and Power Company ("Dominion"); the Virginia, Maryland & Delaware Association of Electric Cooperatives ("VMDAEC" or "Cooperatives"); Cypress Creek Renewables ("Cypress Creek"); Virginia Solar, LLC ("VA Solar"); and Staff.[6] No participant requested a hearing on the Proposed Rules.[7]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the revised regulations attached hereto as Appendix A should be adopted as final rules, as discussed herein. In developing these revised regulations, we have reviewed the Proposed Rules and considered and weighed the arguments and comments presented in this proceeding in support of each participant's requests.[8]

Before turning to the participants' requests, we first note that we have simplified the definition of "small generating facility" ("SGF") by removing the reference to "storage for later injection." We find that this change to the definition better describes a generating facility as that term is used at the present time and is therefore appropriate. However, this change should not be construed as a finding that storage devices are exempted from the requirements of the Interconnection Regulations. We therefore also find that it is appropriate to clarify in both the title of the Interconnection Regulations and in 20 VAC 5-314-10 that the regulations shall apply to utilities providing interconnections to retail electric customers, independently owned generators, and any other parties operating, or intending to operate, a distributed generating facility in parallel with utility systems, and to equipment used for the storage of electricity for later injection to utility systems.[9]

---

[2] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of establishing interconnection standards for distributed electric generation,* Case No. PUE-2008-00004, 2008 S.C.C. Ann. Rept. 469, Order Establishing Proceeding (Feb. 26, 2008).

[3] In 2013, the Commission amended numerous rules and regulations, including the Interconnection Regulations, to: (1) recognize certain internal organizational changes; (2) correct outdated references to statutes in the Code and remove obsolete rules and schedules that are no longer required; and (3) bring the regulations into compliance with the *Virginia Register Form, Style and Procedures Manual* issued by the Virginia Code Commission. *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of amending regulations*, Case No. PUE-2013-00016, 2013 S.C.C. Ann. Rept. 367, Order Amending Regulations (June 18, 2013).

[4] Staff Report at 2-3.

[5] The Proposed Rules were published in the *Virginia Register of Regulations* on December 23, 2019.

[6] Appalachian Power Company filed a letter stating it would not file comments.

[7] In its comments, VMDAEC did not request a hearing but stated that "a hearing on this matter would be helpful to the overall rulemaking process [and the Cooperatives] intend to participate in such a hearing if the Commission deems a hearing to be appropriate." VMDAEC comments at 13. We do not deem a hearing to be necessary in this proceeding.

[8] *See Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

[9] Related changes were also made to the following provisions of the Interconnection Regulations: 20 VAC 5-314-39; 20 VAC 5-314-150; Schedule 1 of 20 VAC 5-314-170; and Schedule 10 of 20 VAC 5-314-170 at Attachment 1.

VMDAEC's Recommended Changes to the Proposed Rules

VMDAEC submitted comments recommending numerous changes to the Proposed Rules. VMDAEC divided its comments into: (i) matters of most important concern; (ii) matters of moderate concern; and (iii) matters of minor concern.[10]

The Commission adopts the following edits to the Proposed Rules to address concerns raised by VMDAEC:

- 20 VAC5-314-20, Schedule 1 of 20 VAC5-314-170, and Schedule 10 of 20 VAC 5-314-170 at Attachment 1, shall all be amended to include the following definition:

  "Processing fee" means a non-refundable cost to administer or file an application.[11]

- 20 VAC 5-314-35 C is amended as follows:

  Using the information provided in the Preapplication Report Request Form in subsection B of this section*, and as described in Schedule 4 of 20 VAC 5-314-170,* the utility will identify the substation or area bus, bank, or circuit likely to serve the proposed point of interconnection….[12]

- 20 VAC 5-314-40 D (6) shall be amended to state as follows:

  The [interconnection customer ("IC")] has paid, or has made arrangements satisfactory to the utility to pay, the cost of the SGF metering pursuant to 20 VAC 5-314-80*, and any costs associated with minor modifications*;[13]

- 20 VAC 5-314-40 D (7)(e) shall be amended to state:

  Voltage balance limitation. The SGF shall not create a voltage imbalance of more than 3.0% measured from phase to phase *or phase* to ground at any other customer's revenue meter if the utility distribution transformer, with the secondary connected to the point of interconnection, is a three-phase transformer, unless the IC reimburses the utility for its cost to modify any facilities needed to accommodate the interconnection and such modifications are completed.[14]

- Schedule 6 of 20 VAC 5-314-170 at Section 2 shall be amended as shown below:

  If the interconnection request is submitted as Level 2, the nonrefundable processing fee payable to the utility is $1,000.

  If the interconnection request is submitted as Level 3, the IC shall submit to the utility~~:~~

  ~~a. The~~ *a* nonrefundable processing fee of $1,000. *Upon being designated by the Utility as a Project A or if the IC elects to proceed with the Project B, Level 3 Interconnection Customers shall also be obligated to submit*

  ~~b. An~~ *an* interconnection request study deposit of $10,000 plus $1.00 per kW_{AC}~~, pursuant to 20VAC5-314-38~~.

  An IC transferring from the Level 1 process shall pay the nonrefundable processing fee of $1,000 minus any previously paid Level 1 processing fee.

  An IC transferring from the Level 2 to the Level 3 process shall not be required to pay an additional $1,000 processing fee.

  If the SGF is a standby generating facility, the interconnection request *shall be designated a Project A and the IC shall be obligated to submit an interconnection request* study deposit ~~is~~ *of* $5,000 *in conjunction with the initial study agreement as provided for in 20 VAC 5-314-38 and 20 VAC 5-314-70*.

  If the interconnection request is submitted solely due to a transfer of ownership or change of control of the SGF, the nonrefundable processing fee is $500.[15]

- Schedule 10 of 20 VAC 5-314-170 at Article 3.3 shall be amended to state:

  No termination shall become effective until the Parties have complied with all laws and regulations applicable to such termination*, such as any local or Virginia Department of Environmental Quality decommissioning requirements*….[16]

[10] *See* VMDAEC comments at 3-13.

[11] *Id*. at 12; Staff comments at 26.

[12] VMDAEC comments at 11; Staff comments at 23.

[13] VMDAEC comments at 12; Staff comments at 25.

[14] VMDAEC comments at 12; Staff comments at 25.

[15] VMDAEC comments at 11.

[16] Staff comments at 15-16; VMDAEC comments at 7.

- Schedule 10 of 20 VAC 5-314-170 at Articles 3.1 and 3.3 shall be amended to state:

> 3.1 Effective date. This Agreement shall become effective upon execution by the Parties. ~~The Utility shall promptly file this Agreement with the Division of Public Utility Regulation upon execution.~~
>
> 3.3 Termination. No termination shall become effective until the Parties have complied with all laws and regulations applicable to such termination, ~~including the filing with the Division of Public Utility Regulation of a notice of termination of this Agreement~~ *such as any local or Virginia Department of Environmental Quality decommissioning requirements*.[17]

- Schedule 10 of 20 VAC 5-314-170 at Article 14 shall be amended as set forth in Staff's comments to add affected parties as signatories to the Small Generator Interconnection Agreement ("SGIA").[18]

The Commission declines to adopt the following recommended changes made by VMDAEC for the reasons discussed herein.

First, VMDAEC requests that the definition of "distribution upgrades" in the Proposed Rules be amended to include "*existing facilities for the use of the IC as a direct result of the interconnection*" and that Article 4 of the SGIA[19] state specifically that ICs shall be responsible for the cost of any existing facilities for their use as a result of the interconnection.[20] According to the Cooperatives, such amendments to the Interconnection Regulations would prevent ICs from being able to "'ride for free' on facilities that have been paid for, or are currently being paid for, by Cooperative member-consumers."[21] VMDAEC states that it could develop the formulae or excess facilities analyses used to calculate the operations and maintenance ("O&M") cost for these facilities and submit the formulae as a compliance filing in this docket.[22]

The Commission finds that it is not necessary for this issue to be addressed in the Proposed Rules and, further, concludes that it is reasonable *not* to allow for the filing of such formulae or analyses as a compliance filing for purposes of the instant rulemaking proceeding.[23] As Staff noted in its comments, this issue is specific to the Cooperatives.[24] Moreover, the Cooperatives are seeking ongoing, long-term O&M payments, going well beyond the actual interconnection process, which is the focus of the Interconnection Regulations. For these reasons, to the extent the Cooperatives would like to address such matters further, we find that they would be better considered in a separate formal petition in which other interested persons have an opportunity to participate.

Similarly, VMDAEC seeks to modify the definition of "network upgrades" as follows:

> "Network upgrades" means additions, modifications, and enhancements *and other direct costs* to the utility's transmission system that are required in order to accommodate the interconnection of the small generating facility with the utility's system. Network upgrades do not include distribution upgrades.[25]

The Cooperatives state that this modification is necessary to ensure an IC would properly pay the costs of any line losses that are created due to the IC generating behind an Old Dominion Electric Cooperative delivery point, and which would otherwise be borne by the Cooperative's member-consumers.[26] Like above, this issue goes beyond the actual interconnection process and appears to be specific to the Cooperatives; therefore, it would be best considered in a different proceeding where the relevant issues could be fully evaluated and interested parties would have an opportunity to participate.

Next, the Cooperatives "encourage the Commission to reconcile terminology and/or processes that may be at odds with the [PJM Interconnection, L.L.C. ("PJM")] interconnection process."[27] Code § 56-578 C states, "The Commission shall establish interconnection standards to ensure transmission and distribution safety and reliability, which standards shall not be inconsistent with nationally recognized standards acceptable to the Commission." As Staff noted in its September 12, 2019 Staff Report, the proposed revisions are intended to update the regulations the Commission previously adopted in 2009 and to align them with recent standards, including the FERC Small Generator Interconnection Procedures Rules ("FERC Rules").[28] In addition to the PJM interconnection process and the FERC Rules, many states have their own interconnection regulations.[29] As a result, it may be impossible for the

[17] VMDAEC comments at 8-9; Staff comments at 6, 17. *See also* Dominion comments at 16-17.

[18] VMDAEC comments at 10; Staff comments at 21.

[19] Schedule 10 of 20 VAC 5-314-170 at Article 4.

[20] VMDAEC comments at 4.

[21] *Id*. at 3.

[22] *Id*. at 4.

[23] *See, e.g.,* Staff comments at 9-11.

[24] *Id*. at 11.

[25] *See* 20 VAC 5-314-20; VMDAEC comments at 9-10.

[26] VMDAEC comments at 9-10.

[27] *Id*. at 7.

[28] Staff Report at 3-4.

[29] *See, e.g., id*. at 4.

Commission to develop regulations that do not conflict in some way with regulations promulgated by other entities. The FERC Rules served as the basis for the Interconnection Regulations that we adopted in 2009,[30] and we find that it is appropriate for the FERC Rules, as updated, to continue to serve as a basis for these regulations.[31]

VMDAEC further seeks amendment of 20 VAC 5-314-130 to alleviate the Cooperatives of all reporting requirements.[32] As proposed, 20 VAC 5-314-130 states in pertinent part that each utility shall annually file a written report with Staff that includes certain information concerning the utility's SGF queue, and a listing of those facilities interconnected during the preceding calendar year. The Proposed Rules direct the utilities to include ten items of data for each SGF in their annual reports.[33] According to the Cooperatives, "While it may be considered simply a 'cost of doing business' to some, we consider it a burden on the time, personnel, and resources that should be devoted to serving our member-consumers" and therefore VMDAEC "cannot support, and will request a waiver of, the reporting requirements."[34]

The regular provision of such information to Staff is necessary to ensure the Commission and its Staff have an accurate understanding of the Virginia distributed generation queue and will also facilitate the Commission's and Staff's knowledge of the overall electric system in Virginia. The reports will also help the Commission determine whether the ten items set forth in the Proposed Rules that utilities must provide are adequate to improve our understanding of the generation queue and the overall electric system, or whether future amendments to 20 VAC 5-314-130 are needed to obtain that understanding. We therefore find the reports to be of significant value. We also note that the Cooperatives state in their comments that they do not object to collecting or maintaining this data.[35] Further, the reports are only to be submitted annually, which we do not find to be unduly burdensome. We therefore decline to remove the Cooperatives from the reporting requirements of 20 VAC 5-314-130.[36] As VMDAEC notes, the Commission may waive any or all provisions of the Interconnection Regulations for good cause shown.[37] However, any request for waiver would be evaluated based on the facts and circumstances set forth in the request.

Next, the Cooperatives recommend "a fail-safe date" by which a Level 3 IC should be interconnected or forced to re-start the process.[38] They also recommend that the IC file interim updates with the utility at 6-month intervals.[39] Staff opposes these recommendations, stating in part that the SGIA already in essence includes such a fail-safe date, as it includes language stating that the agreement shall remain in effect for a period of 10 years, with opportunities to annually renew the agreement thereafter.[40] At this time, the Commission declines to adopt these proposals. VMDAEC cites no evidence or example of a situation where the current 10-year term of the SGIA was problematic for a cooperative. Concerning the suggested 6-month reports, the Commission declines to adopt such a rule for every Level 3 interconnection. We note that a utility and an IC are free to agree to 6-month reporting requirements if deemed necessary; the Proposed Rules require a construction planning meeting where such terms could be discussed.[41] Furthermore, the construction planning meeting requires the utility and IC to determine and document construction milestones. The failure of either party to meet a milestone obligation requires, among other things, notification to the other party and amendments to the milestones.[42]

Next, the Cooperatives state that the Proposed Rules "should be clear that a Level 1 IC must sign an SGIA."[43] The current Interconnection Regulations do not require a Level 1 IC to sign an SGIA. Further, the FERC Rules do not require an equivalent-sized IC to sign an SGIA.[44] Given this, and as the Cooperatives have provided no support for this requested change, we do not find that a Level 1 IC should be required to sign an SGIA at this time.

VMDAEC further recommends that the Proposed Rules be modified to acknowledge that the inclusion of storage will necessitate additional studies, and to require energy storage to be evaluated on the basis of maximum generating/output capacity.[45] The Proposed Rules do not limit the types of

[30] *See* Staff comments at 16, n.39.

[31] The FERC Rules have been revised since 2009. *See Requirements for Frequency and Voltage Ride Through Capability of Small Generating Facilities*, Order No. 828, 156 FERC ¶ 61,062 (2016); *Small Generator Interconnection Agreements and Procedures*, Order No. 792, 145 FERC ¶ 61,159 (2013).

[32] VMDAEC comments at 8-9.

[33] 20 VAC 5-314-130.

[34] VMDAEC comments at 8.

[35] *Id*. at 9. Collecting and maintaining the data likely represents a significant portion of the effort required to make the annual reports.

[36] However, we do find that the following edit should be made to 20 VAC 5-314-130 B: "Each utility shall annually, on or before January 31, ~~file~~ *submit* a written report ~~with~~ *to* the commission staff …."

[37] *See* 20 VAC 5-314-10 B.

[38] VMDAEC comments at 10.

[39] *Id*.

[40] Staff comments at 20-21.

[41] *See* 20 VAC 5-314-70 F.

[42] *See id;* Schedule 10 of 20 VAC 5-314-170 at Article 6.2.

[43] VMDAEC comments at 10.

[44] *See* Staff comments at 20.

[45] VMDAEC comments at 10-12.

evaluations, or number of studies, that may be performed. Moreover, the Commission does not believe such particulars should be specifically detailed in the Proposed Rules, as certain types or numbers of studies may be necessary in some, but not all, circumstances. Including such detailed information would reduce the flexibility and efficiency of the Interconnection Regulations.

The Cooperatives propose changing the fee set forth in 20 VAC 5-314-40 D that utilities may charge a Level 1 IC to inspect certain equipment settings from $50 to $150-200 to better align with the Cooperative's observed inspection costs.[46] We find the $50 inspection fee, which is comparable to the inspection fee in the Commission's Regulations Governing Net Energy Metering, to be reasonable at this time.[47]

VMDAEC also raises several concerns that we find are already adequately addressed in the Proposed Rules, and therefore the Commission declines to adopt the following recommended changes at this time:

- No additional language is needed to further clarify that costs related to interconnection requests should be borne by the IC;[48]
- As is discussed further below, due to concerns that the funds from the interconnection request deposit are usually exhausted by the time the facilities study occurs, the Proposed Rules increase the interconnection request study deposit for a Level 3 interconnection request from the lesser of $1,000 or 50% of the estimated cost of the feasibility study to $10,000 plus $1.00 per kilowatt of alternating current ("kW_{AC}") generating capacity, and we do not find further changes to the schedule of deposits for the Level 3 interconnection process to be necessary at this time;[49]
- Further requirements for ICs that construct their own interconnection facilities are not needed because the Proposed Rules include language allowing the utility to request additional technical information from any IC as may reasonably become necessary while conducting its interconnection studies;[50]
- Section 20 VAC 5-314-39 of the Proposed Rules describes the specific changes in a project that are significant enough to be considered material modifications, and a utility could require a re-study of an existing interconnection should an IC make such a material modification. As such, we decline to include any further language defining changes in technology or setting specific periods of time that require a re-study of a facility's impact on the grid;[51]
- We will not at this time modify the definition of "network upgrades" to include "enhancements*, and other direct costs*…" in order to ensure that any North American Electric Reliability Corporation reliability reporting costs that may result from an IC interconnecting on a cooperative's system are borne by the IC and not the cooperative's member-consumers, because we concur with Staff that "the definition for 'network upgrades,' whose costs are recoverable from the IC per the Proposed Rules, is sufficient to address this VMDAEC concern;"[52] and
- The SGIA already reflects the power factor and voltage and compels the IC to abide by those determinations.[53]

Dominion's Recommended Changes to the Proposed Rules

In its comments, Dominion recommends several revisions to the Proposed Rules. Except as described below, the Commission adopts the additional changes proposed by Dominion, as set forth in its comments and its attached redline version of the Proposed Rules ("redline").

First, Dominion proposes changes to 20 VAC 5-314-39. Specifically, in the Proposed Rules, 20 VAC 5-314-39 states as follows:

> B. Changes that qualify as material modifications are described as follows: …
>
> 7. A change reducing the maximum generating capacity of the SGF (i) by more than 25% before the Feasibility Study Agreement or Combined Study Agreement has been executed or (ii) by more than 10% after the Feasibility Study Agreement or Combined Study Agreement has been executed.

Dominion requests that an IC instead be permitted to reduce its generating capacity by only up to 10% without triggering a material modification because the higher limit of 25% "may have significant downstream effects on other queued projects…."[54] In response, Staff stated that the proposed 25% reduction is only allowed to occur early in the process and thus would likely cause, at most, only minor downstream impacts on other queued projects.[55]

[46] *Id*. at 12.

[47] *See* 20 VAC 5-315-40 A; Staff comments at 26.

[48] VMDAEC comments at 5; Staff comments at 12. *See, e.g.,* Schedule 10 of 20 VAC 5-314-170 at Articles 4.2-4.3.

[49] VMDAEC comments at 5. *See also* Schedule 6 of 20 VAC 5-314-170 at Section 2. The Facilities Study Agreement also requires ICs to pay any study costs that exceed the deposit within 20 business days. *See* Schedule 9 of 20 VAC 5-314-170 at Section 5.2.

[50] VMDAEC comments at 6-7; Staff comments at 12-15. *See also* 20 VAC 5-314-70 C(5); 20 VAC 5-314-70 D(5); and Schedule 9 of 20 VAC 5-314-170 at Section 9.0.

[51] VMDAEC comments at 7; Staff comments at 16.

[52] VMDAEC comments at 9; Staff comments at 19. We further decline to amend the definition of "network upgrades" for the reasons discussed above.

[53] VMDAEC comments at 11; Staff comments at 22; Schedule 10 of 20 VAC 5-314-170 at Article 1.8.1.

[54] Dominion comments at 15.

[55] Staff comments at 4.

Staff further stated, "During the working group, solar developers expressed concern that the 10% limit was too restrictive and, therefore, caused them to sometimes submit multiple interconnection requests for the same point of interconnection…."[56] We find that allowing ICs to reduce their generating capacity by up to 25% before execution of any initial study agreement, and only limiting the reduction to 10% after the IC has executed its initial study agreement, provides important flexibility to the IC without causing major negative impacts to the utility.[57] We therefore decline to adopt the change requested by Dominion.

Next, Dominion has proposed including a new section to the Interconnection Regulations: 20 VAC 5-314-165 (Assignment; Sale of an Existing or Proposed SGF).[58] Subsection D of the proposed section states, in part, "Where the IC has not executed an interconnection agreement, the utility may continue to study the IC under a pre-existing study agreement or may require the new owner to execute a new study agreement."[59] In response, Staff noted that it does not oppose this language, but suggested including additional language to ensure the new owner would still retain the existing queue position:

> Where the IC has not executed an [i]nterconnection [a]greement, the utility may continue to study the IC under a pre-existing study agreement or may require the new owner to execute a new study agreement, *though under either scenario the new owner would retain the existing queue position*.[60]

We approve the inclusion of 20 VAC 5-314-165 in the Interconnection Regulations, as amended to include the additional language recommended by Staff.

VA Solar's Recommended Changes to the Proposed Rules

VA Solar opposes the proposed changes in fees outlined in Schedule 6 of 20 VAC 5-314-170 for Level 3 interconnection requests, specifically the interconnection request study deposit of $10,000 plus $1.00 per kW_{AC} of the nameplate capacity.[61] Instead, VA Solar supports approval of a flat interconnection request study deposit of $10,000.[62] In contrast, Staff believes the larger up-front deposit will help deter ICs from filing multiple requests for the same point of interconnection that could overwhelm the queue, and that the proposed study costs better align the interconnection study deposit with the projected costs of the studies.[63] We agree that the study deposit fee of $10,000 plus $1.00 per kW_{AC} of the nameplate capacity more adequately represents the significant investment in time and money that utilities spend to develop the interconnection request studies. Further, if the deposit provided by the IC for the study costs exceeds the invoiced fees, the Proposed Rules specifically require the utility to refund the excess to the IC.[64] This requirement ensures that an IC is only responsible for the actual costs of the studies and nothing more.[65] For these reasons, we reject VA Solar's proposed changes to the fees in Schedule 6 of 20 VAC 5-314-170.

Next, VA Solar asserts that "it would be beneficial" for the Interconnection Regulations to allow for solar projects to be able to provide reactive power to the grid through the use of smart inverters, in part because the use of such technology may reduce costs related to voltage issues that ICs must bear.[66] VA Solar also recommends amending Article 1.8.2 of the SGIA to require a utility to pay the IC if the IC provides reactive power to the utility and the utility receives compensation for the ability to provide reactive power, stating: "In addition, if the [u]tility pays its own or affiliated generators for reactive power service within the specified range or receives compensation for the ability to provide reactive power, it must similarly pay the IC."[67]

However, as Staff notes in its September 12, 2019 Staff Report, the Institute of Electrical and Electronics Engineers' ("IEEE") Standard 1547[68] is the primary standard that establishes criteria and requirements for interconnection of distributed energy resource ("DER") equipment, including smart inverters, to the power system.[69] While the IEEE Standard 1547 was recently updated ("IEEE 1547-2018" or "IEEE Standard 1547-2018"),

---

[56] *Id*.

[57] *Id*. We also note that ICs may reduce their generating capacity by up to 60% prior to the commencement of the feasibility study under the PJM interconnection process, which is significantly higher than the proposed 25% reduction that we approve herein. *Id*. at 5.

[58] *See* Dominion comments at 17.

[59] Dominion redline at 51.

[60] Staff comments at 7.

[61] VA Solar comments at 1.

[62] *Id*.

[63] Staff comments at 27-28.

[64] *See, e.g*., Schedule 7 of 20 VAC 5-314-170 at Section 4.2; Schedule 8 of 20 VAC 5-314-170 at Section 4.2; and Schedule 9 of 20 VAC 5-314-170 at Section 5.2. *See also* Schedule 10 of 20 VAC 5-314-170 at Article 6.1.

[65] Should a utility undertake certain grid improvement projects, such as, for example, engaging in a hosting capacity analysis, the costs of such analysis should not be borne by ICs as part of these regulations, and any benefits, such as a decrease in study costs, that would result from these grid improvements should be passed along to ICs so that the ICs pay only the true costs of interconnecting.

[66] VA Solar comments at 2.

[67] *Id*. at 2 (emphasis omitted).

[68] IEEE Standard for Interconnection and Interoperability of Distributed Energy Resources with Associated Electric Power Systems Interfaces, The Institute of Electrical and Electronics Engineers, Inc., Standard 1547, 2018.

[69] Staff Report at 5.

> no DER equipment has yet been certified as compliant with the new IEEE Standard 1547-2018 and Staff is unaware as to when this certification will be available. IEEE Standard 1547-2018 covers only the performance, capabilities, and functions of DER equipment, rather than the certification testing required for the equipment. A companion standard, IEEE Standard 1547.1, is being revised to specify the type, production, commissioning, and periodic tests required in order to certify DER equipment to the IEEE 1547-2018 Standard. This certification standard is not complete. It is Staff's understanding that IEEE 1547-2018 cannot be fully implemented until the companion testing IEEE Standard 1547.1 is published and DERs are certified by an approved national testing lab. In addition to finalizing the certification standard, the specific operational set-points for certified equipment needs to be defined by regional transmission operators such as [PJM], and/or electric utilities before IEEE 1547-2018 certified DER equipment can be deployed. Finally, the Underwriters Laboratories' UL 1741 Standard, which specifies requirements for utility-interactive equipment such as inverters, converters, charge controllers, and interconnection system equipment, and which is intended to supplement and be used in conjunction with the IEEE Standard 1547, has not completed revisions to reflect changes in IEEE Standards 1547-2018 and 1547.1. In short, significant work must still be completed before IEEE 1547-2018 compliant DERs will be available.[70]

As such, the key industry certification and testing standards necessary to support approval of the usage of smart inverters for reactive power applications are not yet available.[71] For these reasons, we find that it is premature to require a utility to accept reactive power on its grid at this time or to require the utility to pay an IC because the utility receives compensation for the ability to provide reactive power.[72] However, the Commission recognizes that this topic may need to be revisited, and the Interconnection Regulations may need to be reopened for further possible revisions, as a result of the changes to IEEE 1547-2018 and IEEE 1547.1,[73] once all of the necessary testing and certification processes have been completed.[74]

Cypress Creek's Recommended Changes to the Proposed Rules

Cypress Creek recommends several changes to the Proposed Rules. First, Cypress Creek proposes the following change to 20 VAC 5-314-10:

> Any IC that has not executed an interconnection agreement with the utility prior to [the effective date of the 2019 revisions to this chapter] shall have 30 calendar days following the later of [the effective date of the 2019 revisions to this chapter], or the posted date of notice in writing from the utility to demonstrate site control pursuant to Schedules 5 or 6 of 20VAC5-314-l70~~, and to post an additional deposit as specified in Schedule 6 of 20VAC5-314-l70~~.[75]

According to Cypress Creek, the above language should be stricken because the new fee schedule should apply only to projects that enter the queue after the adoption of these regulations, and projects that are already in the queue should not be subject to the proposed deposit requirements.[76] We disagree with Cypress Creek that all projects in the queue, regardless of where in the queue the project is, whether the project has begun being studied, or whether a deposit has already been made, automatically should be relieved of the deposit requirements. We also note that the Proposed Rules are not imposing any new fees, as ICs will continue to be responsible for the total actual study costs, but instead are simply increasing the required upfront deposit amounts to align more closely with actual study costs. However, we agree that the language should be clarified with respect to projects that have already begun to be studied or have already paid some deposit. The Commission therefore makes the following change to the relevant portion of 20 VAC 5-314-10:

> Any IC that has not executed an interconnection agreement with the utility prior to October 15, 2020, shall have 30 calendar days following the later of October 15, 2020, or the posted date of notice in writing from the utility to *(i)* demonstrate site control pursuant to Schedules 5 or 6 of 20VAC5-314-l70*, (ii) execute a combined study agreement as provided for in 20VAC5-314-70 or individual revised study agreements conforming with those set forth in Schedules 7, 8, and 9 of 20 VAC 5-314-170*, and *(iii)* to post ~~an additional~~ *the* deposit as specified in Schedule 6 of 20VAC5-314-l70 *minus any study costs previously paid*.

[70] *Id*. at 6-7 (internal citations omitted).

[71] Subsequent to the filing of the September 12, 2019 Staff Report, IEEE 1547.1 ("IEEE1547.1-2020") was published. However, it does not appear that all of the processes described in the Staff Report have been completed, including the update to the UL 1741 Standard. Nor does the record in this case suggest that any smart inverters have yet been certified to operate consistent with the recently published IEEE 1547.1-2020. *See* IEEE Standard Conformance Test Procedures for Equipment Interconnecting Distributed Energy Resources with Electric Power Systems and Associated Interfaces, The Institute of Electrical and Electronics Engineers, Inc., Standard 1547.1-2020, 2020.

[72] We note that the Proposed Rules do address reactive power and would allow the IC and utility to mutually agree upon the power factor range of the output of the SGF. *See* Schedule 10 of 20 VAC 5-314-170 at Article 1.8. As Staff discusses, "This added language gives more latitude to the IC but still gives the utility the ability to dictate the required limits for its system." Staff comments at 28. We further note that Article 1.8.2 of Schedule 10 does require the utility to pay the IC for reactive power in certain circumstances:

> The [u]tility is required to pay the IC for reactive power that the IC provides or absorbs from the SGF when the [u]tility requests the IC to operate its SGF outside the range specified in Section 1.8.1 of this Agreement, unless mutually agreed upon by the [p]arties. In addition, if the [u]tility pays its own or affiliated generators for reactive power service within the specified range, it must similarly pay the IC.

[73] IEEE Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems, The Institute of Electrical and Electronics Engineers, Inc., Standard 1547.1, July 1, 2005.

[74] In addition, we note that the National Association of Regulatory Utility Commissioners ("NARUC") recently adopted a resolution recommending that states examine the possibility of adopting or implementing the determinations and requirements set forth in IEEE Standard 1547-2018. *See* NARUC Resolution Recommending State Commissions Act to Adopt and Implement Distributed Energy Resource Standard IEEE 1547-2018, Feb. 12, 2020.

[75] Cypress Creek comments at 1.

[76] *Id*.

Next, Cypress Creek recommends adding language to the SGIA to prohibit the reissuance of SGIAs at a higher cost than the original agreement to ensure utilities "[b]ear the risk of signing contracts that have significant inaccuracies."[77] We recognize Cypress Creek's concerns but also find it appropriate for ICs to pay the actual project costs, even if those actual costs exceed the utility's initial estimates.[78] We note that the Proposed Rules newly introduce a construction planning meeting that precedes execution of the SGIA. This meeting should provide an additional opportunity for parties to review project details and potentially identify inaccuracies in the SGIA before it is executed, reducing the probability that additional changes in the SGIA will become necessary after it has been executed.[79] The Proposed Rules and the SGIA also include a dispute resolution procedure to address situations where the IC and utility cannot come to agreement on an issue.[80]

Cypress Creek also recommends changes to the Proposed Rules to permit the provision of reactive power to the grid and to require a utility to pay the IC if the utility receives compensation for its ability to provide reactive power. We decline to adopt such changes at this time for the reasons previously discussed.

Finally, to the extent that a requested revision by any participant in this proceeding is not specifically addressed above, we find that the requested revision is not necessary or appropriate at this time for purposes of implementing these Interconnection Regulations. However, our denial of any proposals herein does not preclude participants from recommending the same or similar changes in future rulemaking proceedings.

Accordingly, IT IS ORDERED THAT:

(1) The Regulations Governing Interconnection of Small Electrical Generators and Storage, 20 VAC 5-314-10 *et seq*., as shown in Appendix A to this Order, hereby are adopted and are effective as of October 15, 2020.

(2) The Commission's Information Resources Division forthwith shall send a copy of this Final Order and the attached regulations to the Registrar of Regulations for publication in the *Virginia Register of Regulations*.

(3) A copy of this Final Order and the attached regulations forthwith shall be posted on the website of the Division of Public Utility Regulation. In addition, the Staff of the Division of Public Utility Regulation shall email a copy of the Final Order and attached regulations to all persons and entities who participated in the workgroup held to receive input on the regulations and/or who filed comments in this docket.

(4) The Interim Clerk of the Commission hereby is directed to serve a copy of the attached regulations on every investor-owned electric utility and electric cooperative in the Commonwealth, who shall forthwith thereafter notify all their interconnection customers of this Final Order and the attached regulations.

(5) This case is dismissed.

NOTE: A copy of the attachment entitled " Regulations Governing Interconnection of Small Electrical Generators [and Storage] " is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

---

[77] *Id*. at 3.

[78] While we recognize that actual construction costs encountered after an SGIA is executed may in some cases differ from utilities' engineering estimates determined during the study process, we nevertheless expect utilities to give accurate good-faith estimates at all stages of the study process.

[79] *See* 20 VAC 5-314-70 F.

[80] *See* 20 VAC 5-314-100; Schedule 10 of 20 VAC 5-314-170 at Article 10.

CASE NO. PUR-2018-00107
AUGUST 3, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of revising the Commission's Regulations Governing Interconnection of Small Electrical Generators

AMENDING ORDER

On July 29, 2020, the State Corporation Commission ("Commission") issued its Order Adopting Regulations in the above-captioned docket. Thereafter, a scribal error was discovered on page 19 of 178 of Appendix A to the Order Adopting Regulations.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this error should be corrected.

Accordingly, IT IS ORDERED THAT:

(1) This case is reopened to consider the amendment described herein.

(2) Appendix A to the Commission's Order Adopting Regulations, specifically 20 VAC 5-314-39 C, hereby is amended. The sentence, "Changes that qualify as material modifications are described as follows: . . ." is stricken and replaced with the sentence, "Changes that do not qualify as material modifications are described as follows: . . ."

(3) Page 19 of Appendix A, as amended, is attached to this Amending Order.

(4) Copies of the revised Regulations Governing Interconnection of Small Electrical Generators, 20 VAC 5-314-10 *et seq.*, including the amendment herein, shall be published in the Virginia *Register of Regulations* and shall be posted on the website of the Commission's Division of Utility Regulation.

(5) The Staff of the Division of Public Utility Regulation also shall email a copy of the Order Adopting Regulations and attached regulations, including the amendment described herein, to all persons and entities who participated in the workgroup held to receive input on the regulations and/or who filed comments in this docket.

(6) The Interim Clerk of the Commission hereby is directed to serve a copy of this Amending Order on every investor-owned electric utility and electric cooperative in the Commonwealth, who shall forthwith thereafter notify all their interconnection customers of this amendment.

(7) This case is dismissed.

NOTE: A copy of Appendix A is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUR-2018-00139
OCTOBER 2, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric facilities: Fudge-Hollow-Low Moor Line #112 and East Mill-Low Moor Line #161 138 kV Transmission Line Partial Rebuild

ORDER

By Final Order issued on April 23, 2019, the State Corporation Commission ("Commission") granted authority to Virginia Electric and Power Company ("Company") to construct and operate electric transmission facilities in Alleghany County, Virginia, and the City of Covington, Virginia ("Project"). Ordering paragraph (6) of the Final Order required that the Project be constructed and in service by December 31, 2020. In its Final Order, the Commission also dismissed this case from its docket of active proceedings.

On September 28, 2020, the Company filed its Unopposed Motion of Virginia Electric and Power Company for Extension of Construction and In-Service Date ("Motion"). In its Motion, the Company states that due to a lack of access to double circuit Structure ##112/767, 161/84 ("the Structure"), the Company was forced to stop construction at nearby double circuit deadend Structure ##112/769, 161/86.[1]

The Company states that the Structure is landlocked between the Jackson River and the CSX railroad. The Company further states it originally planned to access the Structure using a temporary bridge to cross the Jackson River. Late in Project construction, Sunbelt Rentals, the company to provide the temporary bridge, advised that the elevation difference between each side of the Jackson River was too great for the bridge to work safely. The Company asserts that it was able to secure a temporary crossing permit from CSX to cross the railroad, although not in time to keep the Project on its original schedule. The Company is in the process of finishing this segment of the Project from deadend Structure ##112/769, 161/86 to Covington Substation, which is scheduled to be completed by October 20, 2020. Construction on the section of the Line #112 between the Covington to Low Moor Substations will occur from October 20, 2020, through February 26, 2021.[2]

The Company requests that the current December 31, 2020 deadline for completing and energizing the Project be extended to April 30, 2021, with this latter date providing a buffer between the new expected completion date of February 26, 2021, and the energization deadline. The Company represents that given the specific facts and circumstances described by the Company, Commission Staff does not object to this Motion.[3]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Company's Motion to extend the deadline for construction of the transmission line and associated substation should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This docket is reopened for the limited purpose of considering the Company's Motion.

---

[1] Motion at 2.

[2] *Id.* at 2-3.

[3] *Id.* at 3.

(2) Ordering Paragraph (6) of the Commission's April 23, 2019 Final Order in this proceeding shall be revised to read as follows: The Project approved herein must be constructed and in service by April 30, 2021. No later than 90 days before the in-service date approved herein, except for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(3) All other provisions of the Commission's April 23, 2019 Final Order shall remain unchanged and in full force and effect.

(4) This case is dismissed.

CASE NO. PUR-2018-00175
NOVEMBER 6, 2020

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For a general increase in rates

FINAL ORDER

On November 2, 2018, Virginia-American Water Company ("VAWC" or "Company") filed with the State Corporation Commission ("Commission") an application for a general increase in rates ("Application"). On December 3, 2018, January 8, 2019, January 14, 2019, and January 15, 2019, the Company filed various updates and revisions to filing schedules included as part of the Company's Application.

On January 30, 2019, the Commission issued an Order for Notice and Hearing that, among other things, directed the Company to provide notice of its Application by publication and service on local government officials; established a procedural schedule, including a public evidentiary hearing; directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits summarizing Staff's investigation; provided opportunities for interested persons to intervene and participate in this proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter.

Timely notices of participation were filed in this proceeding by the Hopewell Committee for Fair Water Rates ("Hopewell Committee"); the City of Alexandria ("Alexandria"); and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel").

The public hearing was convened as scheduled on August 27, 2019, and concluded on August 29, 2019. On November 6, 2019, VAWC, Consumer Counsel, Hopewell Committee, Staff, and Alexandria filed post-hearing briefs.

On January 10, 2020, the *January Report*[1] was issued. The *January Report* made findings and recommendations for the Commission's consideration and established February 11, 2020, as the deadline for the parties and Staff to file comments on the *January Report*.

On February 11, 2020, Staff and VAWC filed a Joint Motion to Re-Open Record for the Limited Purpose of IRS Letter Ruling Supplementation and to Extend Deadline for Comments on the Hearing Examiner's Report ("Motion to Re-Open"). The uncontested Motion to Re-Open[2] requested that the Commission: (1) extend the deadline to file comments on the *January Report* to February 27, 2020; and (2) reopen the evidentiary record in this case to receive two Private Letter Rulings ("PLRs") issued by the IRS and the impact of the PLRs on the Hearing Examiner's Report as to the repairs deduction issue.

On February 11, 2020, the Commission issued its *Remand Order*[3] that: (1) suspended the deadline to file comments on the *January Report*; and (2) remanded this matter to the Hearing Examiner for consideration on reopening the record in this proceeding for purposes of entering the PLRs and comments on the impacts thereof.

On February 12, 2020, the Office of Hearing Examiners requested the parties and Staff provide their availability for a conference call to discuss what, if any, further proceedings should be scheduled regarding the PLRs. Counsel for VAWC advised that such a call would be more productive if VAWC first provided relevant information to the parties and Staff and they had the opportunity to exchange their respective views on impact. After this preliminary exchange of information and views, counsel for all parties and Staff participated in a call with the Hearing Examiner on February 24, 2020.

On February 25, 2020, and based on the results of the aforementioned call in which Staff and the parties remained in disagreement regarding the PLR impacts, a Hearing Examiner's Ruling reopened the matter for limited discovery with an expedited response period and directed Staff to investigate the impact of the PLRs. The February 25, 2020 Ruling also provided the parties and Staff the opportunity to determine whether they could agree on a proposed procedural schedule to develop this limited issue in a thorough, but expeditious, manner. Based on the agreement of the parties and Staff, a procedural schedule was adopted by Hearing Examiner Ruling dated March 9, 2020. Among other things, a hearing was scheduled for June 11, 2020.

On March 13, 2020, VAWC filed the supplemental direct testimony of John R. Wilde.

---

[1] *Application of Virginia-American Water Company*, *For a general increase in rates*, Case No. PUR-2018-00175, Doc. Con. Cen. No. 200110198, Report of D. Mathias Roussy, Jr., Hearing Examiner (Jan. 10, 2020) ("*January Report*").

[2] VAWC and Staff requested - and Consumer Counsel, the Committee, and Alexandria did not object to - entry of the PLRs into the record. Motion to Re-Open at 3.

[3] *Application of Virginia-American Water Company*, *For a general increase in rates*, Case No. PUR-2018-00175, Doc. Con. Cen. No. 200220039, Order (Feb. 11, 2020).

On April 14, 2020, Consumer Counsel filed the supplemental direct testimony of Ralph C. Smith.

On April 14, 2020, Staff filed the second supplemental direct testimonies of Bryant Wong and Samuel Mattox.

On April 20, 2020, VAWC filed its Notice Regarding Interim Rates where the Company stated "prior to issuance of a Final Order by the Commission in this matter, the Company will not implement changes to the interim rates it put in place effective May 1, 2019, to reflect the rate changes associated with year two . . . of its proposed consolidated tariff pricing . . . plan, which were originally proposed to take effect on May 1, 2020."[4] On April 24, 2020, Staff filed a letter stating it supports maintaining the current interim rates.

On May 4, 2020, VAWC filed its Motion for an Extension of Time to File Rebuttal Testimony and for Expedited Consideration, asking for a one-day extension to file its rebuttal testimony. The Company's motion was granted in a Hearing Examiner's Ruling dated May 4, 2020.

On May 5, 2020, VAWC filed the supplemental rebuttal testimony of John R. Wilde.

On May 29, 2020, a Hearing Examiner's Ruling scheduled a prehearing conference via Skype for Business ("Skype") for June 3, 2020. Due to the ongoing public health emergency related to the spread of the coronavirus, COVID-19, the hearing in this matter originally scheduled in the Commission's courtroom would be conducted via Skype, with no one present in the courtroom. The prehearing conference was called to prepare for the Skype hearing and to establish procedures to be used during the hearing.

Based on the discussions during the prehearing conference, a Hearing Examiner's Ruling dated June 8, 2020, cancelled the hearing scheduled for June 11, 2020, provided for the filing of a stipulation on or before June 18, 2020, and permitted parties not joining the stipulation to file additional comments on or before June 25, 2020.

On June 18, 2020, VAWC, Staff, Consumer Counsel, and Alexandria (collectively, "Stipulating Participants") submitted a Partial Stipulation of Settlement ("Partial Stipulation") regarding the evidence to be entered into the record in this proceeding and resolving issues related to the Company's Application. In addition, the Stipulating Participants filed a Joint Motion to Approve Stipulation.

The Partial Stipulation resolved almost all of the outstanding issues in this case[5] and provided, in part: (i) a *net* Revenue Requirement increase of $150,000;[6] (ii) a $182,899,755 rate base as proposed in the *January Report*;[7] (iii) a 9.6% WWISC[8]/Earnings Test ROE (until reset in the next rate case);[9] (iv) adoption of the *January Report* recommendations for the 2017/2018 Earnings Tests;[10] (v) a regulatory liability (stub period/catch-up period and TCJA[11] revenue savings) of $3,711,250[12] (with basis revisions and 8 years amortization) on all unprotected items, given back over 24 months;[13] (vi) consolidation of rates[14] over three rate cases, starting in this case, with the implementation of the rates set forth in Attachment A to the Partial Stipulation, with the Company filing district level financial information until such time as rates are fully consolidated and any excess charges to customers collected through interim rates in effect during the pendency of this case will be credited to customers in a timely manner;[15] (vii) express agreement by the Stipulating Parties, with the *January Report*, that "rates"[16] include the Purchased Water Surcharge ("PWS"), and that one-third of the purchased water costs shall be allocated across all potable customers, in all districts, as an appropriate step towards PWS consolidation, with the remaining two-thirds of the PWS costs collected via the surcharge from potable customers in the Alexandria and Prince William districts and use of a water cost adjustment charge/credit for changes in rates charged by Fairfax Water[17] along with a reconciliation tracker "actual cost adjustment" to annually true-up all PWS under and over collections;[18]

[4] Notice Regarding Interim Rates at 1.

[5] The Stipulating Parties agreed to present to the Commission for resolution, the issue of the Company's Annual Information Filing and Earnings Test Capital Structure. *See* Partial Stipulation at 4.

[6] Partial Stipulation at 4.

[7] *Id*. at 6.

[8] "WWISC" stands for Water Wastewater Infrastucture Service Charge.

[9] *Id.* at 4.

[10] *Id.*

[11] "TCJA" refers to the Tax Cuts and Jobs Act of 2017 (Pub.L. 115–97).

[12] The $3,711,250 is comprised of a grossed-up jurisdictional catch-up period EDIT amortization of $1,411,677 and jurisdictional excess revenues collected during the catch-up period (the stub period amount) of $2,299,573. (*Id.*).

[13] Partial Stipulation at 4.

[14] Pursuant to Va. Code §56-235.11, which requires "gradual adjustments" over an "appropriate period" to establish "equal fixed and volumetric rates" for each customer class. (*Id.* at 5).

[15] Partial Stipulation at 5.

[16] As contemplated by Va. Code § 56-235.11.

[17] "Fairfax Water" refers to the Fairfax County Water Authority; VAWC's source for purchased water. (Direct Testimony of Gary Akmentins at 15).

[18] Partial Stipulation at 5-6.

(viii) revision of the Company's tariff to include Company expenditures related to the replacement of customer owned lead service lines in the Company's rate base and acknowledgement that customer-owned lead service lines will be considered WWISC eligible property, with the requirement that the Company continue to utilize Virginia Department of Environmental Quality grants to the extent available to offset customer-owned lead service line costs;[19] (ix) agreement by the Stipulating Parties to not oppose the Company's geographic expansion of its WWISC company-wide, with all parties reserving the right to evaluate and comment on the components of any future WWISC proposals, other than geographic scope, with Staff and the Company agreeing to work together prior to a Company-wide WWISC filing to make sure all necessary information (i.e., pilot program results) is included in the initial filing.[20]

On June 25, 2020, the Hopewell Committee filed its Comments in Opposition to Partial Stipulation of Settlement ("Stipulation Opposition"). The Hopewell Committee objected to the 1/3 PWS allocation on reasonableness grounds, arguing that a 1/3 allocation, over three rate cases, was not "gradual"[21] against the Hopewell Committee industrial customers.[22] The Hopewell Committee instead argued that the Commission should reduce the 1/3 PWS allocation to the Hopewell and Eastern districts (allocated across all customers in this case) to 1/6, reflect the percentage of purchased water costs to be allocated across all customers by the end of the second case is not being predetermined in this case, and require the Company's next rate case shall not be filed any sooner than two years from the Commission's final order in this case.[23] The Hopewell Committee further argued that the Commission should adjust the other volumetric charges such that the percentage increase for each of the volumetric rate blocks, when combined with the purchased water surcharge, is approximately the same (9.5%), keeping the monthly customer/meter charges the same, using the Commission's previously approved, six-block volumetric rate structure for such customers in the Hopewell district.[24]

The Hopewell Committee otherwise did not object to the remainder of the Partial Stipulation.[25]

On June 29, 2020, the Hearing Examiner's Ruling issued thereon, assigned exhibit numbers and entered into the record, the supplemental testimony by VAWC, Consumer Counsel, and Staff, as well as the Partial Stipulation and Stipulation Opposition.[26]

On July 10, 2020, the Hearing Examiner issued the Supplemental Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner ("Supplemental Report"). In his report, the Chief Hearing Examiner recommended that the Commission enter an Order that adopts the findings in the Supplemental Report and the Partial Stipulation as amended, and dismiss this case from the Commission's docket of active cases.[27] Specifically and as relates to the contested PWS allocation issue, the Chief Hearing Examiner supported the stipulated 1/3 PWS allocation and against Hopewell Committee's recommended 1/6 PWS allocation.[28] He further found and recommended that the Hopewell Committee's recommended rate block approach should be adopted and would "largely eliminate" the claimed disparate billing percentages for the industrial potable water customers by changing each existing volumetric rate block by the same percentage, while not impacting VAWC's overall revenue requirement or the revenues apportioned to industrial customers.[29] The Chief Hearing Examiner recommended denial of the Hopewell Committee's recommendations to alter the Partial Stipulation so as to not predetermine in this case, the percentage of purchased water costs to be allocated in future cases, and to require the Company's next case not be filed any sooner than two years from the Commission's final order in this case.[30]

On July 31, 2020, the parties and Staff filed comments and exceptions ("Comments") to the Supplemental Report. While Staff and all of the parties to this case gave general support, to varying degrees, to the Chief Hearing Examiner's recommendations to adopt the Partial Stipulation, the Comments address primarily, the two remaining contested issues: consolidated capital structure and the PWS allocation, both of which will be discussed in turn, below.

---

[19] *Id.* at 6.

[20] *Id.*

[21] Va. Code § 56-235.11 (C).

[22] Stipulation Opposition at 1. *See also*, *Id.* at 5-6.

[23] *Id.* at 4-5. *See also*, Supplemental Report (*infra*.) at 14.

[24] Stipulation Opposition at 6-7.

[25] *Id.* at 1-2.

[26] June 29, 2020 Hearing Examiner's Ruling at 2-3.

[27] Supplemental Report at 17-18. *See also*, TCJA and Revenue Requirement findings (*Id.* at 15) and PWS findings (*Id.* at 16-17).

[28] Supplemental Report at 17.

[29] *Id.*

[30] *Id.*

A. CONSOLIDATED CAPITAL STRUCTURE

In its Comments, VAWC objected to the *January Report* capital structure recommendation that the Commission continue to use the consolidated capital structure it had previously established.[31] The Company reiterated its claims of and requests for, among other things: (i) an alleged 9.25% fixed ROE;[32] (ii) continued write downs using ROEs less than this alleged fixed (9.25%) percentage rendered moot, the prior rate case order;[33] (iii) subsequent earnings tests should be based on the capital structure established in the rate order, without updating for the economic changes that may have occurred subsequent thereto;[34] (iv) discontinued use of the consolidated capital structure due to its loss of discretionary spending[35] and because it constitutes retroactive rate-making in violation of Commission and Virginia Supreme Court precedent[36] as the *Hope* and *Bluefield* doctrines establishing the Company's right to a fair return;[37] and (v) use of VAWC's stand-alone capital structure for AIF and earnings test purposes.[38]

The Hopewell Committee, Consumer Counsel, and Alexandria took no position in their respective Comments regarding the capital structure issue.[39]

Staff continued to advocate for use of VAWC's parent company's consolidated capital structure. Staff noted that the Commission, as upheld by the Virginia Supreme Court, has previously decided this issue, and the Company provided no new evidence to support deviation from this prior Commission precedent.[40] Accordingly, and for all of the reasons outlined in Staff's Brief,[41] Staff continued to support its position that American Water Works Company's ("AWWC") consolidated capital structure is appropriate and as such supported the findings contained in the *January Report*.[42] Staff specifically noted the Hearing Examiner's finding that it is AWWC's consolidated capital structure that remains the basis by which VAWC's external capital is evaluated, priced, and obtained from the market; and that VAWC's access to capital is, in large part, discretionary with the parent company.[43] Staff further supported the Hearing Examiner's conclusion that the consolidated capital structure has been established in the record of this proceeding consistent with Commission precedent, and recommended continued use of AWWC's consolidated capital structure for ratemaking purposes.[44]

The Commission endorses the findings of the Hearing Examiner's *January Report*, that the evidence supports a finding for a consolidated capital structure, which remains the basis by which VAWC's external capital is currently evaluated, priced, and obtained from the market.[45] As noted in that *Report*, the Commission first approved a consolidated capital structure for VAWC in 1979, concluding that VAWC "in actuality, is nothing more than an operating division of the parent."[46] We note, as did the Hearing Examiner, that the Commission reached this conclusion after considering, among other things, evidence that VAWC's "capital structure is, in part, discretionary with the parent company."[47] Per VAWC, the discretion held by its parent as to VAWC's capital structure continues through present day.[48]

---

[31] VAWC Comments at 5.

[32] *Id.*

[33] *Id.*

[34] *Id.* at 7.

[35] *Id.* 12-18.

[36] *Id.* at 9-10.

[37] VAWC Comments at 11-12.

[38] *Id.* at 21.

[39] It is worth noting that for reasons mirroring those provided by Staff, the Hopewell Committee supported the Commission's Continued use of American Water's consolidated capital structure. (Hopewell Committee Brief at 9-12).

[40] Staff's Comments at 2.

[41] Staff's Brief at § (V)(A) (pp. 6-12) and § (IX)(B)(3) (pp. 62-70 (*see especially*, pp. 66-69, regarding the Consolidated Capital Structure Issue)).

[42] Staff's Comments at 2.

[43] *Id.* at 2. *See also*, *January Report* at 82.

[44] Staff's Comments at 2. *See also*, *January Report* at 82.

[45] *January Report* at 80.

[46] *Id.* at 80-81. *Citing*, *Application of Virginia-American Water Company, For an increase in rates*, Case No. 20039, 1979 S.C.C. Ann. Rep. 268, 275, Opinion (May 24, 1979), *aff'd by Virginia-Am. Water Co. v. State Corp. Comm'n*, 220 Va. 541 (1979).

[47] *January Report* at 80-81. *Citing*, 1979 S.C.C. Ann. Rep. at 274.

[48] *Id.* at 81. (*Citations Omitted*). The Hearing Examiner found that "VAWC's reliance on capital provided at American Water's discretion is underscored by VAWC's assertion that, compared to other affiliates, VAWC is not getting its fair share of 'discretionary capital' from American Water." He further found that "[t]he 'discretion' in this regard is not with VAWC...[r]ather, it is ultimately within American Water's discretion as to where to put its equity and debt capital for discretionary investment."

Based on the record, we find, consistent with the *January Report*, that the consolidated capital structure remains the basis by which VAWC's external capital is currently evaluated, priced, and obtained from the market, and that AWWC has discretion over VAWC's capital structure. Because this evidentiary predicate for a ratemaking consolidated capital structure has been established in the record of this proceeding consistent with Commission precedent, we will continue the use of AWWC's consolidated capital structure for ratemaking and annual information filing/earnings test purposes.[49]

B. PURCHASE WATER SURCHARGE ALLOCATION

VAWC noted its continued support for the Partial Stipulation[50] and noted that of the eleven industrial customers in the Hopewell District, nine (or 82%) of the Hopewell industrials would have seen their bills reduced by the Partial Stipulation.[51] Additionally, the Company noted its support of the Chief Hearing Examiner's recommendations to modify the rates agreed to in the Partial Stipulation, to retain the prior six-block rate design for industrial potable customers and apply an equal percentage increase across all six rate blocks.[52]

Consumer Counsel supported the Supplemental Report recommendations to allocate 1/3 of the PWS across all districts, adjust the volumetric charge for industrial potable service by the same percentage, to keep the monthly customer/meter charge the same, and to use the Commission's previously approved, six-block volumetric rate structure for industrial potable water customers.[53]

The Hopewell Committee again reiterated its objections to the 1/3 PWS allocation, noting that while the revenue requirement increase proposed in the Partial Stipulation equates to only 3%, the impact to certain industrial customers is significant, negating the gradualism required by Va. Code § 56-235.11 C 1.[54] The Hopewell Committee also maintained its prior objections to any predetermination of what constitutes gradual movement, the proper time period therefor and future allocations.[55] It again requested a two year stay out provision (rate case moratorium) against VAWC.[56]

Alexandria joined the other stipulating parties in expressing its acceptance in support of the Stipulation, as modified by the Supplemental Report.[57] Alexandria affirmatively stated its support of the 1/3 PWS allocation and strongly objected to the Hopewell Committee's request to drop this allocation to 1/6, noting that such reduction would further increase water rates for tens of thousands of Alexandrians, which would be "an inequitable solution to rate disparities between several members of the industrial class."[58]

Staff supported the Chief Hearing Examiner's recommendation for the 1/3 PWS allocation and to adjust the volumetric service charges for industrial potable service by the same percentage as each of the volumetric rate blocks; keeping the monthly customer/meter charge the same for industrial potable customers; and maintaining the Commission's previously approved, six block volumetric rate structure for industrial potable water customers.[59]

Having considered the totality of the record evidence in this case and all of the comments of Staff and the parties on this issue, we support the following findings and recommendations made in the Supplemental Report, *to wit*: (i) the PWS allocation to the Hopewell and Eastern districts (allocated across all customers in this case) shall be 1/3; and (ii) the other volumetric charges percentage increase for each of the volumetric rate blocks, when combined with the purchased water surcharge, is approximately the same (9.5%), keeping the monthly customer/meter charges the same and using the Commission's previously approved, six-block volumetric rate structure. In so finding, we agree with the Hearing Examiner that this approach will largely eliminate the claimed disparate billing percentages for the industrial potable water customers by changing each existing volumetric rate block by the same percentage, while not impacting VAWC's overall revenue requirement or the revenues apportioned to industrial customers. With the 1/3 PWS allocation, we balance Alexandria's concern regarding the effects of the PWS on Alexandrians (and for that matter, the Prince William District) by now allocating a portion of the PWS across all customers (thereby continuing to reduce Alexandria's (and the Prince William District's) PWS accordingly)), while at the same time attempting to address Hopwell Committee's concerns by accepting its requested return to the six-block volumetric rate structure.

Finally, the Commission is sensitive to the directives of Va. Code § 56-235. 11 C 1, which gives discretion to the Commission in determining gradual adjustments over an appropriate period of time, and we are mindful of the fact that the timing of future cases, after the current proceeding, is relevant, and may impact the Commission's analysis in effectuating the provisions of the instant statute. We will consider such impacts accordingly, in any future rate proceedings.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the capital structure findings and recommendations contained in the *January Report*, are hereby adopted. The Commission is further of the opinion and finds that the findings and recommendations of the Supplemental Report are hereby adopted. The Commission is further of the opinion and finds that the Partial Stipulation is

[49] *January Report* at 82 and 126.

[50] VAWC Comments at 26-27.

[51] *Id.* at 24.

[52] *Id.* at 26-27.

[53] Consumer Counsel Comments at 1-2.

[54] Hopewell Committee's Comments at 5-6.

[55] *Id.* at 8.

[56] *Id.* at 9.

[57] Alexandria's Comments at 2.

[58] *Id.* at 1-2.

[59] Staff's Comments at 1.

reasonable, and as modified by the Supplemental Report and this Order, is hereby adopted. Additionally, the Commission is of the opinion and finds that continued use of AWWC's consolidated capital structure remains appropriate for VAWC's ratemaking and annual information filing/earnings test purposes. We are further of the opinion and find that the 1/3 PWS combined with retention of the industrials prior six-block rate design for potable customers as well as application of an equal percentage increase across all six rate blocks, are fair and reasonable resolution to this issue.

Accordingly, IT IS ORDERED THAT:

(1) The capital structure findings and recommendations of the *January Report*, are hereby adopted.

(2) The findings and recommendations of the Supplemental Report are hereby adopted.

(3) The Partial Stipulation as modified by the Supplemental Report and this Order, is hereby adopted.

(4) Continued use of AWWC's consolidated capital structure remains appropriate for VAWC's ratemaking and annual information filing/earnings test purposes.

(5) The PWS allocation shall be set in this case, at 1/3 across all customer classes and is combined with retention of the industrials prior six-block rate design for potable customers as well as application of an equal percentage increase across all six rate blocks.

(6) The rates and charges approved herein are fixed and substituted for the rates and terms and conditions of service that the Company placed into effect on an interim basis with the first billing unit of May 2019. VAWC shall forthwith file revised tariff sheets incorporating the findings herein on rates and charges and terms and conditions of service with the Clerk of the Commission and the Commission's Division of Public Utility Regulation. The Clerk of the Commission shall retain such filing for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case. Refunds of interim rates shall be made as required below.

(7) The Company shall recalculate, using the rates and charges approved herein, each bill it rendered that used, in whole or in part, the rates and charges that took effect on an interim basis and subject to refund with the first billing unit of May 2019, and where application of the new rates results in a reduced bill, refund the difference with interest as set out below within ninety (90) days of the issuance of this Final Order.

(8) Interest upon the ordered refunds shall be computed from the date payments of monthly bills were due to the date each refund is made at the average prime rate for each calendar quarter, compounded quarterly, using the average prime rate values published in the Federal Reserve Bulletin or in the Federal Reserve's Selected Interest Rates (Statistical Release H. 15) for the three (3) months of the preceding calendar quarter.

(9) The refunds ordered herein may be credited to the current customers' accounts. Refunds to former customers shall be made by check mailed to the last known address of such customers when the refund amount is $1 or more. The Company may offset the credit or refund to the extent of any undisputed outstanding balance for the current or former customer. No offset shall be permitted against any disputed portion of an outstanding balance. The Company may retain refunds to former customers when such refund is less than $1; however, such refunds shall be promptly made upon request. All unclaimed refunds shall be subject to Code § 55-210.6:2.

(10) Within sixty (60) days of completing the refunds ordered herein, the Company shall deliver to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance a report showing that all refunds have been made pursuant to this Final Order and detailing the costs incurred in effecting such refunds and the accounts charged.

(11) The Company shall bear all costs incurred in effecting the refunds ordered herein.

(12) The Company shall return the $3,711,250 in regulatory liabilities to customers to reflect the over-collection of income taxes resulting from the federal Tax Cut and Jobs Act of 2017. Such regulatory liabilities will be returned through a monthly bill credit over a 24-month period beginning within 90 days of the issuance of this Final Order. The total credit will be allocated proportionally among the rate classes based on the base revenue approved by the Commission in Case No. PUE-2015-00097.

(13) This matter is dismissed.

CASE NO. PUR-2018-00192
JANUARY 14, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to establish a rate schedule designated Rate Schedule MBR, pursuant to § 56-234 A of the Code of Virginia

FINAL ORDER

On December 11, 2018, Virginia Electric and Power Company ("Dominion" or "Company") pursuant to § 56-234 A of the Code of Virginia ("Code") and Rule 80 of the Rules of Practice and Procedure of the State Corporation Commission of Virginia ("Commission"), filed with the Commission an application to establish a new voluntary rate schedule, designated Rate Schedule MBR, Large General Service Market-Based Rate ("Application"). Through its Application, Dominion also seeks the Commission's approval to close its existing market-based rate schedules to new customers upon the effective date of the new Rate Schedule MBR.

According to the Application, Dominion's existing MBR Schedules, Rate Schedule MBR—GS-3 (Experimental) and Rate Schedule MBR—GS-4 (Experimental) (collectively, "Existing MBR Rate Schedules") are structured to reflect market-based rate ("MBR") pricing in the PJM Interconnection, LLC ("PJM") wholesale market.[1] The Existing MBR Rate Schedules are applicable to qualifying customers who would otherwise take service under Rate Schedule GS-3 or Rate Schedule GS-4.[2] The Commission approved the Existing MBR Rate Schedules on September 23, 2016.[3] The Existing MBR Rate Schedules became effective for usage on and after November 1, 2016.[4] The Existing MBR Rate Schedules are set to expire on December 31, 2022.[5]

Dominion states that the Company learned that the applicability provisions of the Existing MBR Rate Schedules are too restrictive and have precluded a number of interested customers from participating under these rate schedules. Dominion also states that the Company learned that customers want the Company's market-based rates to represent more closely how generation demand and transmission service charges are addressed in the PJM wholesale market.[6]

Dominion is thus seeking approval to establish a new voluntary non-experimental MBR rate schedule, designated Rate Schedule MBR, Large General Service Market-Based Rate ("New MBR Rate Schedule").[7] Dominion proposes to make the New MBR Rate Schedule available to qualifying customers who would otherwise take service under Rate Schedule GS-3 or Rate Schedule GS-4.[8]

In response to customer feedback, the Company is proposing several operational changes in the New MBR Rate Schedule, including: (i) improvement of the applicability and availability of the tariff; (ii) alignment of generation demand with the PJM method; (iii) alignment of transmission service charges with the PJM method; and (iv) lowering the margin charge ("Margin Charge").[9]

Consistent with the Existing MBR Rate Schedules, Dominion proposes a minimum three-year initial term. At the end of the initial term, a customer's subscription would renew automatically for additional one-year terms, subject to the eligibility requirements therein.[10]

In support of its proposed New MBR Rate Schedule, Dominion further states that the New MBR Rate Schedule is voluntary, and is proposed by Dominion in response to customer demand for MBR pricing. According to Dominion, the New MBR Rate Schedule allows for broader participation than would be available to existing and prospective customers who previously expressed an interest in market-based pricing, but did not qualify to take service under the Existing MBR Rate Schedules.[11]

According to Dominion, the New MBR Rate Schedule would provide an avenue for the Company to compete with third-party suppliers of electric energy (competitive service providers, or "CSPs") licensed to sell retail electric energy within the Commonwealth.[12] Dominion asserts that permitting the Company to compete with CSPs is in the public interest.[13] Dominion also asserts that when customers take electric energy supply from CSPs, they no longer share, with other Company customers, the cost of generation (including generation-related riders) and fuel. According to Dominion, the New MBR Rate Schedule would thus provide a competitive avenue that would permit the Company to service choice-eligible customers in a just and reasonable manner, in a way that would prevent what Dominion characterizes as the unjustified reallocation of generation and fuel costs to non-participants.[14] Finally, Dominion asserts the New MBR Rate Schedule is in the public interest because it provides a long-term, market-based approach upon which customers could rely in making their long-term energy planning decisions. Such a long-term electric supply option, according to Dominion, creates business certainty for customers. Certainty for the Commonwealth's larger, commercial and industrial businesses is in the public interest, according to Dominion, because it helps to foster a stable business environment in which entities can plan and grow.[15]

---

[1] Ex. 2 (Application) at 3.

[2] *Id.*

[3] *Id. Application of Virginia Electric and Power Company, For approval to establish experimental companion rates, designated as Rate Schedule MBR — GS-3 (Experimental) and Rate Schedule MBR—GS-4 (Experimental) pursuant to § 56-234 B of the Code of Virginia*, Case No. PUE-2015-00108, 2016 S.C.C. Ann. Rept. 301 (Sept. 23, 2016).

[4] *Id.*

[5] Ex. 2 (Application) at 8.

[6] *Id*. at 3.

[7] *Id.*

[8] *Id.* at 3-4.

[9] *Id.* at 4-5.

[10] *Id*. at 9.

[11] *Id.*

[12] *Id.*

[13] *Id.* at 10.

[14] *Id.*

[15] *Id.*

On January 22, 2019, the Commission issued an Amended Order for Notice and Comment, in which, among other things, the Commission: docketed the Application, provided the opportunity for interested persons to file comments or request a hearing on the Application; directed the Commission's Staff ("Staff") to investigate the Application; and appointed a Hearing Examiner to rule on any discovery matters in this proceeding.

On March 26, 2019, Microsoft Corporation ("Microsoft") filed comments on Dominion's Application. Microsoft also requested a hearing on the minimum charge Dominion proposes as part of its New MBR Rate Schedule.[16] Specifically, Microsoft asserts that the proposed minimum charge in the New MBR Rate Schedule is opaque and unpredictable.[17] The New MBR Rate Schedules contain no rate, formula, or purpose for the minimum charges, which comprise the Contract Minimum Demand charge and the Contract Dollar Minimum charge (collectively, "Minimum Charges").[18] Microsoft, among other things, recommends excluding the Minimum Charges from the New MBR Rate Schedule, or, alternatively, the formula for calculating the Minimum Charges and their term should be included in the tariff.[19] Microsoft also recommends that the Commission require further explanation and support for the Minimum Charges, and information that would allow customers to verify the underlying costs and their recovery.[20]

On April 3, 2019, the Commission entered an Order Granting Hearing and directed the Hearing Examiner to set a revised procedural schedule, including a date for a full evidentiary hearing on the Application. A Hearing Examiner's Ruling dated April 10, 2019, revised the procedural schedule and set a hearing on the Application to convene on July 25, 2019.

On April 8, 2019, Direct Energy Services, LLC ("Direct Energy"), a CSP licensed in Virginia, filed a Motion for Leave to File a Notice of Participation. Direct Energy's Motion was granted by the Hearing Examiner in a Ruling issued April 17, 2019. Direct Energy made eight recommendations. While Direct Energy initially offered conditional support for the Company's New MBR Rate Schedule, Direct Energy ultimately withdrew it.[21]

On July 24, 2019, Dominion and Staff filed a Partial Stipulation and Proposed Recommendation ("Partial Stipulation").[22] Through the Partial Stipulation, Dominion confirmed that the Company no longer sought Commission approval under Code § 56-234 A. Dominion, through the Partial Stipulation, now seeks approval of the New MBR Rate Schedule as an experiment pursuant to Code § 56-234 B.[23]

On July 25, 2019, the Hearing Examiner convened the evidentiary hearing on Dominion's Application. Dominion, Microsoft, Direct Energy, and Staff participated at the hearing. No public witnesses testified at the hearing.

The Commission received two public comments on Dominion's Application. One comment urged the Commission to closely examine statements made by Dominion in its Application, and the other supported many aspects of the New MBR Rate Schedule, but recommended several modifications to the tariff.

Dominion, Microsoft, Direct Energy, and Staff submitted post-hearing briefs on September 5, 2019.

On September 25, 2019, the Hearing Examiner issued the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") summarizing the record and making recommendations.

On October 11, 2019, Staff filed comments on the Report recommending that the Commission accept the Partial Stipulation. On October 16, 2019, Dominion filed comments recommending that the Commission: (1) adopt the Partial Stipulation entered into between the Company and Staff; (2) approve the Company's New MBR Rate Schedule, as modified by the Partial Stipulation; (3) permit hedging with customers at jurisdictional level, with the associated gains and losses to be recorded as cost-of-service items in base rates; (4) enter an order permitting the Company to amend the Existing MBR Rate Schedules to close them to new customers as of the effective date of the New MBR Rate Schedule; and (5) grant such other relief as the Commission deems necessary or appropriate. Also on October 16, 2019, Microsoft filed comments urging the Commission to adopt the Hearing Examiner's recommendations with respect to the Minimum Charges and approve the New MBR Rate Schedule, including clarifications requested by Microsoft in its comments. Microsoft further urged the Commission to apply the Hearing Examiner's Minimum Charge recommendations to Dominion's other tariffs containing minimum charge provisions. On October 16, 2019, Direct Energy filed comments recommending that the Commission reject the New MBR Rate Schedule, but made recommendations relating to hedging transactions, the Margin Charge, the Minimum Charges, and the data collected on customers, should the Commission choose to approve the New MBR Rate Schedule.

NOW THE COMMISSION, upon consideration of the record in this case, the Hearing Examiner's Report, and the applicable laws and statutes, approves the proposed New MBR Rate Schedule, subject to the findings and conditions noted herein:

---

[16] Comments and Request for Hearing of Microsoft Corporation at 8.

[17] Ex. 7 (Ho Direct) at 14.

[18] *Id.* at 5-8.

[19] *Id.* at 16-17.

[20] *Id.* at 16-18.

[21] Tr. at 70.

[22] *See* Ex. 4 (Partial Stipulation).

[23] Tr. at 7, 13.

Code

Code § 56-234 B states in part:

> It shall be the duty of every public utility to charge uniformly therefor all persons, corporations or municipal corporations using such service under like conditions. However, no provision of law shall be deemed to preclude voluntary rate or rate design tests or experiments, or other experiments involving the use of special rates, where such experiments have been approved by order of the Commission after notice and hearing and a finding that such experiments are necessary in order to acquire information which is or may be in furtherance of the public interest.

Experimental Tariff

Dominion, in its rebuttal testimony, accepted Staff's recommendation to request approval of the New MBR Rate Schedule as an experimental, as opposed to permanent, tariff.[24] We find that the New MBR Rate Schedule, with the conditions imposed herein, is "necessary in order to acquire information which is or may be in the furtherance of the public interest," and meets the requirements of the statute. We therefore approve the New MBR Rate Schedule as an experiment.

Participation Cap

We find that as an experimental tariff, participation in the New MBR Rate Schedules should be capped at 200 megawatts ("MW") at this time. As noted by Staff, 66 MW are currently enrolled in the Existing MBR Rate Schedule.[25] The size of the New MBR Rate Schedule could increase in the future if necessary to acquire information in furtherance of the public interest.

Existing MBR Rate Schedule & Term of New MBR Rate Schedule

We find that Dominion's request to close the Existing MBR Rate Schedules to new customers as of the effective date of the New MBR Rate Schedule is reasonable. Dominion shall permit Existing MBR Rate Schedule customers to transfer immediately to the New MBR Rate Schedule, without penalty, within 90 days of Commission approval.[26]

We accept the Partial Stipulation's three-year enrollment period for the New MBR Rate Schedule, with a sunset date for enrollment of November 1, 2022. The New MBR Rate Schedule customers shall be subject to an initial minimum term of three years that automatically renews for one-year terms throughout the life of the tariff. As such, without further approval by the Commission, the New MBR Rate Schedule shall expire January 1, 2026.[27]

Operational Changes

Dominion proposes four (4) operational changes in the New MBR Rate Schedule. We approve these operational changes as noted herein.

- Eligibility: The New MBR Rate Schedule shall be available to large customers that would otherwise take service under Dominion's standard Rate Schedules GS-3 and GS-4 "whose peak measured demand has reached or exceeded [5 MW] at least once within the current and previous 11 billing months at the Customer's service location."[28] We agree with the Hearing Examiner that the New MBR Rate Schedule shall include tariff language clarifying that only customers with a statutory right to shop under Code § 56-577 A 3 are eligible to participate in the New MBR Rate Schedule.[29]

- Generation Demand Charge: We accept Dominion's proposed calculation of the generation demand charge for the New MBR Rate Schedule, based solely on each customer's contribution to the Dominion Zone's Updated Zonal Unrestricted Capacity Obligation, which is the average of PJM's five coincident peak ("5 CP") of the prior summer determined in accordance with PJM's methodology for the PJM delivery year prior to the current delivery year. If a customer does not have 5 CP history, the generation demand charge shall be the higher of the customer's maximum on- and off-peak demands measured by Dominion during the current billing month, until such history is established. Further, we accept the two additional scaling factors in the 5 CP methodology related to weather normalization and system load growth consistent with PJM's gross-up methodology.[30]

---

[24] Ex. 10 (Morgan Rebuttal) at 3.

[25] *See, e.g.,* Ex. 8 (Samuel) at 7.

[26] Ex. 3 (Morgan Direct) at Sch. 5, pp. 1, 15; Ex. 4 (Partial Stipulation) at Ex. A; Dominion's Post-Hearing Brief at 28; Report at 37. Existing MBR Rate Schedule customers can also choose to continue taking service pursuant to the Existing MBR Rate Schedules until the natural expiration of service pursuant to the terms of the Existing MBR Rate Schedules. *See*, *e.g.*, Ex. 3 (Morgan Direct) at 8, 19.

[27] Ex. 4 (Partial Stipulation) at 3.

[28] *See, e.g.,* Ex. 2 (Application) at 3-4; Ex. 4 (Partial Stipulation) at Ex. A, Section 1.A.

[29] *See, e.g.,* Report at 23.

[30] *See, e.g.,* Ex. 3 (Morgan Direct) at 8-10 and Sch. 1, pp. 8-10.

- Transmission Charges: We approve the transmission charges in the New MBR Rate Schedule as proposed by Dominion, billed based on PJM's 1 CP methodology or any successor methodology approved by the Federal Energy Regulatory Commission ("FERC") for allocating PJM transmission service charges and credits within the Dominion Zone.[31] Other Code § 56-585.1 A 4 charges and credits shall be billed to the New MBR Rate Schedule customers using each customer's total monthly kilowatt-hours consumption. [32]

- Reduction in the Margin Charge: We find that the Margin Charge proposed by Dominion for the New MBR Rate Schedule is reasonable.[33] We agree with the Hearing Examiner that the uncertain relationship between the New MBR Rate Schedule's market-based pricing and Dominion's costs supports inclusion of the margin and is among the reasons why it is appropriate for the New MBR Rate Schedule to be implemented as a limited experiment subject to reporting requirements. The experiment will better inform an evaluation of a pricing structure that is uncommon for a vertically integrated utility.[34]

Minimum Charges

We agree with the Hearing Examiner that based on the record in this case, it is appropriate for the New MBR Rate Schedule to include Minimum Charges as a safeguard for recovering the capital expenditures of new or expanded distribution facilities constructed to serve a customer at a capacity level identified by the customer.[35] Distribution Operation & Maintenance expenses, however, shall be recovered through fixed and variable distribution rates that are subject to review and potential revision in rate proceedings, rather than through the Minimum Charge applicable in the New MBR Rate Schedule.[36] For those New MBR Rate Schedule customers who are not subject to Minimum Charges at the time of enrollment, participation in the New MBR Rate Schedule should not revive minimum charges that have already expired, terminated, or that otherwise do not apply.

We find that the tariff language applicable to the Minimum Charges for the New MBR Rate Schedule shall state, as set forth in the Partial Stipulation:

> [T]he minimum charge shall be as may be contracted for in the Agreement for Electric Service (of which this Schedule is a part) executed by and between [Dominion] and the Customer ("Agreement"). The minimum charges shall be determined on a non-discriminatory, uniform basis for all customers receiving service under this Schedule under like conditions. The minimum charge shall be designed to ensure that the Customer's monthly billing supports the capacity level of the facilities required to provide Electric Service which are sized and installed by [Dominion] at the Customer's service location based on information provided by the Customer. The Agreement shall specify that the minimum charge will only be applied when the Customer's monthly charges under this Schedule are insufficient to support adequately the recovery of the costs associated with such Electric Service facilities.

We agree with the Hearing Examiner that additional tariff language for the Minimum Charges in the New MBR Rate Schedule, beyond that language agreed to in the Partial Stipulation, is necessary. The tariff for the New MBR Rate Schedule shall include language specifying: (1) the 70% and 50% formulas for calculating Minimum Charges; (2) Dominion's discretion to implement a ramp-up period of four years, depending on the load characteristics of the applicable customer; and (3) that the Minimum Charges terminate when a customer's total revenue reaches the amount of credit a customer received against the initial cost of distribution facilities constructed and sized for that customer, with a customer option to make contributions outside of revenues from bill payments, should a customer want to accelerate its Minimum Charges' termination.[37] We also find that the "total revenue" calculation of the Minimum Charges should include or exclude tax revenues consistent with Dominion's calculation of the credit for a customer's distribution facilities.

Hedging

While Dominion has not decided whether it would engage in any hedging transactions with New MBR Rate Schedule customers, we find that such hedging transactions are not appropriate for this experimental tariff.[38] We agree with the Hearing Examiner that there is greater value for this experiment to assess the impacts of wholesale energy pricing—on rates, costs, revenues, and customer participation, among other things.[39]

---

[31] *See, e.g., id.* at 11, Sch. 1, p. 13.

[32] *See, e.g., id.* at 11-12, Sch. 1, p. 13.

[33] *See, e.g.,* Ex. 4 (Partial Stipulation) at Ex. A; Ex. 9 (Carr) at 4; Report at 24.

[34] Report at 25.

[35] *See, e.g., id.* at 29 citing Ex. 10 (Morgan Rebuttal) at 7; Tr. at 136.

[36] *See, e.g.,* Report at 29.

[37] *See, e.g.,* Report at 29-32.

[38] *See, e.g.,* Ex. 3 (Morgan Direct) at 16-17.

[39] *See, e.g.,* Report at 35.

Reporting Requirements

We accept the annual reporting requirements recommended by Staff.[40] Dominion shall file the first report on or before March 31, 2021, and annually thereafter by March 31, until March 2026, with each such report providing information on the New MBR Rate Schedule for the previous calendar year.[41]

Scope of Approval

We will not reach questions that are outside the scope of this proceeding. We decline to make any findings, for example, on Dominion's authority to enter into hedges outside of this proceeding, the information Dominion provides to CSPs and their customers generally, Dominion's charges to CSP customers generally, the pending matter at FERC regarding a change to Dominion's transmission cost allocation from 1 CP to 12 CP, or the minimum charges contained in Dominion's other tariffs. In sum, we approve herein Dominion's authority to implement the New MBR Rate Schedule as an experimental tariff subject to the findings and conditions discussed herein.

Accordingly, IT IS ORDERED THAT:

(1) The New MBR Rate Schedule is approved on an experimental basis for an approximately three-year enrollment period, with a sunset date for enrollment of November 1, 2022, subject to the findings and conditions imposed herein.

(2) The Company forthwith shall file the New MBR Rate Schedule tariff and supporting workpapers, if applicable, with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) Dominion shall file its first annual report, containing the information agreed to in the Partial Stipulation, on or before March 31, 2021, and annually thereafter by March 31, until March 2026, with each such report providing information on the New MBR Rate Schedule for the previous calendar year.

(4) This case is dismissed from the Commission's docket and placed in closed status in the records maintained by the Clerk of the Commission.

[40] *See, e.g.,* Ex. 8 (Samuel) at 19-20; Ex. 9 (Carr) at 6, Appendix A; Report at 35-37.

[41] Ex. 4 (Partial Stipulation) at 3.

CASE NO. PUR-2018-00192
FEBRUARY 4, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to establish a rate schedule Designated Rate Schedule MBR, pursuant to § 56-234 A of the Code of Virginia

ORDER GRANTING RECONSIDERATION AND ESTABLISHING FURTHER PROCEEDINGS

On January 14, 2020, the State Corporation Commission ("Commission") issued a Final Order ("Order") in this docket. On February 3, 2020, Virginia Electric and Power Company ("Company") filed, pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure,[1] a Limited Petition for Reconsideration and Motion for Interim Authority to Implement Approved Rate Schedule MBR ("February 3 Filing"). Specifically, the Company requests reconsideration, to 400 megawatts ("MW"), of the 200 MW cap on participation in new Rate Schedule MBR approved in the Order. The Company also moves the Commission for interim authority to implement new Rate Schedule MBR, as approved in the Order, on an interim basis.

NOW THE COMMISSION, upon consideration of this matter, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the above-referenced request. The Order is hereby suspended pending the Commission's reconsideration. However, we will grant the Company's request to implement new Rate Schedule MBR on an interim basis. Additionally, we will establish a cycle for case participants to comment on the Company's request.

Accordingly, IT IS ORDERED THAT:

(1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter and considering the above-referenced request.

(2) Pending the Commission's reconsideration, the Order is suspended.

(3) On an interim basis, the Company may implement new Rate Schedule MBR, as approved in the January 14, 2020 Final Order, for usage on and after March 1, 2020, pending resolution of the February 3 Filing.

[1] 5 VAC 5-20-10 *et seq*.

(4) On or before February 12, 2020, Commission Staff and any respondent in this case may file a response to the Company's request to increase the new Rate Schedule MBR participation cap from 200 MW to 400 MW.

(5) On or before February 19, 2020, the Company may file any reply to the responses of Commission Staff and any respondent.

(6) This case is continued.

CASE NO. PUR-2018-00192
MARCH 11, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to establish a rate schedule designated Rate Schedule MBR, pursuant to § 56-234 A of the Code of Virginia

ORDER ON RECONSIDERATION

On December 11, 2018, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") to establish a new voluntary and experimental[1] rate schedule designated Rate Schedule MBR, Large General Service Market-Based Rate ("New Rate Schedule MBR"). On January 14, 2020, the Commission issued a Final Order in this docket. On February 3, 2020, Dominion filed a Limited Petition for Reconsideration and Motion for Interim Authority to Implement Approved Rate Schedule MBR ("Petition for Reconsideration") pursuant to 5 VAC 5-20-110 and 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure.[2] Through its Petition for Reconsideration, Dominion requests that the Commission: (1) reconsider the Commission's finding that "participation in the New MBR Rate Schedules should be capped at 200 megawatts ("MW") at this time"; (2) increase the participation cap for New Rate Schedule MBR from 200 MW to 400 MW; and (3) implement New Rate Schedule MBR as approved in the Final Order on an interim basis effective March 1, 2020, pending resolution of the Company's Petition for Reconsideration.[3]

On February 4, 2020, the Commission issued its Order Granting Reconsideration and Establishing Further Proceedings. The Commission granted reconsideration for the purpose of maintaining jurisdiction over this matter and permitted Dominion to implement New Rate Schedule MBR on an interim basis. The Commission further established a schedule for case participants to respond to the Company's request for the Commission to increase the participation cap. Pursuant thereto, responses to the Petition for Reconsideration were filed by Direct Energy Services, LLC and Direct Energy Business, LLC, and the Staff. On February 19, 2020, Dominion filed its reply.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Petition for Reconsideration is denied.

The Company has sought approval of this rate schedule as an experiment under Code § 56-234 B. In accordance therewith, the Commission found that a 200 MW cap is sufficient "in order to acquire information which is or may be in furtherance of the public interest."[4] In its Petition for Reconsideration, the Company does not assert that the Commission made a mistake of law. Rather, Dominion claims that "the Company will likely have to turn away a significant number of large customers who desire to take service" under this experimental rate schedule.[5]

The Company, however, does not assert that its concerns regarding the limitations of a 200 MW cap represent a new claim. To the contrary, Dominion acknowledges that "the limitations of a 200 MW participation cap were fully litigated," and "the fact that large customers were initiating contact with the Company regarding participation in market-based pricing was a central feature of the evidentiary record."[6] Having previously and fully considered all of the record evidence and arguments related to this matter, the Commission continues to find that extending the experimental cap at this time is not necessary in order to acquire information which is or may be in furtherance of the public interest under Code § 56-234 B.

Accordingly, IT IS ORDERED THAT:

(1) The Petition for Reconsideration is denied.

(2) The Final Order is no longer suspended.

(3) This case is dismissed.

---

[1] Initially, Dominion sought Commission approval of its proposed rate under Va. Code § 56-234 A. Through the *Partial Stipulation and Proposed Recommendation* entered into between Dominion and the Commission Staff ("Staff") Dominion now seeks approval of the New Rate Schedule MBR as an experiment pursuant to Va. Code § 56-234 B. *See* Ex. 2 (Application) at 8; Ex. 4 (Partial Stipulation and Proposed Recommendation) at Section 1; Tr. at 7, 13.

[2] 5 VAC 5-20-10 *et seq.*

[3] *See, e.g.*, Petition for Reconsideration at 1, 3.

[4] Code § 56-234 B.

[5] Petition for Reconsideration at 4.

[6] Dominion's Reply at 2-3 (footnote omitted).

CASE NO. PUR-2018-00199
JANUARY 16, 2020

APPLICATION OF
BOLLINGER ENERGY CORPORATION

For a license to do business as an electricity aggregator

ORDER AMENDING LICENSE

On October 10, 2019, Bollinger Energy Corporation ("Bollinger" or "Company") filed an application with the State Corporation Commission ("Commission") for a license to do business as an electricity aggregator in the Commonwealth of Virginia, which was assigned Case No. PUR-2019-00171 ("Application"). The Company seeks to amend License A-63 such that Bollinger has the authority to market electricity services to eligible residential, commercial, industrial, and governmental customers throughout the Commonwealth of Virginia.[1] Bollinger attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[2] The Company paid the required registration fee of $250.[3]

On November 13, 2019, the Commission entered an Order for Notice and Comment ("Procedural Order"). In the Procedural Order, the Commission found that Bollinger's Application to amend License A-63 should proceed under Case No. PUR-2018-00199, and Case No. PUR-2019-00171 should be closed. The Commission, through its Procedural Order, also required the Company to serve a copy of the Procedural Order to each of the utilities listed in Attachment A of the Procedural Order, on or before November 19, 2019. On November 19, 2019, the Company provided proof of service as required by the Procedural Order.

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before November 26, 2019. Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU") filed comments by the deadline required by the Procedural Order. KU, among other things, noted that it has been exempt from the Commission's Retail Access Rules since 2003. KU asserted that by law, KU has the exclusive right to serve in its service territory.

The Commission Staff ("Staff") filed its Report ("Staff Report") on December 9, 2019, concerning Bollinger's fitness to conduct business as an electric aggregator. In its Report, the Staff summarized Bollinger's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Bollinger be granted an amended license to conduct business as an electric aggregator for residential, commercial, industrial, and governmental customers throughout the Commonwealth of Virginia where competitive service is permitted.[4]

NOW UPON CONSIDERATION of this matter, the Commission finds that Bollinger's Application for an amended license to provide electric aggregation service should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) License A-63 is hereby cancelled and shall be reissued as License No. A-63A authorizing Bollinger to provide competitive aggregation service of electricity to residential, commercial, industrial, and governmental customers throughout the Commonwealth of Virginia open to retail competitors and natural gas aggregation service to residential, commercial, and industrial customers in the service territories of WGL and CGV. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] Pursuant to Code § 56-577, retail choice for electricity is permitted only pursuant to the customer classes, load parameter, and renewable energy sources set forth in the statute. Retail choice pursuant to the Code of Virginia, exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia, Appalachian Power Company, and the electric cooperatives.

[2] 20 VAC 5-312-10 *et seq*.

[3] 20 VAC 5-312-40 A 16.

[4] Staff Report at 6.

CASE NO. PUR-2018-00203
MAY 13, 2020

APPLICATION OF
VIRGINIA NATURAL GAS, INC. and SEQUENT ENERGY MANAGEMENT, L.P.

For approval of an Asset Management Agreement under Chapter 4, Title 56 of the Code of Virginia

ORDER ON "REQUEST FOR PROPOSAL" PLAN

On April 20, 2020, the State Corporation Commission's ("Commission") Chief Hearing Examiner, Alexander F. Skirpan, Jr., issued a thorough Report that detailed the procedural history of this case, analyzed the issues and evidence presented herein, and made certain findings and recommendations ("Chief Hearing Examiner's Report").

On May 4, 2020, the following participants filed comments on the Chief Hearing Examiner's Report: Virginia Natural Gas, Inc. ("VNG"); Enspire Energy, LLC ("Enspire"); Tenaska Marketing Ventures ("TMV"); and Commission Staff ("Staff").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

The Commission hereby adopts the findings and recommendations set forth in the Chief Hearing Examiner's Report, for the reasons set forth therein. To wit:

(1) VNG failed to justify its proposed level of collateral for bidders that do not meet its investment grade credit rating criteria;

(2) The collateral requirement for bidders that do not meet VNG's investment grade credit rating criteria shall be calculated to be equal to the minimum guaranty payment for the length of the contract contained in the respective bidder's bid, to be retained by VNG from the time of the award of the Asset Management and Agency Agreement ("AMAA") until the date that is thirty days after the first day of the term of the associated AMAA;

(3) For VNG's Asset Management and Agency Agreement Request for Proposal Plan ("2020 RFP Plan"), a parental guarantee from Tenaska Energy, Inc., and Tenaska Energy Holdings, LLC shall serve as the equivalent of an investment grade credit rating for purposes of TMV demonstrating its financial strength and creditworthiness;

(4) Enspire's clarifying edits to the AMAA regarding affiliated retail marketer restrictions are adopted;

(5) VNG's proposed edits to the nondisclosure agreement for potential bidders are adopted;

(6) No modifications of the proposed 2020 RFP Plan concerning separation are required. However, if an otherwise winning bid is rejected on financial strength and creditworthiness grounds, VNG shall provide a report to the Commission prior to the awarding of the AMAA and Gas Purchase and Sales Agreement, documenting the financial ratios or financial conditions that caused the rejection of the bidder. Such a report shall also include similar financial ratios and financial conditions for the chosen bidder as well as the audited financial statements for both the rejected and winning bidders;

(7) Enspire's recommended requirement for VNG or its asset manager to post on the electronic bulletin boards some portion (at least 10% to 20%) of unneeded capacity is rejected;

(8) Enspire's recommended requirements to report on denied requests for capacity release are adopted;[1]

(9) Enspire's proposed change to the calculation of net margins is not in the best interests of VNG's customers and is denied; and

(10) Enspire's recommended required survey of companies that end their participation in the RFP process is unnecessary and is not required.[2]

Accordingly, IT IS SO ORDERED, and this matter is CONTINUED.

---

[1] Enspire's recommended requirement to report on denied requests for delivered sales is likewise adopted. *See, e.g.,* Enspire's Comments to the Chief Hearing Examiner's Report at 7-8.

[2] *See* Chief Hearing Examiner's Report at 41-42. In addition, upon completion of the RFP process, the Commission's Staff is directed to file a report concerning Staff's review of VNG's implementation of the RFP as approved herein. *See* Ex. 32 (Carr) at 2-3.

CASE NO. PUR-2019-00003
SEPTEMBER 9, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to establish a credit facility under Chapters 3 and 4, Title 56 of the Code of Virginia, as amended

ORDER GRANTING AMENDED APPROVAL

By its February 1, 2019 Order Granting Approval ("2019 Order") in this proceeding, the State Corporation Commission ("Commission") granted the application of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV" or the "Company"), under Chapters 3[1] and 4[2] of Title 56 of the Code of Virginia, for authority to participate in a $6 billion, five-year syndicated revolving credit facility ("Existing Core Credit Facility") with its parent, Dominion Energy, Inc. ("DEI"), and other DEI subsidiaries. The facility is used to provide letters of credit and liquidity to commercial paper programs and other short-term securities. The Company paid the requisite fee of $250.

On August 11, 2020, DEV filed a request ("Request") to modify the Existing Core Credit Facility to remove Dominion Energy Gas Holdings LLC due to that company's acquisition by Berkshire Hathaway; to incorporate changes prompted by the United Kingdom's withdrawal from the European Union; and to incorporate changes related to the potential that the London interbank offered rate may no longer be available or be deemed an appropriate reference rate with which to determine the interest rate of Eurodollar loans ("Amended Core Credit Facility").[3]

The Company states that the Amended Core Credit Facility is expected to be executed at no cost, but to the extent any administrative fees are required, all costs will be borne by DEI and no costs will be borne by the Company.

NOW THE COMMISSION, upon consideration of the Company's Request and having been advised by its Staff, is of the opinion and finds that approval of the Request is in the public interest.

Accordingly, IT IS ORDERED THAT:

(1) DEV is authorized to implement the Amended Core Credit Facility as proposed.

(2) All other terms, conditions, and reporting requirements contained in the Commission's 2019 Order remain in full force and effect.

(3) This case is continued.

[1] Code § 56-55 *et seq.*

[2] Code § 56-76 *et seq.*

[3] DEV supplemented its Request on August 12, 2020.

CASE NO. PUR-2019-00038
FEBRUARY 25, 2020

PETITION OF
APPALACHIAN POWER COMPANY

For revision of a rate adjustment clause pursuant to § 56-585.1 A 6 of the Code of Virginia with respect to the Dresden Generating Plant

FINAL ORDER

On May 31, 2019, pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code"), Appalachian Power Company ("APCo" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission") for approval to recover costs associated with APCo's Dresden Generating Plant ("Dresden"), a 613 megawatt natural gas-fired, combined-cycle generating plant located in Dresden, Ohio.[1]

[1] Ex. 2 (Petition) at 1-2.

APCo acquired Dresden from AEP Generating Company, an affiliate of APCo, in 2011.[2] On January 3, 2012, the Commission approved the Company's request for approval of a rate adjustment clause ("G-RAC"), which allowed APCo to recover its costs associated with the Company's acquisition and operation of Dresden.[3] Dresden was placed into service on January 31, 2012, and the Company implemented the initial G-RAC effective March 1, 2012.[4]

In this proceeding, APCo has filed for approval of a revised G-RAC. In its Petition, the Company sought approval of a total revenue requirement of approximately $29.9 million for the period May 1, 2020, through April 30, 2021.[5] This total revenue requirement is composed of: (i) an actual under-recovery for the period ended February 28, 2019; (ii) a projected over-recovery for the period of March 1, 2019, through April 30, 2020; and (iii) a projected base annual revenue requirement for the period of May 1, 2020, through April 30, 2021.[6] APCo proposes to recover the total revenue requirement through two separate factors, a base factor that would reflect the projected base annual revenue requirement and would remain in effect on an ongoing basis, and a true-up factor that would reflect the true-up revenue requirement (the total of the actual under-recovery and the projected over-recovery) and would remain in place for one year.[7]

In its Petition, the Company also sought approval to file its next G-RAC petition no later than May 31, 2021, though the Company would file earlier if, after March 1, 2020, the cumulative over-recovery or under-recovery level exceeded $5 million for each month of two consecutive quarterly reporting periods.[8]

On June 14, 2019, the Commission issued an Order for Notice and Hearing that, among other things, scheduled a public hearing on the Petition; required APCo to publish notice of its Petition; gave interested persons the opportunity to comment on, or participate in, the proceeding; directed the Commission Staff ("Staff") to investigate the Petition and file testimony describing the results of that investigation; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

Notices of participation were filed by the VML/VACo APCo Steering Committee, the Old Dominion Committee for Fair Utility Rates ("Committee") and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel").

The evidentiary hearing was held on December 18, 2019. APCo, the Committee, Consumer Counsel, and Staff attended the hearing. Oral argument was held during the hearing on the issue of whether the consolidated APCo capital structure in this case for the period January 1, 2018, through June 30, 2018, should include or exclude the actual securitized debt of a wholly owned subsidiary of APCo. APCo argued that the consolidated capital structure for January 1, 2018, through June 30, 2018, should exclude this securitized debt[9] while Staff, Consumer Counsel, and the Committee recommended that the capital structure include the securitized debt.[10]

On January 14, 2020, the Hearing Examiner issued his Report ("Report"). On January 31, 2020, APCo filed comments in support of the Report, and Consumer Counsel and Staff filed comments opposing the Report.[11]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows. First, as discussed further below and for purposes of this proceeding only, we find that the consolidated APCo capital structure in this case for the period January 1, 2018, through June 30, 2018, shall exclude the actual securitized debt of the wholly owned subsidiary of APCo. We further find that APCo is permitted to file its next G-RAC petition in May 2021, though the Company is directed to file earlier if, after March 1, 2020, the cumulative over-recovery or under-recovery balance exceeds $5 million for each month of two consecutive quarterly reporting periods.[12] Finally, we find that the G-RAC may be made effective for usage on and after the first day of the first month that is at least fifteen calendar days following the date of this Order.[13]

---

[2] *Application of Appalachian Power Company, AEP Generating Company, and American Electric Power Company, Inc., For authority to enter into affiliate transactions under Title 56, Chapter 4 of the Code of Virginia*, Case No. PUE-2011-00023, 2011 S.C.C. Ann. Rept. 452, Order Granting Authority (July 20, 2011).

[3] *Petition of Appalachian Power Company, For approval of a rate adjustment clause pursuant to § 56-585.1 A 6 of the Code of Virginia to recover the costs of the Dresden Generating Plant*, Case No. PUE-2011-00036, 2012 S.C.C. Ann. Rept. 254, Final Order (Jan. 3, 2012).

[4] Ex. 2 (Petition) at 3.

[5] *Id*. at 4-5.

[6] *Id*.

[7] *Id*. at 5.

[8] *Id*. at 6; Ex. 5 (Sebastian Direct) at 8.

[9] *See, e.g.,* Tr. 73-93; Ex. 14 (Sebastian Rebuttal) at 2-3.

[10] *See, e.g.*, Tr. 48-73; Ex. 13 (Maddox Direct) at 2-6.

[11] Staff also recommended certain amendments or corrections to the Report in its comments. Comments of the Commission Staff on the Hearing Examiner's Report at 4-5.

[12] *See, e.g.,* Ex. 2 (Petition) at 6; Ex. 5 (Sebastian Direct) at 8.

[13] *See, e.g.,* Report at 13-14; Ex. 14 (Sebastian Rebuttal) at 4.

With regard to our first finding, Code § 56-585.1 A 10 provides in part:

> For purposes of this section, the Commission shall regulate the rates, terms and conditions of any utility subject to this section on a stand-alone basis utilizing the actual end-of-test period capital structure and cost of capital of such utility, *excluding any debt associated with securitized bonds that are the obligation of non-Virginia jurisdictional customers,* ….[14]

The Commission finds that the Company's calendar year 2018 end-of-test period capital structure shall exclude "any debt associated with securitized bonds that are the obligation of non-Virginia jurisdictional customers" as stated in the plain language above. In reaching this conclusion, the Commission has further found that applying the plain language of the statute in this manner does not give it retroactive application. This statutory provision addresses how the Commission "shall regulate the rates" of the Company. The instant proceeding to regulate APCo's rates was initiated after the effective date of the above-italicized language,[15] and the Commission has not previously determined the Company's "actual end-of-test period capital structure" for 2018 under Code § 56-585.1 A 10.[16]

The Commission therefore approves a projected rate year revenue requirement of $27,894,144, a true-up revenue requirement of $857,029, and a total revenue requirement of $28,751,173.[17]

Accordingly, IT IS ORDERED THAT:

(1) APCo's G-RAC is approved as set forth herein.

(2) The Company shall file its next G-RAC petition on or before May 31, 2021, subject to the requirements described herein.

(3) The Company forthwith shall file a revised G-RAC and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(4) This case is dismissed.

[14] Emphasis added.

[15] APCo filed its Petition in this proceeding on May 31, 2019. The effective date of the statutory provision is July 1, 2018. *See, e.g.,* Report at 1, 12.

[16] *See, e.g., id*. at 12. The Commission need not herein reach the question of whether Code § 56-585.1 A 10 applies to a previous calendar year for which the Commission has *already* regulated rates that encompass such calendar year.

[17] Staff Comments on Report at 5.

CASE NO. PUR-2019-00056
FEBRUARY 3, 2020

PETITION OF
APPALACHIAN POWER COMPANY

For approval of a rate adjustment clause, RPS-RAC, to recover the incremental costs of participation in the Virginia renewable energy portfolio standard program pursuant to Va. Code §§ 56-585.1 A 5 d and 56-585.2 E

FINAL ORDER

On May 31, 2019, Appalachian Power Company ("Company"), pursuant to §§ 56-585.1 A 5 d and 56-585.2 E of the Code of Virginia and the Final Order issued in Case No. PUR-2018-00043,[1] filed with the State Corporation Commission ("Commission") a petition asking the Commission to approve a rate adjustment clause through which it will implement a revenue factor of ($0.56) million, effective April 1, 2020, through March 31, 2021 ("RPS-RAC"), related to the Company's participation in Virginia's Renewable Energy Portfolio Standard Program ("Petition").[2] The Petition also requested the Commission's permission to extend the next RPS-RAC filing until 2021.[3]

[1] *Petition of Appalachian Power Company, For approval of a rate adjustment clause, RPS-RAC, to recover the incremental costs of participation in the Virginia renewable energy portfolio standard program pursuant to Va. Code §§ 56-585.1 A 5 d and 56-585.2 E*, Case No. PUR-2018-00043, Doc. Con. Cen. No. 190150106, Final Order (Jan. 31, 2019).

[2] Ex. 2 (Petition) at 1. The Company's Petition was incomplete at the time of filing, as it did not include Schedule 45 (Return on Equity Peer Group Benchmark), generally required in rate adjustment clause petitions. The Petition became complete on June 26, 2019, when the Commission granted the Company's request for a waiver of the requirement to file Schedule 45.

[3] Ex. 2 at 1.

The Company states that it calculated a revenue requirement for the RPS-RAC of ($0.56) million.[4] If the proposed RPS-RAC is approved, the impact on customer bills would depend on a customer's rate schedule and usage. According to APCo, implementation of its proposed RPS-RAC on April 1, 2020, would decrease the bill of a residential customer using 1,000 kilowatt hours per month by approximately $0.32.[5]

On June 26, 2019, the Commission issued an Order for Notice and Hearing in this proceeding that, among other things, docketed this case; required the Company to provide notice of the Petition; established a schedule for the submission of notices of participation and prefiled testimony; scheduled a hearing on November 13, 2019; and assigned this case to a Hearing Examiner to conduct all further proceedings on the Commission's behalf and to file a final report.

Timely notices of participation were filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") and the VML/VACo APCo Steering Committee.

The Commission Staff ("Staff") filed its direct testimony and exhibits on October 8, 2019. Staff supported the Company's requested revenue requirement. Staff also supported the Company's request to file its next RPS-RAC petition in May 2021, unless the cumulative RPS-RAC over-/under-recovery balance exceeds $5 million for each month of two consecutive quarterly reporting periods. Staff recommended that if this condition was not met, the Company should be required to file its next petition after one year.[6] On October 22, 2019, the Company filed a letter stating that it did not intend to file rebuttal testimony in this case.

The evidentiary hearing was convened as scheduled. The Company, Staff, and Consumer Counsel participated in the hearing. No public witnesses appeared at the hearing.

On December 16, 2019, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") was filed. In his Report, the Hearing Examiner found that the new annual revenue requirement for the RPS-RAC is ($555,901).[7] The Hearing Examiner also recommended that the Commission allow the Company to file its next RPS-RAC petition in May 2021, unless the cumulative RPS-RAC over-/under-recovery balance exceeds $5 million for each month of two consecutive quarterly reporting periods.[8] The Hearing Examiner recommended that the Commission adopt the findings in his Report, approve the updated RPS-RAC, and close the case.[9]

On December 17, 2019, the Company filed a letter stating that it would not be filing comments on the Report. On December 20, 2019, Consumer Counsel and Staff filed comments supporting the Hearing Examiner's recommendations. No other parties filed comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the findings and recommendations set forth in the Hearing Examiner's Report should be adopted. Accordingly, IT IS ORDERED THAT:

(1) The Company's Petition is granted.

(2) The revised RPS-RAC, as approved herein, shall become effective for service rendered on and after April 1, 2020.

(3) The Company shall file its next RPS-RAC petition on or before May 31, 2021, unless the Company's cumulative RPS-RAC over-/under-recovery balance exceeds $5 million for each month of two consecutive quarterly reporting periods.

(4) This matter is dismissed

---

[4] *Id.* at 4.

[5] Ex. 4 (Keeton Direct) at 6, Schedule 4.

[6] Ex. 5 (Carr Direct) at 5.

[7] Report at 5.

[8] Report at 6; Ex. 2 at 5.

[9] Report at 5.

CASE NO. PUR-2019-00058
JANUARY 28, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 *et seq*.

FINAL ORDER

On May 1, 2019, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") the Company's Integrated Resource Plan ("IRP") pursuant to § 56-599 of the Code of Virginia ("Code"). APCo's IRP encompasses the 15-year planning period from 2019 to 2033.[1]

On May 9, 2019, the Commission issued an Order for Notice and Hearing in this proceeding that, among other things, established a procedural schedule; set an evidentiary hearing date; directed APCo to provide public notice of its IRP; and provided any interested person an opportunity to file comments on the Company's IRP or to participate in the case as a respondent by filing a notice of participation. Notices of participation were filed by Sun Tribe Solar LLC ("Sun Tribe"); Appalachian Voices; VML/VACo APCo Steering Committee ("VML/VACo"); the Old Dominion Committee for Fair Utility Rates; and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). No public comments were filed in this docket.

The Commission's Order for Notice and Hearing also provided for the prefiling of testimony and exhibits by APCo, respondents, and the Commission's Staff ("Staff"). Sun Tribe, Staff, and the Company filed testimony in this proceeding.

On November 5, 2019, the Commission convened a hearing on the Company's IRP. The Company, Consumer Counsel, Sun Tribe, VML/VACo, Appalachian Voices and Staff participated in the hearing. No public witnesses appeared to testify at the hearing.[2]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Legal Sufficiency of APCo's 2019 IRP

Pursuant to § 56-599 C of the Code, the Commission must, after giving notice and an opportunity to be heard, determine whether APCo's IRP is reasonable and in the public interest. The Commission finds, based on the record of this proceeding and applicable statutes, that the Company's IRP is reasonable and in the public interest for the specific and limited purpose of filing the planning document as mandated by § 56-597 *et seq.* of the Code.

The IRP is a planning document, not a document that will determine future decisions on specific resources. Therefore, consistent with prior final orders issued under these provisions of the Code, we reiterate that approval of an IRP does not create a presumption that resource options contained in the approved IRP will be approved in a future certificate of public convenience and necessity, rate adjustment clause, fuel factor, or other type of proceeding governed by different statutes.[3]

While the Commission finds that APCo's IRP is in the public interest for filing as a planning document, we also find that additional analysis shall be required in future IRP filings. Our findings, including the requirements directed herein, are based on the record in this case, and in reaching our determinations we have considered and weighed all of the arguments and evidence presented in this proceeding.

Future IRPs

Senate Bill 966

The 2018 Regular Session of the General Assembly passed and the Governor signed Senate Bill 966,[4] which impacted subsequent IRPs. In its Order approving APCo's 2018 IRP, the Commission directed APCo to "include in its next IRP detailed plans to implement the mandates contained in Senate Bill 966…."[5] The Company complied with this directive in part, but did not include any cost estimates in any of its portfolios for projects that qualify as grid transformation projects under Senate Bill 966.[6] In future IRPs, the Company shall calculate the incremental cost impacts of any grid transformation project mandates it believes are applicable as contained in Senate Bill 966, including a comparison to the identified least-cost plan.

---

[1] Ex. 2 (IRP) at ES-1.

[2] Tr. 6.

[3] *See, e.g., Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2018-00051, 2018 S.C.C. Ann. Rept. 402, Final Order (Dec. 18, 2018) ("2018 IRP Order"); *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2017-00045, 2018 S.C.C. Ann. Rept. 215, Final Order (Mar. 12, 2018).

[4] 2018 Acts ch. 296.

[5] 2018 IRP Order, 2018 S.C.C. Ann. Rept. at 402-403.

[6] *See, e.g.,* Ex. 11 (Dalton Direct) at 22-29.

Executive Directive 11 and Executive Order Number 43

First, the Company shall quantify all known or anticipated costs of carbon abatement under Executive Directive 11[7] in future IRPs.[8]

Next, Appalachian Voices requests that the Commission provide "instruction"[9] on interpreting the Governor's Executive Order Number 43,[10] which directs the Commonwealth to develop a plan to produce "thirty percent of *Virginia's* electricity from *renewable* energy sources by 2030 and one hundred percent of *Virginia's* electricity from *carbon-free* sources by 2050."[11] Appalachian Voices describes Executive Order 43 as "vague."[12]

Under the Constitution of Virginia, the power to make laws – legislative power – is vested in the General Assembly.[13] The General Assembly has the power to enact a mandate that a minimum percentage of electricity either generated or consumed in the Commonwealth must be generated from "renewable" or "carbon-free" (which includes nuclear) sources by a future date and can specify the obligations of the various regulated utilities in different service territories, such as APCo. The General Assembly can also, by law, direct the Commission to undertake this task. The General Assembly has not enacted such a mandatory statute, nor has it delegated such authority to the Commission, so this Commission does not have the power to create such a mandate and require public utilities in Virginia to comply with it.

It is, however, within this Commission's regulatory authority to direct public utilities covered by the IRP statute to *plan* for future contingencies. As we have stated repeatedly, an IRP is a *planning* document. Legislative enactment of a renewable or carbon-free power mandate, in some percentage and by some future date, is a possibility sufficiently realistic to merit inclusion in APCo's next IRP. Accordingly, in its next IRP we direct APCo to model the following:

- A "30% renewable power by 2030" plan;
- A "75% renewable power by 2040" plan; and
- A "100% renewable power by 2050" plan.[14]

Should the General Assembly enact a specific renewable or carbon-free power mandate before the date of APCo's next IRP submission, APCo shall model that specific mandate and may model any other scenarios it believes would provide useful comparative information. In its modeling of all plans, APCo shall calculate the costs to customers versus the least-cost plan and include an engineering analysis of the effects on reliability of service to customers.

Virginia-Specific Climate Change Effects

Appalachian Voices also requests that APCo be directed to account in its next IRP for the effects of climate change on Virginia, specifically its effect on APCo's ratepayers and its load forecasts.[15] We direct that in all future IRPs, APCo should file accurate load forecasts that are used to support capacity planning and modeling, as well as the most accurate possible analyses of the cost impacts on its customers of meeting those capacity needs in its various plans. In support of those analyses, APCo shall include all supporting data, assumptions, and methodologies of quantification of all relevant factors. The modeling of renewable and carbon-free capacity sources, described above, should provide relevant information as to costs to customers.

---

[7] Executive Directive 11, *Reducing Carbon Dioxide Emissions from Electric Power Facilities and Growing Virginia's Clean Energy Economy* (2017).

[8] *See, e.g.,* Ex. 11 (Dalton Direct) at 5, 35, Attachment No. DJD-1; Ex. 14 (Castle Rebuttal) at 9.

[9] Tr. 21-22.

[10] Executive Order Number 43, *Expanding Access to Clean Energy and Growing the Clean Energy Jobs of the Future* (2019).

[11] *Id*. at 3 (emphases added).

[12] Tr. 21-22. Appalachian Voices notes that Executive Order Number 43 does not provide answers to questions such as whether the renewable/carbon-free targets for Virginia apply to each utility individually, to all generators collectively located in the entire Commonwealth, to power that is generated *outside* of the Commonwealth, but by generators that are jurisdictional to a Virginia utility, to load or to supply, etc. *See id.* There is also an ambiguity in the Executive Order, which uses the terms "renewable" and "carbon-free" with regard to the targets for 2030 and 2050, respectively. Nuclear power is "carbon-free," but is explicitly *excluded* from the definition of "renewable energy" in § 56-576 of the Code.

[13] Va. Const. Art. IV, § 1.

[14] Since APCo has no Virginia-jurisdictional nuclear power, we direct that the plans shall model "renewable energy" as defined in Virginia law. APCo, if it so chooses, may also model "carbon-free," which would include nuclear, as a sensitivity.

[15] *See, e.g.,* Tr. 16.

Gas Price Forecasts

The reasonableness of APCo's gas price forecasts was at issue in this proceeding. Staff had concerns with the accuracy of the Company's projected natural gas price forecasts, finding that "Staff has no confidence that APCo's 2019 natural gas price forecast will serve as a reliable indicator of future fuel prices and recommends that APCo continue to re-evaluate its methodologies in future proceedings."[16] The Company, in contrast, states that its forecasts are "in line with multiple industry sources."[17] As future gas prices are inputs into the Company's modeling optimization process, these forecasts could affect the future mix of resources chosen, or the cost of those resources, in the model.[18] Given this, in future IRP filings, we direct APCo to continue to refine the specific assumptions and sensitivity adjustments used in its gas price forecasting.[19]

Wind and Solar Capacity Factors

The Company is required to model its planned wind and solar resources using observed capacity factors from utility-specific, Virginia-specific, or regionally-specific operational data in future IRPs. To the extent the actual performance of such resources falls short of estimated modeled capacity factors, it may affect whether, or to what extent, the Company's optimization model selects the resources.[20] We agree with Staff that modeling the actual average capacity performance of APCo's Company-owned fleet, or, if that is unavailable, using Virginia-specific or regionally-specific data, is more appropriate than the Company's proposal.[21] Further, this finding is similar to prior Commission directives.[22] APCo may additionally model its wind and solar resources using different capacity factors; however, if the Company chooses to do so, it shall model the actual average capacity performance as described above as the baseline assumption – any different capacity factors should be modeled as sensitivities.

Bill Impacts

We direct APCo to provide its best estimate of customer bill impacts for the least cost plan and preferred plan in future IRPs.[23] The Company should provide the incremental impact of these plans to the bill of a typical residential customer using 1,000 kilowatt-hours per month, for each of the first five years of the IRP. As we have previously held, a primary purpose of an IRP is to give the public – which includes customers and the legislators who represent them – a reasonably accurate picture of the probable costs that customers will pay in the future to receive a reliable supply of electrical power, which is essential to modern life and commerce.[24] Therefore, we find that it is appropriate for the Company to provide estimated bill impacts in future IRP filings.

Additional Requirements

We further direct that in future IRPs, the Company shall:

- make wind or solar power purchase agreements available options for the modeling optimization tool to select for purposes of developing a least-cost plan;[25]
- include all known or anticipated costs of future transmission projects; [26]
- model solar coupled with battery storage as a potential capacity resource option;[27]
- model solar resources using the performance of current and similarly-situated technology;[28]

[16] *See, e.g.,* Ex. 12 (White) at 19; Ex. 13 (Johnson Direct) at Attachment BJ-1, p. 5, 7-9; Ex. 11 (Dalton Direct) at 19. As a result of Staff's lower gas price forecasts, Staff's power price forecasts are also lower than the Company's. *See* Ex. 13 (Johnson Direct) at Report, p. 11.

[17] *See, e.g.,* Ex. 14 (Castle Rebuttal) at 5-7.

[18] *See, e.g.,* Ex. 11 (Dalton Direct) at 19; Ex. 12 (White) at 19-20.

[19] Nothing herein should be construed as either acceptance or rejection of the Company's gas price forecast for any future certificate filings with the Commission.

[20] *See, e.g.,* Ex. 12 (White) at 25-27; Ex. 11 (Dalton Direct) at 20-22.

[21] *See, e.g.,* Ex. 12 (White Direct) at 25-27; Ex. 11 (Dalton Direct) at 20-22; Ex. 14 (Castle Rebuttal) at 5-7.

[22] *See, e.g., Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2018-00065, Doc. Con. Cen. No. 190730141, Order on Reconsideration at 4-5 (July 19, 2019).

[23] *See, e.g.,* Ex. 11 (Dalton Direct) at 31; Tr. 8-9, 32-33.

[24] *See Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 597 et seq.*, Case No. PUR-2018-00065, Doc. Con. Cen. No. 190640049, Final Order (June 27, 2019). Nothing in this determination directs APCo to file a full cost of service study in future IRPs. We understand that as a result, any included bill impacts would be estimates based on the best information available to the Company at the time the estimates are made. Tr. 8-9, 32-33.

[25] *See, e.g.,* Ex. 11 (Dalton Direct) at 19-20; Ex. 14 (Castle Rebuttal) at 7; Tr. 26.

[26] *See, e.g.,* Ex. 11 (Dalton Direct) at 31-35.

[27] *See, e.g.,* Ex. 9 (Van Clief) at 8-11; Ex. 14 (Castle Rebuttal) at 7; Tr. 24, 26.

[28] Tr. 26.

- utilize accurate and updated cost estimates when modeling battery storage;[29]
- describe the Company's modeling of, and sources of, the interconnection costs assumed for future wind and solar facilities;[30]
- work with Staff to clarify the Company's renewable energy credit ("REC") price forecast methodology and provide sensitivity analyses based on its baseline REC price forecast;[31] and
- continue to exclude costs associated with carbon control regulation in its least-cost plan as required by law.[32]

Accordingly, IT IS SO ORDERED, and this matter IS DISMISSED.

[29] Tr. 26.

[30] *See, e.g.,* Ex. 12 (White Direct) at 25. APCo should also work with Staff to develop and refine its analysis of interconnection costs. *Id*.

[31] *See, e.g., id.* at 14; Tr. 35.

[32] *See, e.g.,* Ex. 12 (White Direct) at 12-13. The Company shall also continue to comply with all other applicable directives set forth in Commission Orders from prior IRP proceedings.

CASE NO. PUR-2019-00059
FEBRUARY 5, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of the Commission's investigation into exhaust relief for the 757 area code

ORDER ON AREA CODE RELIEF

On April 5, 2019, the North American Numbering Plan Administrator ("NANPA"), as the neutral third-party numbering plan area relief planner for the Commonwealth of Virginia and on behalf of Virginia's telecommunications industry ("Industry"),[1] filed an application ("Application") requesting that the State Corporation Commission ("Commission")[2] approve the Industry's consensus recommendation for an all-services overlay as the form of relief for the 757 NPA or area code.[3] NANPA stated that absent NPA relief, the supply of available telephone numbers in the 757 area code will be exhausted during the fourth quarter of 2021.[4]

According to NANPA, the recommended all-services overlay would superimpose a new NPA (or area code) over the same geographic area covered by the existing 757 NPA and that the overlay approach has a projected life of 41 years.[5] Under the Industry's recommended approach, all existing customers would retain the 757 area code and would not have to change their telephone numbers.[6] However, NANPA represented that, consistent with FCC regulations,[7] the relief plan would require ten-digit dialing for all calls within and between the 757 NPA and the new NPA, including local calls, once a phased-in implementation period is complete.[8]

On April 24, 2019, the Commission issued an Order Assigning Hearing Examiner which, in part, found that public comments should be invited regarding the proposed area code relief plan for the 757 NPA and that public hearings should be scheduled in the affected area to receive testimony from public witnesses. The Commission assigned a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission and to file a final report containing the Hearing Examiner's findings and recommendations. The Commission also directed the Staff of the Commission ("Staff") to assist with arrangements and scheduling of the public hearings.

[1] The Industry is described as current and prospective telecommunications carriers operating in, or considering operations within, the 757 area code. Application at 1.

[2] According to the Application, the Federal Communications Commission ("FCC") delegated authority to the states to review and approve numbering plan area ("NPA") relief plans. Application at 1 (citing *see* 47 C.F.R. § 52.19).

[3] Application at 1.

[4] *Id.* NANPA also stated that as the neutral third-party administrator, NANPA has no independent view regarding the relief option selected by the Industry. *Id.*

[5] *Id.* at 3.

[6] *Id.*

[7] *Id.* at 3 (citing 47 C.F.R. § 52.19(c)(3)(ii)).

[8] Application at 3-4.

On May 28, 2019, a Hearing Examiner's Ruling ("May 28, 2019 Ruling") was entered scheduling a local hearing in Courtland, Virginia, two local hearings (afternoon and evening) in Williamsburg, Chesapeake, and Accomack, Virginia, and an evidentiary hearing at the Commission in Richmond, Virginia. This May 28, 2019 Ruling also directed the Staff to effect newspaper publication of the proceeding through the 757 area code as well as established a procedural schedule by which interested parties could file to participate in the proceeding as a respondent or file comments on the proposed relief plan. The Hearing Examiner also directed the Staff to file a report on the Application containing the Staff's findings and recommendations by September 6, 2019. A copy of the Hearing Examiner's Ruling was sent to all telephone companies potentially affected by the Application and to representatives of each county, city, and town within the 757 area code.

Local hearings were conducted between August 12 and August 22, 2019, in accordance with the Hearing Examiner's May 28, 2019 Ruling. While no parties filed to participate formally as respondents in this proceeding, NANPA did file on August 2, 2019, the prefiled direct testimony of its NPA Relief Planner, Heidi A. Wayman, for use in the Commission's evidentiary hearing on the Application.

On September 6, 2019, the Staff filed its report ("Staff Report") which described the analysis undertaken by Staff in the course of investigating the Application.[9] Staff concluded that NANPA's information, including projected exhaust data and the utilization reports, reasonably demonstrated the need for area code relief by the fourth quarter of 2021; that the proposed overlay was the preferable alternative; and that NANPA and the Industry appear to have a reasonable educational and technical matrix for use during the implementation of the area code relief process.[10] Therefore the Staff recommended that: (i) the Commission should approve the proposed all-services distributed overlay proposed by the Industry; (ii) NANPA and the Industry should follow the established Customer Education and Technical/E911 Implementation documents; (iii) the Industry operating in the 757 NPA should be required to provide copies of their consumer education plans to the Division of Public Utility Regulation; and (iv) the Commission should approve the proposed thirteen-month implementation schedule of the overlay, which includes a six-month customer permissive dialing period.[11]

On October 2, 2019, the Report of A. Ann Berkebile, Senior Hearing Examiner ("Hearing Examiner's Report") was entered. The Hearing Examiner's Report thoroughly reviewed the record, including the local hearings, written comments submitted in this proceeding, and the evidentiary hearing conducted on September 17, 2019. The Hearing Examiner noted in part that the record in this case reflects that two alternatives have been evaluated to address the forecasted 757 NPA exhaust - an all-services distributed overlay (Alternative 1) and a geographic split (Alternative 2).[12] An all-services distributed overlay contemplates the retention of the same telephone numbers, including the associated area code, by each existing customer but provides for the use of a new area code when assigning telephone numbers to new customers and requires the use of 10-digit dialing.[13] In contrast, a geographic split contemplates the retention of the same telephone numbers, including the associated area code, by customers in a particular geographic area but the issuance of telephone numbers with a new area code, to all customers within a second geographic region.[14]

The Hearing Examiner found that the all-services distributed overlay is likely to generate less confusion and financial harm than a split, does not create winners and losers, can be easily implemented and adapted to by consumers, and avoids certain local number portability and other technical implementation problems associated with a split.[15] Moreover, the Hearing Examiner noted that the overlay method has become the preferred area code relief option throughout the United States.[16]

Accordingly, the Hearing Examiner found that:

(1) NANPA reasonably demonstrated the need for area code relief in the 757 NPA by the fourth quarter of 2021;

(2) The Commission should approve Industry's preferred alternative for an all-services distributed overlay as the most equitable and reasonable approach for providing area code relief in the 757 NPA;

(3) The Commission should approve Industry's proposed 13-month implementation schedule with the understanding that area code relief will be implemented for the current 757 NPA before the fourth quarter of 2021;

(4) The Commission should require NANPA and Industry to follow established Customer Education and Technical/E911 Implementation documents; and

(5) The Commission should require Industry members operating in the current 757 area code to provide copies of their consumer education plans to the Division of Public Utility Regulation before the commencement of the 13-month implementation schedule.[17]

---

[9] Staff Report at 9-12.

[10] *Id.* at 10-12.

[11] *Id.* at 12-13.

[12] Hearing Examiner's Report at 7.

[13] *Id.*

[14] *Id.*

[15] *Id.*

[16] *Id.*

[17] *Id.* at 8.

The Hearing Examiner recommended that the Commission enter an order adopting the findings and recommendations contained in the Hearing Examiner's Report and dismissing the case from the Commission's active docket.[18]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the findings and recommendations as set forth in the Hearing Examiner's Report should be and hereby are adopted.

Accordingly, IT IS ORDERED:

(1) An all-services distributed overlay is approved to provide area code relief in the 757 NPA.

(2) The proposed 13-month implementation of an all-services distributed overlay for the 757 area code is approved.

(3) NANPA and Industry members operating in the current 757 area code shall follow the established Customer Education and Technical/E911 Implementation documents.

(4) Industry members operating in the current 757 area code shall provide copies of their consumer education plans to the Division of Public Utility Regulation before the commencement of the 13-month implementation schedule.

(5) This case is dismissed.

[18] *Id.* at 8-9.

CASE NO. PUR-2019-00060
APRIL 6, 2020

APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

For an adjustment of electric base rates

FINAL ORDER

On July 12, 2019, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") requesting authority to adjust its electric base rates pursuant to Chapter 10 of Title 56 of the Code of Virginia ("Code")[1] and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings.[2]

KU/ODP requested an increase in base rates to produce an increase in revenues in the amount of approximately $12.7 million, which is an 18.2% increase in its total operating revenues, including fuel.[3] The Company indicated that this rate request is based on a 10.50% return on common equity ("ROE").[4] Additionally, KU/ODP proposed to increase its basic service charge and to have the charge calculated on a daily rather than a monthly basis for each class of customers.[5] Specifically, for residential customers, the Company proposed a basic service charge of $0.53 per day, which is equivalent to $16.13 per month.[6] This represents a $4.13 increase to the Company's current $12 basic service charge for residential service.[7]

KU/ODP also proposed revisions to the Company's tariffs, including revisions to late payment charges, private outdoor lighting service, the Cogeneration and Small Power Producer Rider, the line extension plan, and special charges related to returned payments and disconnecting and reconnecting service.[8] KU/ODP also proposed new tariffs including a Green Tariff governing the Company's proposed renewable energy offerings and an Economic Development Rider.[9]

On August 1, 2019, the Commission issued an Order for Notice and Hearing that, among other things, (i) suspended the Company's proposed increase in rates until the Commission entered its Final Order in this proceeding; (ii) required the Company to provide notice of its Application; (iii) provided any interested person an opportunity to file comments on the Application or to participate in the case as a respondent by filing a notice of

[1] Code § 56-232 *et seq*.

[2] 20 VAC 5-201-10 *et seq*.

[3] Ex. 2 (Application) at 1; Ex. 6 (Garrett Direct) at 1.

[4] Ex. 2 (Application) at 2; Ex. 5 (McKenzie Direct) at 3.

[5] Ex. 9 (Conroy Direct) at 22-23.

[6] *Id.* at 23.

[7] *Id.* at 23, 26.

[8] Ex. 8 (Hornung Direct) at 2-5.

[9] Ex. 9 (Conroy Direct) adopting Hornung Prefiled Direct at 5-7; Ex. 8 (Hornung Direct) at 7-10.

participation; (iv) scheduled a local hearing for October 2, 2019, in the Town of Norton, Virginia, to receive the testimony of public witnesses; (v) scheduled a public hearing for January 22, 2020, in Richmond, Virginia, to receive the testimony of public witnesses and the evidence of the Company, any respondents, and the Staff of the Commission ("Staff"); and (vi) appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission, including filing a final report ("Report").

On September 6, 2019, the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation. On September 26, 2019, Appalachian Voices filed a notice of participation. On October 2, 2019, 17 witnesses testified during the public hearing in Norton, Virginia.[10] Each public witness testified in opposition to KU/ODP's proposed rate increase, rate design, or Green Tariff offerings.[11]

On November 8, 2019, Appalachian Voices filed prefiled testimony in accordance with the Commission's Order for Notice and Hearing, and on November 20, 2019, filed a motion requesting leave to file a corrected copy of the testimony. The testimony opposed KU/ODP's proposed basic service charge increase and change in structure for residential customers; addressed the rate structure for nonresidential customers and recommended that KU/ODP be directed to offer several new rate options to nonresidential customers that take service under demand rates; and opposed the Company's Green Tariff offerings on renewable energy credit purchases and the proposed Business Solar Program.[12]

On December 6, 2019, Staff filed its testimony addressing issues of rate design; the Company's terms and conditions for tariffed service in Virginia;[13] accounting adjustments; ROE; and overall cost of capital, resulting in a recommended increase in revenue lower than the increase proposed by KU/ODP.[14]

On January 6, 2020, KU/ODP filed rebuttal testimony, in which the Company described points of agreement and dispute with the prefiled testimony of Staff and Appalachian Voices.[15]

On January 16, 2020, KU/ODP and Staff filed a Partial Stipulation and Recommendation ("Partial Stipulation")[16] and Joint Motion to Accept Stipulation and Recommendation ("Motion").[17] In the Partial Stipulation, KU/ODP and Staff recommended that the Commission approve increasing KU/ODP's operating revenues by $9 million, effective for service rendered on and after May 1, 2020, as a fair, just, and reasonable resolution of the revenue requirement and cost of capital issues in this proceeding. The Partial Stipulation documented that the recommended increase in operating revenues was the product of compromise and settlement between KU/ODP and Staff based upon the evidence in the record and represented a settlement as to a specific revenue number, but not on a specific determination of ROE, accounting adjustments, or ratemaking methodologies, except as otherwise provided therein.[18] The Partial Stipulation further documented that KU/ODP and Staff recommended using an ROE range of 9.00 to 10.00% for purposes of the Commission's review of filings under Code § 56-234.2 and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings, 20 VAC 5-201-10 *et seq.*, beginning in the calendar year 2020 and continuing thereafter until KU/ODP's ROE is reset by the Commission; that KU/ODP should use the capital structure methodology recommended by Staff witness Lee for forward looking purposes in future Annual Informational Filings ("AIFs") until the next base rate proceeding; and that KU/ODP will implement a one-time distribution of the Commission-ordered Tax Cuts and Jobs Act ("TCJA") regulatory liability for the interim period January 1, 2018, through May 31, 2018, in the amount of $1,063,588 within 60 days of the Commission's Final Order in this proceeding, with the distribution occurring on a per kWh basis calculated in the manner described in KU/ODP witness Conroy's rebuttal testimony.[19] The Partial Stipulation also documented the issues not resolved by agreement that were to be addressed in the evidentiary hearing, and that proposed tariff changes not so listed should be considered reasonable and recommended for approval.[20]

The Hearing Examiner convened the hearing as scheduled on January 22, 2020. Three public witnesses appeared, each testifying in opposition to the proposed rate increase, rate design, or Green Tariff offerings.[21] KU/ODP, Appalachian Voices, Consumer Counsel, and the Staff participated in the hearing, during which the Hearing Examiner received testimony from witnesses on behalf of the participants and admitted evidence on the Application.[22]

---

[10] *See* Hearing Examiner's Report at 4-7; Tr. 12-49, 52-86.

[11] *See* Hearing Examiner's Report at 4-7; Tr. 12-49, 52-86.

[12] Ex. 10 (Barnes Direct) at 3-44. Consumer Counsel did not prefile witness testimony but did participate in the hearing on January 22, 2020.

[13] *See* Ex. 19 (Tufaro Direct).

[14] *See* Ex. 17/17C (Mattox Direct); Ex. 18 (Lee Direct).

[15] *See* Ex. 20 (Bellar Rebuttal); Ex. 21 (Arbough Rebuttal); Ex. 22 (McKenzie Rebuttal); Ex. 23/23C (Wilson Rebuttal); Ex. 25 (Conroy Rebuttal).

[16] *See* Ex. 24 (Partial Stipulation).

[17] The Motion reflects that neither Consumer Counsel nor Appalachian Voices objected to the Partial Stipulation nor to the motion that it be accepted by the Commission.

[18] Ex. 24 (Partial Stipulation) at 1.

[19] *Id.* at 1-4.

[20] *Id.* at 3-4.

[21] Hearing Examiner's Report at 7; Tr. at 93-106.

[22] While Consumer Counsel did not sponsor a witness, Consumer Counsel conducted witness cross-examination and provided opening and closing statements during the hearing. *See, e.g.,* Tr. at 228-121, 255-56.

On February 14, 2020, the Report of Mary Beth Adams, Hearing Examiner, was issued. In the Report, the Hearing Examiner thoroughly reviewed the record, including the written comments received; the public witness testimony presented in Norton and Richmond, Virginia; and the testimony, exhibits, and statements presented by KU/ODP, Appalachian Voices, Consumer Counsel, and Staff.[23] The Hearing Examiner found that based on the evidence received in this case:

(1) The terms of the Partial Stipulation offer a fair and reasonable resolution to the revenue requirement and cost of capital issues in this case;

(2) KU/ODP's operating revenues should be increased by $9,000,000;

(3) An ROE range of 9.00 to 10.00% for purposes of the Commission's review of filings under Code § 56-234.2 and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings, 20 VAC 5-201-10 *et seq.*, beginning in the calendar year 2020 and continuing thereafter until KU/ODP's ROE is reset by the Commission. KU/ODP should use the capital structure methodology recommended by Staff witness Lee for forward looking purposes in future AIFs until the next base rate proceeding;

(4) KU/ODP should implement a one-time distribution of the Commission-ordered TCJA regulatory liability for the interim period January 1, 2018, through May 31, 2018, in the amount of $1,063,588 within 60 days of the Commission's Order in this proceeding. The distribution should occur on a per kWh basis and be calculated per KU/ODP witness Conroy's rebuttal testimony;

(5) KU/ODP's Jurisdictional Separation and Class Cost of Service are reasonable and KU/ODP's proposed revenue apportionment should be used by the Commission for establishing base rates in this proceeding;

(6) The reduction to the as-filed revenue requirement resulting from the Partial Stipulation should be allocated proportionally to all classes based on their respective non-fuel revenues as shown in Exhibit 1 to the Partial Stipulation.

(7) The stipulated terms and conditions proposed in KU/ODP's tariffs are reasonable and should be adopted;

(8) The BSC for RS customers should remain unchanged at $12 per month;

(9) The Company's proposed daily BSC billing structure for Rate Schedules RS, General Service ("GS"), Power Service, Time of Day Secondary, Time of Day Primary, and Retail Transmission Service should be rejected;

(10) The Company's proposed daily separation of the non-demand Rate Schedules RS and GS energy charge into two components in the tariff should be rejected;

(11) The Company's proposed voluntary Green Tariff should be approved; and

(12) Appalachian Voices' proposed non-residential demand rate alternatives should be rejected.[24]

Accordingly, the Hearing Examiner recommended that the Commission enter an Order: (i) adopting the Partial Stipulation and the findings in the Report; (ii) approving the revenue requirement set forth in the Partial Stipulation and the rates, charges, and tariff provisions recommended in the Report; and (iii) dismissing this case from the Commission's docket of active cases.[25] On March 5, 2020, KU/ODP, Staff, Appalachian Voices, and Consumer Counsel each filed comments on the Report, addressing aspects of the findings and recommendations contained therein.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that based upon the record herein, the findings and recommendations of the Hearing Examiner should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations in the February 14, 2020 Hearing Examiner's Report are hereby adopted.

(2) The Partial Stipulation filed in this case is hereby approved.

(3) KU/ODP forthwith shall file revised tariffs and terms and conditions of service with the Commission's Division of Public Utility Regulation, in accordance with the findings made herein, for service rendered on and after May 1, 2020. This shall include retaining the residential service basic service charge at the current level of $12 per month.

(4) An ROE range of 9.00 to 10.00% for purposes of the Commission's review of filings under Code § 56-234.2 and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings, 20 VAC 5-201-10 *et seq.*, beginning in the calendar year 2020 and continuing thereafter until KU/ODP's ROE is reset by the Commission. KU/ODP shall use the capital structure methodology recommended by Staff for forward looking purposes in future AIFs until the next base rate proceeding. This ROE range is a result of a partial stipulation for purposes of a global resolution of the case and does not represent a finding of fact as to the cost of equity capital.

---

[23] Hearing Examiner's Report at 2-36.

[24] *Id.* at 59-60.

[25] *Id.* at 60.

(5) KU/ODP shall implement a one-time distribution of the Commission-ordered TCJA regulatory liability for the interim period January 1, 2018, through May 31, 2018, in the amount of $1,063,588 within 60 days of entry this Final Order. The distribution shall occur on a per kWh basis and be calculated per KU/ODP's rebuttal testimony.

(8) This case is dismissed.

CASE NO. PUR-2019-00073
MARCH 5, 2020

APPLICATION OF
SKIPJACK SOLAR CENTER, LLC *et al.*

For certificates of public convenience and necessity for solar generating facilities totaling up to 320 MWac in Charles City County, Virginia

ORDER GRANTING CERTIFICATES

On May 2, 2019, pursuant to Virginia Code ("Code") §§ 56-46.1 and 56-580 D and Chapter 20 VAC 5-302 of the Virginia Administration Code, Skipjack Solar Center, LLC ("Skipjack," "Company" or "Applicant")[1] filed an application and supporting documents for Certificates of Public Convenience and Necessity ("CPCNs") with the Commission ("Application").[2] Skipjack explains that the Company and other SPEs would eventually seek to construct and operate solar generating facilities totaling up to 320 megawatts ("MW") in Charles City County, Virginia.[3] However, "[t]his Application initially seeks approval for Phase 1 of the Project,. . ." ("Phase 1" or "Project"),[4] and Skipjack would ". . . develop, construct, own, and operate Phase 1 of the Project . . . ."[5]

Skipjack states that the Project would reside on approximately 2,273 acres of land, with approximately 1,187 acres being used for construction.[6] Phase 1 is slated to have a possible "nameplate capacity of 180 MWac and is anticipated to be in service on or before March 2021."[7] Per Skipjack, the Project requirements include: [8]

(1) An approximately 1.4 mile 34.5 kilovolt ("kV") tie line ("Feeder Line") between the northern and southern portions of the Phase 1 site;

(2) A 230 kV transmission line ("Gen-Tie Line") to interconnect the Project with Virginia Electric and Power Company's transmission system;

(3) Photovoltaic modules mounted on racking systems supported by a pile-driven foundation design with a single-axis tracking configuration with north-south trending rows tracking the sun from east to west; and

(4) Shared interconnection facilities with all energy stepped up to 230 kV and routed to the Chickahominy Switching Station via the Gen-Tie Line from the northern portion of the Project with the sale of the electricity generated into the PJM Interconnection, LLC ("PJM") wholesale market.

---

[1]Skipjack initially filed this Application along with certain other special purpose entities ("SPEs"). However, after multiple amendments to this Application, Skipjack remained the only surviving Applicant. *See* Ex. 11 (Saunders Rebuttal) at 2 and Tr. 5, 13, and 14, wherein counsel for Skipjack represented at the hearing that the certification sought in this proceeding covered only the facilities required for Skipjack to build and operate this first phase of the project and that "[a]nything that comes in the future, if that comes, will be a separate approval, as required."

[2] Ex. 3 (Application) at 2.

[3] *Id. See also,* Tr. 13-14.

[4] Ex. 3 (Application) at 4; Tr. 13-14.

[5] Ex. 3 (Application) at 1.

[6] *Id.* at 3.

[7] *Id.*

[8] *Id.* at 4-5, Appendix at 9, and Appendix Exhibit F at 22; Ex. 12 (Notice Map) at 1; Ex.8 (Essah Direct) at 5.

Skipjack asserts that the Project is not contrary to the public interest.[9] Skipjack represents that it is not a regulated utility and, as such, business risk associated with the Project will be borne solely by Skipjack, with no impact on rates paid by ratepayers in Virginia.[10] Skipjack further represents that the Project would have no adverse effect on the reliability of electric service provided by any regulated public utility, with only relatively minor upgrades to the transmission system required as a result of the Project.[11] As a condition to the Project's interconnection with the interstate transmission system, Skipjack represents that the Company will be obligated to complete and/or pay for all required upgrades to the system in accordance with agreements that would be entered into among Skipjack, PJM, and the transmission service provider.[12] Skipjack further represents that the Project would be constructed and operated in a way to minimize any adverse environmental impact.[13]

On May 24, 2019, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, among other things, docketed the Application; required Skipjack to publish notice of the Application;[14] gave interested persons the opportunity to comment on, or participate in, the proceeding; scheduled a public hearing; directed Commission Staff ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations; and assigned a Hearing Examiner to conduct all further proceedings in this matter. No notices of participation or comments were filed.

In the Procedural Order, the Commission noted that Staff had requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Project.[15] DEQ filed a report ("DEQ Report") on the proposed Project on July 15, 2019.[16] The DEQ Report summarizes the Project's potential impacts, makes recommendations for minimizing those impacts, and outlines the Applicant's responsibilities for compliance with certain legal requirements governing environmental protection.

The DEQ Report contains the following recommendations:[17]

- Follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams . . . .
- Follow DEQ's recommendations to protect groundwater regarding the proposed water withdrawals . . . .
- Follow DEQ's recommendations regarding air quality protection, as applicable . . . .
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable . . . .
- Coordinate with [Virginia] Department of Conservation and Recreation's ["DCR"] Division of Natural Heritage regarding its recommendations to develop an inventory for the New Jersey rush, develop and implement an invasive species plan, and plant Virginia native pollinator plant species as well as for updates to the Biotics Data System database . . . .
- Coordinate with the [Virginia Department of Game and Inland Fisheries] [("]DGIF[")] regarding its recommendations on facility design and fencing, tree removal, and regional water resources to protect wildlife resources as well as a site visit . . . .
- Coordinate with DGIF regarding its recommendations to implement a monitoring plan on the potential thermal island impacts and lake effect perception by wildlife as a condition of project operation . . . .
- Coordinate with [Virginia] Department of Health regarding recommendations to protect water supplies . . . .
- Coordinate with Charles City County pursuant to DCR's Division of Planning and Recreational Resources recommendation to ensure the protection of Harrison Park . . . .
- Follow the principles and practices of pollution prevention to the maximum extent practicable . . . .
- Limit the use of pesticides and herbicides to the extent practicable . . . .

---

[9] Ex. 3 (Application) at 8.

[10] *Id.* at 8-9.

[11] *Id.* at 8.

[12] *Id.*

[13] *Id.* at 9.

[14] Both the Application itself and certain dates set in the Procedural Order were later modified. *See*, Report at 2 (*infra*.), regarding additional procedural orders and supplemental application materials: *Motion to Amend Application and Revise Prescribed Notice* (May 29, 2019) and Ruling granting motion (May 30, 2019); *Motion to Temporarily Suspend Procedural Schedule* (Aug. 2, 2019) and Ruling granting motion (Aug. 6, 2019); *Motion to Amend and Supplement Joint Application and to Establish Procedural Schedule* (Oct. 3, 2019) and Ruling granting motion (Oct. 8, 2019); and *Motion to Notice Proposed Routes of Interconnection Facilities* (Nov. 20, 2019) and Ruling granting motion (Nov. 25, 2019).

[15] *See*, Letter from Kelli Cole, Esquire, State Corporation Commission, dated May 6, 2019, to David L. Davis, CPWD, PWS, Director, Office of Wetlands & Stream Protection, DEQ; Letter from Kelli Cole, Esquire, State Corporation Commission, dated May 6, 2019, to Bettina Rayfield, DEQ.

[16] Ex. 9 (DEQ Report).

[17] Ex. 9 (DEQ Report) at 6.

• Coordinate with the Virginia Outdoors Foundation regarding its recommendation for additional coordination if necessary . . . .

On October 3, 2019, Skipjack supplemented its Application with additional testimony on the revised PJM Generation System Impact Study and the finalized routes and maps for the Feeder and Gen-Tie Lines.[18]

On November 22, 2019, Staff filed its testimony and supporting exhibits. Staff gave an overview of the proposed Project;[19] the statutory standard therefor; [20] and Staff's conditional recommendation that the Project is in the public interest[21] and could bring economic benefits to the area. [22] Staff discussed the environmental impacts[23] of the Project, specifically recommending the proposed Project follow all of DEQ's recommendations.[24]

Regarding the technical aspects of the Project, Staff testified to the distribution and transmission tie lines necessary for the Project; the solar generation technology used for the Project; related easements/permits necessary for the proposed Project; and the Project's possible impacts on the electrical grid's reliability.[25] Staff testified that the power flow analysis (conducted by PJM and replicated by Staff) determined that the energized Project could, under certain contingency events, contribute to thermal overloads of certain transmission facilities.[26] Staff further noted that PJM had assigned the costs of the necessary network upgrades required to address those overloads to all queued interconnection projects contributing to these overloads.[27] Staff provided Skipjack's allocated costs for those upgrades, plus other costs estimated by PJM to be required for the solar facility's interconnection.[28] Staff noted its understanding that: (i) the Applicant will pay for all necessary upgrades; and (ii) all such upgrades will be completed before the Project's desired in-service date.[29]

Staff conditionally recommended granting the following three CPCNs for the Project:[30]

(1) A CPCN for the solar generating facility;

(2) A CPCN for the proposed 34.5/230 kV step-up substation and the 230 kV Gen-Tie Line that interconnects the generation facility to Dominion's Chickahominy Station; and

(3) A CPCN for the 34.5 kV Feeder Line consisting of eight conductors that interconnect the two parcels of the solar generating facility.

Staff specifically conditioned the three recommended CPCNs on *inter alia*: (1) the requirement that the Applicant pay for all network upgrade costs PJM assigns to Skipjack or its designated representative at PJM; (2) that the Applicant be required to file the final Interim Interconnection Services Agreement ("ISA") for the Project with the Commission within thirty (30) days of its execution (consistent with precedent); (3) Skipjack or related SPEs seek additional CPCN's, in a separate Commission proceeding by the constructing entity, for the construction of any future system upgrades that may be required due to the Project pursuant to PJM's electric reliability studies or otherwise.[31] Staff also made several unopposed safety recommendations for the Project.[32]

---

[18] Motion to Amend and Supplement Joint Application and to Establish Procedural Schedule at 3.

[19] Ex. 7 (Samuel Testimony) at 1-3.

[20] *Id*. at 3-4.

[21] *Id*. at 10-11. *See also*, Tr. 15.

[22] *Id.* at 8-9.

[23] *Id*. at 4-8.

[24] *Id.* at 6-8.

[25] Ex. 8 (Essah Testimony) at 10-11.

[26] *Id.* at 11.

[27] *Id.*

[28] *Id.* at 12.

[29] *Id.* at 12-13.

[30] *Id.* at 13.

[31] *Id.* at 13-14.

[32] *Id*. at 14-15.

On December 6, 2019, Skipjack filed its rebuttal testimony responding to recommendations made by Staff and DEQ.[33] Skipjack did not oppose any of the recommendations made by Staff but noted Staff's recommendation to issue three separate CPCNs for the Project seemed to be unnecessary since similar projects had been approved by the Commission in the past with only one CPCN.[34] Regarding DEQ's requirements, Skipjack generally agreed to comply with them, with two exceptions. The Company disagreed with the granting of its CPCNs conditioned upon DGIF's time-of-year restriction on tree removal due to the fact that "no Northern Long-Eared Bat ("NLEB") winter hibernaculum or maternity roost trees were known to be within the study area, referenced ranges, or a [two] mile radius."[35] Skipjack did testify however, that should the Commission deem it necessary, the Company would investigate trees for threatened or endangered species (in particular, the NLEB) during the months of June and July, and forgo removal of such trees at that time should any such species be found.[36]

Skipjack next testified that there was little available scientific data regarding the "thermal island" effect noted in the DEQ Report, and what data was available indicated that there would be minimal effect and that workers and neighbors would never be exposed to unsafe temperatures.[37] Skipjack testified that the Company would coordinate with DEQ on any such effects, should the Commission make this a conditional requirement of the CPCN.[38]

Skipjack confirmed in its rebuttal testimony that while it was originally contemplated that there would be multiple project phases constructed and operated by separate special purpose entities,[39] only Skipjack is actively developing and seeking certification for Phase 1.[40]

The evidentiary hearing took place on December 16, 2019, before Hearing Examiner Mary Beth Adams. Staff and Skipjack attended the hearing. No members of the public attended this hearing.[41] At the hearing, it was noted that DGIF was satisfied with Skipjack's rebuttal position regarding protection of endangered species and thermal island effect monitoring.[42]

At the hearing, Staff and Skipjack offered oral argument on the number of CPCNs that should be issued for the Project.[43] The Company argued that issuance of one global CPCN was sufficient.[44] Staff disagreed, arguing that three separate CPCNs were needed based on *inter alia*, the three separate functions of the facilities being certificated and the need for specific delineation of ownership and responsibility for all such facilities, especially given the high likelihood of additional project phases and outside ownership in the future.[45]

On January 27, 2019, Hearing Examiner Adams issued her Report. Based on the evidence presented and the statutes pertinent thereto, the Hearing Examiner found that:[46]

1. Phase 1 of the Project will not have a material adverse effect upon the reliability of electric service provided in Virginia by a regulated utility, if all the upgrades are constructed;

2. The CPCN(s) for Phase 1 should be conditioned upon Skipjack paying for all network upgrade costs PJM assigns to Skipjack, or their designated representative at PJM;

3. Skipjack should be required to file the ISA for Phase 1 within thirty (30) days of its execution;

4. Phase 1 will provide economic benefit to Charles City County and the Commonwealth;

5. The unopposed recommendations in the DEQ Report should be adopted by the Commission as conditions of approval;

6. Construction and operation of Phase 1 is not otherwise contrary to the public interest;

---

[33] Ex. 11 (Saunders Rebuttal) at 4-7.

[34] *Id*. at 3.

[35] *Id*. at 4-5.

[36] *Id.* at 5.

[37] *Id.* at 5-6.

[38] *Id.* at 7.

[39] *Id.* at 2.

[40] *Id.* at 2. *See also*, Tr. At 5 and 13. In addition, counsel for Skipjack represented at the hearing that the certification sought in this proceeding covered only the facilities required for Skipjack to build and operate this first phase of the Project, and that "[a]nything that comes in the future, if that comes, will be a separate approval, as required." Tr. At 14.

[41] Report of Mary Beth Adams, Hearing Examiner ("Report"), at 12.

[42] Tr. at 26-27; Ex. 10 (DGIF Response to Saunders Rebuttal).

[43] Tr. at 6-19.

[44] *Id.* at 6-13.

[45] *Id.* at 14-19.

[46] Report at 19-20.

7. Staff's unopposed recommendations should be adopted by the Commission as conditions of approval;

8. The specific facts in this case support the issuance of three separate CPCNs in this proceeding; and

9. A sunset provision should be attached to any CPCN issued in this proceeding.

As relates to the environmental impacts and the DEQ recommendations thereon, the Hearing Examiner found DGIF's recommendation regarding time-of-year restrictions on tree removal unnecessary, largely due to DGIF's email response agreeing to the Company's proposal for mitigating its tree removal concerns.[47] She further found that the thermal island monitoring recommendation was also unnecessary based on the Applicant's testimony and DGIF's response (although the Hearing Examiner recommended that the Applicant should still be required to provide meteorological data to DGIF upon request).[48]

As it pertains to the sunset clause for Phase 1, the Hearing Examiner took judicial notice of the Pleinmont Case[49] and recommended that in Skipjack's case the Commission attach a sunset provision of five years to the CPCN(s), as it had done in the Pleinmont Case.[50] The Hearing Examiner specifically recommended that should the Commission grant the CPCN(s) for Phase 1, this authority expire five years from the date of Order granting the CPCN's, if construction of Phase 1 has not commenced.[51] She further recommended that the Commission permit Skipjack to petition the Commission for an extension of this sunset provision for good cause shown.[52]

Staff filed comments to the Report on February 4, 2020, and Skipjack filed comments on February 3, 2020. Staff supported the recommendations set forth in the Report as well as the Hearing Examiner's judicial notice of the Pleinmont Case and her sunset provision recommendation based thereon.[53] Skipjack opined that because the Hearing Examiner's findings ". . . appear[ed] to be based on the specific facts in the record of this proceeding," it did not oppose the finding that three separate CPCNs should be issued; Skipjack asked that such a finding be "specifically limited to the facts of this proceeding and that the Commission not set any generally applicable, broad precedent that could potentially add additional burden for seeking approval of future generation projects."[54] Skipjack further requested expedited review of this proceeding and issuance of an order as soon as possible, given the Company's plan to begin construction of the Project in March 2020.[55]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the findings and recommendations of the Hearing Examiner should be adopted. Specifically, we find as follows:

Code of Virginia

Section 56-580 D of the Code provides in part:

> The Commission shall permit the construction and operation of electrical generating facilities in Virginia upon a finding that such generating facility and associated facilities (i) will have no material adverse effect upon reliability of electric service provided by any regulated public utility, . . . and (iii) are not otherwise contrary to the public interest.

Further, with regard to generating facilities, § 56-580 D of the Code directs that "the Commission shall give consideration to the effect of the facility and associated facilities on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1, ..." Section 56-46.1 A of the Code provides in part:

> Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact. . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted pursuant to Article 3 (§ 15.2-2223 *et seq*.) of Chapter 22 of Title 15.2.

---

[47] Report at 17; Exs. 9 (DEQ Report) and 10 (DGIF Response to Saunders Rebuttal); Tr. at 26-27.

[48] Report at 16.

[49] *Application of Plienmont Solar, LLC, et. al., For certificates of public convenience and necessity for a 500 MW solar generating facility in Spotsylvania County pursuant to §§ 56-46.1 and 56-580 D of the Code of Virginia*, PUR-2017-00162, 2018 S.C.C. Ann. Rep. 310, Final Order (Aug. 8, 2018) ("Pleinmont Case").

[50] Report at 19.

[51] *Id.*

[52] *Id.*

[53] Staff's Comments to the Hearing Examiner's Report at 1.

[54] Skipjack's Comments to the Hearing Examiner's Report at 1.

[55] *Id*. at 2.

Subsection 56-46.1 A also provides:

> In order to avoid duplication of governmental activities, any valid permit or approval required for an electric generating plant and associated facilities issued or granted by a federal, state or local governmental entity charged by law with responsibility for issuing permits or approvals regulating environmental impact and mitigation of adverse environmental impact or for other specific public interest issues such as building codes, transportation plans, and public safety, whether such permit or approval is granted prior to or after the Commission's decision, shall be deemed to satisfy the requirements of this section with respect to all matters that (i) are governed by the permit or approval or (ii) are within the authority of, and were considered by, the governmental entity in issuing such permit or approval, and the Commission shall impose no additional conditions with respect to such matters.

Section 56-580 D of the Code contains language that is nearly identical to the language set forth in Code § 56-46.1 A.

The Code also directs the Commission to consider the effect of a proposed Project on economic development in Virginia. Section 56-46.1 A of the Code states in part:

> Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Energy Policy set forth in §§ 67-101 and 67-102, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Similarly, § 56-596 A of the Code provides that "[i]n all relevant proceedings pursuant to [the Virginia Electric Utility Regulation] Act, the Commission shall take into consideration, among other things, the goal of economic development in the Commonwealth."

As relates to transmission facilities, Section 56-46.1 B of the Code states in part:

> [N]o electrical transmission line of 138 kilovolts or more shall be constructed unless the State Corporation Commission shall, after at least 30 days' advance notice by (i) publication in a newspaper or newspapers of general circulation in the counties and municipalities through which the line is proposed to be built, (ii) written notice to the governing body of each such county and municipality, and (iii) causing to be sent a copy of the notice by first class mail to all owners of property within the route of the proposed line, as indicated on the map or sketch of the route filed with the Commission, which requirement shall be satisfied by mailing the notice to such persons at such addresses as are indicated in the land books maintained by the commissioner of revenue, director of finance or treasurer of the county or municipality, approve such line. Such notices shall include a written description of the proposed route the line is to follow, as well as a map or sketch of the route including a digital geographic information system (GIS) map provided by the public utility showing the location of the proposed route. The Commission shall make GIS maps provided under this subsection available to the public on the Commission's website.

Reliability

The Commission agrees with the Hearing Examiner and finds that this Project will have no adverse effect on reliability of electric service provided in Virginia by a regulated public utility, provided that all upgrades identified by PJM as necessary are made.[56] We therefore condition the three CPCNs granted to Skipjack herein on the Applicant paying for all Phase 1 network upgrade costs PJM assigns to the Applicant, or their designated representative at PJM, that PJM concludes are necessary to ensure reliable operation of the transmission system; and we find that the Applicant shall file the ISA for the Project within 30 days of its execution.[57]

Economic Development

The Commission further agrees with the Hearing Examiner and finds that the Project will likely generate direct and indirect economic benefits to Charles City County as a result of employment and spending from construction and operation of the Project.[58] It is estimated that the Project will create approximately 300-500 jobs during the construction period and thereafter approximately 16 full-time jobs.[59] Additionally, Charles City County will likely benefit from an increase in the local tax base.[60]

Environmental Impact

The statutes direct that the Commission "shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact."[61] As noted above, DEQ coordinated an environmental review of the proposed Project and submitted a DEQ Report that, among other things, set forth recommendations for the proposed Project.[62] The Applicant objected to DEQ's

[56] Report at 15.

[57] *Id.* 16.

[58] *Id.* 15-16.

[59] *Id*.

[60] *Id.* at 16.

[61] Code § 56-46.1 A. *See also* Code § 56-580 D (stating that "the Commission shall give consideration to the effect of the facility and associated facilities on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1 . . . .").

[62] Report at 16. *See also*, Ex. 9 (DEQ Report) at 6.

time-of-year restriction on tree removal and provided testimony that there would be no adverse thermal island effect due to the Project.[63] Based in large part on DGIF's response to Skipjack's rebuttal and in which DGIF withdrew its objections based on Skipjack's agreement to minimize environmental impacts related to tree removal and coordinate with DEQ regarding any thermal island effects, the Hearing Examiner subsequently found that these two DEQ requirements were unnecessary.[64]

The Commission agrees with the Hearing Examiner. While the CPCNs granted in this matter are not conditioned on the DEQ requirements pertaining to time-of-year tree removal or thermal island effects, the Commission directs Skipjack to maintain its commitment to coordinate with DEQ on these two recommendations. The CPCNs granted in this proceeding are conditioned on the Applicant following all other DEQ recommendations, coordinating with DEQ to implement those recommendations, providing data gathered by the Project's meteorological station to DGIF upon request, and obtaining all other necessary environmental permits and approvals necessary to construct the Project.

Public Interest

The Commission further agrees with the Hearing Examiner and finds that the Project is not "contrary to the public interest" as contemplated by § 56-580 D of the Code. Among other things, the record in this case establishes that construction and operation of the proposed Project will: (i) have no material adverse effect on reliability, if the Applicant funds and completes the upgrades PJM finds necessary for the Project; (ii) provide local economic benefits; and (iii) have a minimal adverse effect on the environment during construction and operation.[65] Additionally, as recognized by the Applicant and confirmed by Staff, the business risk associated with constructing, owning, and operating the Project, which will not provide retail electric service in the Commonwealth and will not be included in the rate base of any incumbent electric utility, rests solely with the Applicant.[66]

Certification

The Commission agrees with the Hearing Examiner that, based on the foregoing findings, Skipjack should be granted three separate CPCNs for the generation, transmission and distribution, respectively, required to construct and operate the Project, as follows:[67]

1. A CPCN for the solar generating facility;

2. A CPCN for the proposed 34.5/230 kV step-up substation and the 230 kV Gen-Tie Line; and

3. A CPCN for the 34.5 kV Feeder Line consisting of eight conductors that interconnect the two parcels of the solar generating facility.

The Commission further agrees with the Hearing Examiner and finds that all such certificates are expressly conditioned upon the following:[68]

1. Skipjack should pay the cost of all network upgrades PJM assigns to Skipjack or its designated representative;

2. Skipjack should be required to file with the Commission the ISA for Phase I within thirty (30) days of its execution or this Order, whichever is sooner.

3. Skipjack should comply with the unopposed recommendations in the July 15, 2019 DEQ Report as well as the modifications agreed to by Applicant for the two opposed recommendations; and

4. Skipjack should comply with Staff's remaining, unopposed recommendations.

Sunset Provision

Lastly, the Commission agrees with the Hearing Examiner that, consistent with our precedent in the Pleinmont Case[69] and as a requirement of our approval herein, the authority granted by this Order Granting Certificates for Phase 1 shall expire five years from the date hereof if construction has not commenced.[70] Skipjack may petition the Commission for an extension of this sunset provision for good cause shown.[71]

Accordingly, IT IS ORDERED THAT:

(1) Subject to the findings and requirements set forth in this Order Granting Certificates, Skipjack is granted approval for the following CPCNs to construct and operate Phase 1 (the 180 MW Project) as set forth in this proceeding:

[63] Report at 16.

[64] *Id.* at 16.

[65] *Id.* at 17.

[66] *Id*.

[67] *Id.* at 15-18.

[68] *Id*.

[69] *Id.* at 19.

[70] *Id*.

[71] *Id*.

- Skipjack Solar Center, LLC: Generation Certificate No. EG-224
- Skipjack Solar Center, LLC: Distribution Certificate No. ED-1
- Skipjack Solar Center, LLC: Transmission Certificate No. ET-213

(2) Skipjack shall file forthwith three map copies for each of the three above-granted CPCNs. Specifically, three copies of a map for Generation Certificate No. EG-224 displaying the solar generation facilities; three copies of a map for Distribution Certificate No. ED-1 displaying the distribution facilities;[72] and three copies of a map for Transmission Certificate No. ET-213 displaying the transmission facilities.[73]

(3) This case is dismissed.

[72] The 34.5 kV Feeder Line consisting of eight conductors that interconnect the two parcels of the solar generating facility.

[73] The 34.5/230 kV step-up substation and the 230 kV Gen-Tie Line that interconnects the generation facility to Dominion's Chickahominy Station.

CASE NO. PUR-2019-00085
FEBRUARY 3, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider B, Biomass Conversions of the Altavista, Hopewell, and Southampton Power Stations, for the Rate Year commencing April 1, 2020

FINAL ORDER

On May 31, 2019, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia and Ordering Paragraph (4) of the Final Order issued by the State Corporation Commission ("Commission") in Case No. PUR-2018-00083,[1] filed with the Commission an annual update of the Company's rate adjustment clause, Rider B ("Application"). Through its Application, the Company seeks to recover costs associated with the major unit modifications of the Altavista, Hopewell, and Southampton Power Stations from coal-burning generation facilities into renewable biomass generation facilities (collectively, "Biomass Conversion Projects" or "Conversions").[2]

In 2012, the Commission approved Dominion's proposed Conversions as major unit modifications, reissued amended certificates of public convenience and necessity, and approved a rate adjustment clause, designated Rider B, for Dominion to recover costs associated with the Conversions.[3] The Biomass Conversion Projects became operational as biomass fueled units as scheduled during 2013.[4]

In this proceeding, Dominion has asked the Commission to approve Rider B for the rate year beginning April 1, 2020, and ending March 31, 2021 ("2020 Rate Year").[5] The two components of the proposed total revenue requirement for the 2020 Rate Year are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.[6]

On June 18, 2019, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in the proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.[7]

A notice of participation was filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). Commission Staff ("Staff") filed testimony on October 24, 2019. Dominion filed rebuttal testimony on November 7, 2019. No written comments regarding the Application were received.

[1] *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider B, Biomass Conversions of the Altavista, Hopewell, and Southampton Power Stations for the rate year commencing April 1, 2019*, Case No. PUR-2018-00083, Final Order (Feb. 27, 2019).

[2] Ex. 2 (Application) at 1, 13.

[3] *Application of Virginia Electric and Power Company, For approval and certification of the proposed biomass conversions of the Altavista, Hopewell, and Southampton Power Stations under §§ 56-580 D and 56-46.1 of the Code of Virginia and for approval of a rate adjustment clause, designated as Rider B, under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUE-2011-00073, 2012 S.C.C. Ann. Rept. 279, Final Order (Mar. 16, 2012).

[4] Ex. 2 (Application) at 4-5.

[5] *Id.* at 4, 7.

[6] *Id*. at 7.

[7] The Order for Notice and Hearing also granted Dominion's request to litigate issues relative to the Company's updated lead/lag study in Case No. PUR-2019-00086, Dominion's Rider GV docket.

The evidentiary hearing was convened as scheduled on November 21, 2019. No public witnesses appeared to testify at the hearing.[8] The Company, Staff, and Consumer Counsel participated at the hearing.

On December 9, 2019, the Hearing Examiner issued the Report of Michael D. Thomas, Senior Hearing Examiner ("Report"). The Hearing Examiner stated in his Report:

> The record in this proceeding supports a total Rider B revenue requirement of $33,900,000. This total revenue requirement incorporates Staff's Projected Factor revenue requirement of $27,740,000 that uses a 9.2% ROE, rather than the Company's Projected Factor revenue requirement that uses a 10.75% ROE, and Staffs True-Up Factor revenue requirement of $6,160,000. However, I find the Company is limited to the total Rider B revenue requirement noticed in its Application, which is a total Rider B revenue requirement of $31,911,655. I further find the total Rider B revenue requirement should consist of a Projected Factor revenue requirement of $25,751,655 and Staff's True-Up Factor revenue requirement of $6,160,000. Any difference in the Rider B revenue requirement resulting from this case could be trued-up in the 2020 Rider B Update.[9]

Consumer Counsel filed comments in support of the Report on December 23, 2019. Dominion filed comments in support of the Report on December 30, 2019.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that a Rider B revenue requirement of $31,911,655, based on a Projected Factor revenue requirement of $25,751,655 and a True-Up Factor revenue requirement of $6,160,000 is hereby approved for the 2020 Rate Year.

Accordingly, IT IS ORDERED THAT:

(1) Rider B, as approved herein with an updated revenue requirement of $31,911,655, shall be effective for service rendered on and after April 1, 2020.

(2) Dominion shall file a revised Rider B and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) On or before June 30, 2020, Dominion shall file an application to revise Rider B effective April 1, 2021.

(4) This case is dismissed.

[8] Tr. 3-4.

[9] Report at 12.

CASE NO. PUR-2019-00086
FEBRUARY 3, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider GV, Greensville County Power Station

FINAL ORDER

On May 31, 2019, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed, pursuant to § 56-585.1 A 6 of the Code of Virginia and the directive contained in Ordering Paragraph (3) of the Final Order issued by the State Corporation Commission ("Commission") on February 27, 2019, in Case No. PUR-2018-00084;[1] an annual update of the Company's rate adjustment clause, Rider GV ("Application"). Through its Application, the Company seeks to recover costs for the Greensville County Power Station ("Greensville County Project" or "Project"), a 1,588 megawatt nominal natural gas-fired combined-cycle electric generating facility located in Greensville County, Virginia, and the associated 500 kilovolt transmission lines, a new switching station, and other associated transmission interconnection facilities.[2]

In 2016, the Commission approved Dominion's construction and operation of the Greensville County Project and also approved a rate adjustment clause, designated Rider GV, for Dominion to recover costs associated with the Project.[3]

[1] *Application of Virginia Electric and Power Company d/b/a Dominion Virginia Power, For revision of rate adjustment clause: Rider GV, Greensville County Power Station*, Case No. PUR-2018-00084, Final Order (Feb. 27, 2019).

[2] Exhibit ("Ex.") 2 (Application) at 1, 4.

[3] *Application of Virginia Electric and Power Company, For approval and certification of the proposed Greensville County Power Station electric generation and related transmission facilities under §§ 56-580 D, 56-265.2, and 56-46.1 of the Code of Virginia and for approval of a rate adjustment clause, designated as Rider GV, pursuant to § 56-585.1 A 6 of the Code of Virginia*, Case No. PUE-2015-00075, 2016 S.C.C. Ann. Rept. 264, Final Order (Mar. 29, 2016).

In this proceeding, Dominion has asked the Commission to approve Rider GV for the rate year beginning April 1, 2020, and ending March 31, 2021 ("2020 Rate Year").[4] The components of the proposed total revenue requirement for the 2020 Rate Year are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.[5] For purposes of calculating the Projected Cost Recovery Factor in this case, Dominion utilized a rate of return on common equity ("ROE") of 10.75%.[6] For purposes of calculating the 2018 Actual Cost True-Up Factor, the Company used an ROE of 9.2% for the months of January 1, 2018, through December 31, 2018, which was approved by the Commission in its November 29, 2017 Final Order in Case No. PUR-2017-00038.[7]

In its Application, the Company is requesting a Projected Cost Recovery Factor revenue requirement of $136,997,000 and an Actual Cost True Up Factor of $(142,000).[8] Thus the Company is requesting a total revenue requirement of $136,855,000.[9] The Company further requested that the Commission adopt for this Rider GV (as well as Riders B, R, S, and W (separate but related cases)),[10] its updated Lead/Lag study, specifically requesting that this issue be litigated and determined in this Rider GV case, and thereafter, applied to Riders B, R, S, and W; as well as serve as precedent in the Company's future RAC proceedings.[11]

On June 12, 2019, the Commission issued an Order for Notice and Hearing that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in the proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission. A notice of participation was filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On October 9, 2019, Commission Staff ("Staff") filed its direct testimony. Staff recommended a total revenue requirement of $131.86 million, including a Projected Cost Recovery Factor of $131.88 and an Actual Cost True-Up Factor of ($0.02) million for the 2020 Rate Year.[12] Staff also recommended that the Commission adopt Staff's proposed capital structure, which utilizes a 9.2% ROE for both the 2018 Actual Cost True-Up Factor and the Projected Cost Recovery Factor,[13] Staff's use of current State and Federal tax expense Lead/Lag days based on the statutory payment due dates, [14] and Staff's corrected Lead/Lag days in its revenue requirement calculation for: (1) Revenues; (2) Benefits and Pensions; and (3) Other O&M.[15]

On October 23, 2019, Dominion filed its rebuttal testimony. In its rebuttal testimony, Dominion disagreed with Staff's recommended 9.2% ROE for the Projected Cost Recovery Factor.[16] The Company also identified some minor corrections to Staff's proposed revenue requirement (to which Staff and the Company agreed),[17] and adopted Staff's recommended Lead/Lag days.[18]

---

[4] Ex. 2 (Application) at 4, 7.

[5] *Id.* at 7.

[6] *Id.* at 6.

[7] *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses,* Case No. PUR-2017-00038, Doc. Con. Cen. No. 171130298, Final Order (Nov. 29, 2017).

[8] Ex. 2 (Application) at 7.

[9] *Id.*

[10] The five related pending Dominion Rider dockets are: *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider B, Biomass Conversions of the Altavista, Hopewell, and Southampton Power Stations, for the Rate Year commencing April 1, 2020*, Case No. PUR-2019-00085 ("Rider B"); *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider GV, Greensville Power Stations, for the Rate Year Commencing April 1, 2020*, Case No. PUR-2019-00086 ("Rider GV"); *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider R, Bear Garden Generating Station*, *for the Rate Year Commencing April 1, 2020*, Case No. PUR-2019-00087 ("Rider R"); *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center, for the Rate Year Commencing April 1, 2020*, Case No. PUR-2019-00088 ("Rider S"); and *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider W, Warren County Power Station, for the Rate Year Commencing April 1, 2020*, Case No. PUR-2019-00089 ("Rider W").

[11] Ex. 2 (Application) at 7-8.

[12] Ex. 7 (Morgan Direct) at 8 and Schedule 1.

[13] Ex. 8 (Gereaux Direct) at 4-5.

[14] Ex. 7 (Morgan Direct) at 5-6.

[15] *Id.* at 5.

[16] Ex. 12 (Lecky Rebuttal) at 2-3.

[17] *Id.* at 3.

[18] *Id.* at 2. *See also*, Tr. at 8.

The Hearing Examiner convened a hearing as scheduled on November 7, 2019. No public witnesses appeared to testify at the hearing.[19] The Company, Staff, and Consumer Counsel participated at the hearing. At the hearing, Consumer Counsel noted its support for Staff's revenue requirement and capital structure positions, expressly supporting Staff's recommended use of a 9.2% ROE "placeholder"[20] for the Projected Cost Recovery Factor.[21] In addition, the Company stated its agreement with Staff's revised calculation as to the appropriate Lead/Lag days to be used in this case, and its "expectation" that this agreement will also carry forward into the other four Riders[22] as well.[23]

On November 21, 2019, the Commission issued its Final Order in Case No. PUR-2019-00050, approving an ROE of 9.2% to be applied to Dominion's Subsection A 6 RACs.[24]

On December 6, 2019, the Hearing Examiner issued the Report of Mary Beth Adams, Hearing Examiner ("Report"). In her Report, the Hearing Examiner recommended that the Commission approve an updated Rider GV RAC with a total revenue requirement of $131,852,000 for the 2020 Rate Year.[25] This total revenue requirement reflects a Projected Cost Recovery Factor of $131,728,000 and an Actual Cost True-Up Factor of $124,000, both based on a 9.2% ROE.[26]

On December 18, 2019, Staff filed comments on the Report, stating that the Staff supports the findings and recommendations in the Report. On December 23, 2019, Consumer Counsel filed comments on the Report, also supporting the findings and recommendations in the Report. On December 30, 2019, Dominion filed comments on the Report. In its comments, the Company noted that "in light of" the Commission's 9.2% ROE decision in the 2019 ROE Proceeding, it supports the findings and recommendations in the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the updated Rider GV RAC revenue requirement is $131,852,000 for the 2020 Rate Year, based on a Projected Cost Recovery Factor revenue requirement of $131,728,000 and an Actual Cost True-Up Factor of $124,000, both based on a 9.2% ROE.

The Commission further finds that based upon the agreements of the parties to this case, the current State and Federal Lead/Lag days recommended by Staff, shall be utilized for accounting purposes in this Rider GV case and the concurrent Riders B, R, S, and W cases. Additionally, and until otherwise ordered by this Commission, the Lead/Lag days recommended by Staff shall further serve as precedent in each of the Company's pending and future § 56-585.1 A 6 cases.

Accordingly, IT IS ORDERED THAT:

(1) Rider GV, as approved herein with an updated revenue requirement in the amount of $131,852,000, shall become effective for service rendered on and after April 1, 2020.

(2) The revenue requirement ROE for both the Projected Cost Recovery Factor and the Actual Cost True-Up Factor shall be 9.2%.

(3) The Lead/Lag days recommended by Staff shall be utilized for accounting purposes in this Rider GV case and the concurrent Riders B, R, S, and W cases. Additionally, and until otherwise ordered by this Commission, the Lead/Lag days recommended by Staff shall further serve as precedent in each of the Company's pending and future § 56-585.1 A 6 cases.

(4) The Company forthwith, shall file a revised Rider GV and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(5) On or before June 26, 2020, the Company shall file an application to revise Rider GV effective April 1, 2021.

(6) This case is dismissed.

---

[19] Tr. at 4.

[20] Ex. 8 (Gereaux Direct) at 4; referring to the Commission's then continued consideration and pending Order in Case No. PUR-2019-00050 ("2019 ROE Proceeding").

[21] Tr. at 9-10.

[22] *See* n. 14: Riders B, R, S, and W.

[23] Tr. at 7-8.

[24] *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, Doc. Con. Cen. No. 191130006, Final Order at 16 (Nov. 21, 2019).

[25] Report at 12.

[26] *Id.*

CASE NO. PUR-2019-00087
FEBRUARY 14, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider R, Bear Garden Generating Station

FINAL ORDER

On May 31, 2019, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia, filed with the State Corporation Commission ("Commission") an annual update of the Company's rate adjustment clause, Rider R ("Application"). Through its Application, the Company seeks to recover costs associated with the Bear Garden Generating Station ("Bear Garden Project" or "Project"), a natural gas- and oil-fired combined-cycle electric generating facility and associated transmission interconnection facilities located in Buckingham County, Virginia.[1]

In 2009, the Commission approved Dominion's construction and operation of the Bear Garden Project and also approved a rate adjustment clause, designated Rider R, for the Company to recover costs associated with the construction of the Project.[2] The Bear Garden Project became fully operational in May 2011.[3]

In this proceeding, Dominion has asked the Commission to approve Rider R for the rate year beginning April 1, 2020, and ending March 31, 2021 ("2020 Rate Year").[4] The two components of the proposed total revenue requirement for the 2020 Rate Year are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.[5]

On June 18, 2019, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on the Application, or participate in the proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.[6]

A notice of participation was filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). Commission Staff ("Staff") filed testimony on December 13, 2019. Dominion filed rebuttal testimony on January 8, 2020. No written comments regarding the Application were received.

The evidentiary hearing was convened as scheduled on January 22, 2020. No public witnesses appeared to testify at the hearing.[7] The Company, Staff, and Consumer Counsel participated at the hearing.

On January 24, 2020, the Hearing Examiner issued the Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner ("Report"). As stated in the Report,

> By the time of the hearing in this matter, Staff and [Dominion] had resolved all the issues raised in prefiled testimony. . . . Both Staff and [Dominion] proposed a total Rider R revenue requirement of $44.48 million, consisting of a Projected Cost Recovery Factor of $54.35 million, and an Actual Cost True-Up Factor of ($9.88) million. Staff also agreed with the Company's proposed cost allocation and rate design methodology.[8]

The Hearing Examiner therefore recommended that the Commission approve an updated Rider R rate adjustment clause with a 2020 Rate Year revenue requirement of $44.48 million.[9]

---

[1] Ex. 2 (Application) at 1.

[2] *Id.* at 2-3; *Application of Virginia Electric and Power Company, For a certificate to construct and operate a generating facility; for certificates of public convenience and necessity for a transmission line: Bear Garden Generating Station and Bear Garden-Bremo 230 kV Transmission Interconnection Line*, Case No. PUE-2008-00014, 2009 S.C.C. Ann. Rept. 296, Final Order (Mar. 27, 2009); *Application of Virginia Electric and Power Company, For Approval of a Rate Adjustment Clause for Recovery of the Costs of the Bear Garden Generating Station and Bear Garden-Bremo 230 kV Transmission Interconnection Line,* Case No. PUE-2009 00017, 2009 S.C.C. Ann. Rept. 416, Order Approving Rate Adjustment Clause (Dec. 16, 2009).

[3] Ex. 2 (Application) at 4.

[4] *Id*. at 4, 6-7.

[5] *Id*. at 7.

[6] The Order for Notice and Hearing also granted Dominion's request to litigate issues relative to the Company's updated lead/lag study in Case No. PUR-2019-00086, Dominion's Rider GV docket.

[7] Tr. 5.

[8] Report at 9-10 (footnotes omitted).

[9] *Id.* at 10. On January 31, 2020, Dominion and Consumer Counsel filed comments supporting the findings and recommendations set forth in the Report. Staff did not file comments to the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that a Rider R revenue requirement of approximately $44.48 million, based on a Projected Cost Recovery Factor revenue requirement of $54.35 million and an Actual Cost True-Up Factor of ($9.88) million, is hereby approved.

Accordingly, IT IS ORDERED THAT:

(1) Rider R, as approved herein with an updated revenue requirement in the amount of $44.48 million, shall become effective for service rendered on and after April 1, 2020.

(2) The Company forthwith shall file a revised Rider R and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) On or before June 30, 2020, the Company shall file an application to revise Rider R effective April 1, 2021.

(4) This case is dismissed.

CASE NO. PUR-2019-00088
FEBRUARY 3, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center

FINAL ORDER

On May 31, 2019, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia, filed with the State Corporation Commission ("Commission") an annual update of the Company's rate adjustment clause, Rider S ("Application"). Through its Application, the Company seeks to recover costs associated with the Virginia City Hybrid Energy Center ("VCHEC"), a 600 megawatt nominal coal-fueled generating plant and associated transmission interconnection facilities located in Wise County, Virginia.[1]

In Case No. PUE-2007-00066,[2] the Commission approved Dominion's construction and operation of VCHEC and also approved a rate adjustment clause, designated Rider S, for Dominion to recover costs associated with the development of the Project.[3] VCHEC became fully operational in 2012.[4]

In this proceeding, Dominion has asked the Commission to approve Rider S for the rate year beginning April 1, 2020, and ending March 31, 2021 ("2020 Rate Year").[5] The two components of the proposed total revenue requirement for the 2020 Rate Year are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.[6]

On June 18, 2019, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.[7]

A notice of participation was filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). Commission Staff ("Staff") filed testimony on November 8, 2019. Dominion filed rebuttal testimony on November 22, 2019. No written comments regarding the Application were received.

The evidentiary hearing was convened as scheduled on December 12, 2019. No public witnesses appeared to testify at the hearing.[8] The Company, Staff, and Consumer Counsel participated in the hearing.

---

[1] Exhibit ("Ex.") 2 (Application) at 1; Ex. 5 (Moore Direct) at 1.

[2] *Application of Virginia Electric and Power Company, For a certificate of public convenience and necessity to construct and operate an electric generation facility in Wise County, Virginia, and for approval of a rate adjustment clause under §§ 56-585.1, 56-580 D, and 56-46.1 of the Code of Virginia*, Case No. PUE-2007-00066, 2008 S.C.C. Ann. Rept. 385, Final Order (Mar. 31, 2008).

[3] Ex. 2 (Application) at 2-3.

[4] *Id*. at 5.

[5] *Id*. at 4-5, 7.

[6] *Id*. at 7.

[7] The Order for Notice and Hearing also granted Dominion's request to litigate issues relative to the Company's updated lead/lag study in Case No. PUR-2019-00086, Dominion's Rider GV docket.

[8] Tr. 3.

On December 27, 2019, the Hearing Examiner issued the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report"). As stated in the Report:

> By the end of the evidentiary proceeding, no issues were disputed relative to the updated revenue requirement for Rider S. Both Dominion and Staff now support a [2020] Rate Year revenue requirement of $194.563 million, consisting of a Projected Cost Recovery Factor of $198.307 million and an Actual Cost True-Up Factor of ($3.744) million. Consumer Counsel, the only other participant in this case, does not oppose such amount. Moreover, the revenue requirement of $194.563 million is supported by the evidence in this case and the incorporation of the base [rate of return on common equity] approved by the Commission in [Case No. PUR-2019-00050] into the calculation of the Projected Cost Recovery Factor.[9]

The Hearing Examiner therefore recommended that the Commission approve an updated Rider S rate adjustment clause with a 2020 Rate Year revenue requirement of $194.563 million.[10]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that a Rider S revenue requirement of approximately $194.563 million, based on a Projected Cost Recovery Factor revenue requirement of $198.307 million and an Actual Cost True-Up Factor of ($3.744) million, is hereby approved.

Accordingly, IT IS ORDERED THAT:

(1) Rider S, as approved herein with an updated revenue requirement in the amount of $194.563 million, shall become effective for service rendered on and after April 1, 2020.

(2) The Company forthwith shall file a revised Rider S and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) On or before June 30, 2020, the Company shall file an application to revise Rider S effective April 1, 2021.

(4) This case is dismissed.

[9] Report at 7. *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, Doc. Con. Cen. No. 191130006, Final Order (Nov. 21, 2019).

[10] Report at 7. On January 21, 2020, Dominion, Consumer Counsel, and Staff filed comments supporting the findings and recommendations set forth in the Report.

CASE NO. PUR-2019-00089
FEBRUARY 3, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider W, Warren County Power Station For the Rate Year Commencing April 1, 2020

FINAL ORDER

On May 31, 2019, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia, filed with the State Corporation Commission ("Commission") an annual update of the Company's rate adjustment clause, Rider W ("Application"). Through its Application, the Company seeks to recover costs associated with the Warren County Power Station, a natural gas-fired combined-cycle electric generating plant, and associated transmission interconnection facilities located in Warren County, Virginia ("Warren County Project" or the "Project").[1]

In Case No. PUE-2011-00042,[2] the Commission approved Dominion's construction and operation of the Warren County Project and also approved a rate adjustment clause, designated Rider W, for Dominion to recover costs associated with the development of the Project.[3] The Warren County Project became fully operational in 2014.[4]

[1] Exhibit ("Ex.") 2 (Application) at 1.

[2] *Application of Virginia Electric and Power Company, For approval and certification of the proposed Warren County Power Station electric generation and related transmission facilities under §§ 56-580 D, 56-265.2, and 56-46.1 of the Code of Virginia and for approval of a rate adjustment clause, designated as Rider W, under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUE-2011-00042, 2012 S.C.C. Ann. Rept. 263, Final Order (Feb. 2, 2012).

[3] Ex. 2 (Application) at 2-3.

[4] *Id*. at 4.

In this proceeding, Dominion has asked the Commission to approve Rider W for the rate year beginning April 1, 2020, and ending March 31, 2021 ("2020 Rate Year").[5] The two components of the proposed total revenue requirement for the 2020 Rate Year are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.[6]

On June 14, 2019, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in the proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.[7]

A notice of participation was filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). Commission Staff ("Staff") filed testimony on November 20, 2019. Dominion filed rebuttal testimony on December 13, 2019. No written comments regarding the Application were received.

The evidentiary hearing was convened as scheduled on January 9, 2020. No public witnesses appeared to testify at the hearing.[8] The Company, Staff, and Consumer Counsel participated at the hearing.

On January 15, 2020, the Hearing Examiner issued the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report"). As stated in the Report,

> Dominion accepted, and Consumer Counsel does not object to, the Rider W revenue requirement calculated by Staff for service rendered during the Rate Year. This uncontested revenue requirement incorporates the 9.2% general ROE approved in Case No. PUR-2019-00050 and is supported by the record.[9]

The Hearing Examiner therefore recommended that the Commission approve an updated Rider W rate adjustment clause with a 2020 Rate Year revenue requirement of $105.633 million.[10] This total revenue requirement consists of a Projected Cost Recovery Factor of $108.036 million and an Actual Cost True-up Factor of ($2.404) million.[11]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that a Rider W revenue requirement of approximately $105.633 million, based on a Projected Cost Recovery Factor revenue requirement of $108.036 million and an Actual Cost True-Up Factor of ($2.404) million, is hereby approved.

Accordingly, IT IS ORDERED THAT:

(1) Rider W, as approved herein with an updated revenue requirement in the amount of $105.633 million, shall become effective for service rendered on and after April 1, 2020.

(2) The Company forthwith shall file a revised Rider W and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) On or before June 30, 2020, the Company shall file an application to revise Rider W effective April 1, 2021.

(4) This case is dismissed.

---

[5] *Id*. at 3-4.

[6] *Id*. at 6.

[7] The Order for Notice and Hearing also granted Dominion's request to litigate issues relative to the Company's updated lead/lag study in Case No. PUR-2019-00086, Dominion's Rider GV docket.

[8] Tr. 3-4.

[9] Report at 10. *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, Doc. Con. Cen. No. 191130006, Final Order (Nov. 21, 2019).

[10] Report at 10.

[11] *Id*. On January 23, 2020, Staff filed comments supporting the conclusions set forth in the Report. On January 24, 2020, Dominion filed comments supporting the findings and recommendations in the Report, and Consumer Counsel filed comments not objecting to the findings and recommendations in the Report.

CASE NO. PUR-2019-00090
APRIL 22, 2020

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE

For a general increase in electric rates

FINAL ORDER

On July 19, 2019, Southside Electric Cooperative ("SEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to §§ 56-231.33, 56-231.34, 56-236, 56-238, and 56-585.3 of the Code of Virginia ("Code") requesting approval of a proposed increase in rates and charges for bills rendered on or after January 7, 2020.[1]

SEC represents that a rate increase is needed due to low customer growth and increased costs.[2] Specifically, the Cooperative seeks an increase in jurisdictional sales revenues of $8.019 million to pay expenses, service debt, fund capital additions, and meet the financial goals established by SEC's Board of Directors.[3] The proposed increase would produce total rate year jurisdictional margins of $9.320 million, a 2.35x Times Interest Earned Ratio ("TIER"), a debt service coverage ratio of 1.74x, and 5.74% rate of return on rate base.[4]

The Cooperative proposes a demand charge for its Schedule A, Schedule A-TOU, and Schedule GSS members.[5] SEC states that by separating demand costs from consumption costs, the Cooperative's members will be able to control both types of costs, rather than just consumption costs.[6] To update Schedule A kilowatt hour sales for the rate year, calendar year 2020, SEC proposes to use a five-year average monthly consumption, rather than the test year, calendar year 2018, average of monthly consumption.[7] Additionally, the Cooperative proposes to incorporate seasonal price differentials for the electric supply service portions of generation and transmission charges.[8] SEC also proposes to introduce Schedule AS-1, a new rider to Schedule I that will pass through the cost effects of purchasing power from an alternative supplier to Old Dominion Electric Cooperative ("ODEC").[9]

Of the proposed $8.019 million rate year revenue increase, SEC allocates the largest percentage increase of 7.66% to Schedule A (Residential), which equals $7.8365 million; the next largest percentage increase of 5.79% to Schedule GSS, which equals $173,339; minimal increases to Schedules I and A-TOU; and non-material increases to Schedules GTP and SL.[10] The Cooperative indicates that the overall jurisdictional sales revenue increase is 6.87%.[11]

SEC also proposes to adjust its Schedule PCA-1 to: (1) reflect the rate year level of power cost recovered in proposed base rates; (2) change the Southeastern Power Administration ("SEPA") factor definition to incorporate the addition of Morgan Stanley as a supplier; (3) clarify that SEPA rate changes or allocations and changes in price or volume from a non-ODEC supplier do not require a corresponding change in the power cost adjustment factor midyear unless the changes materially affect power cost; and (4) eliminate the non-purchased power cost element in the over- and under-recovery amount calculation.[12]

The Cooperative requests that its proposed rates and charges be approved and that the Commission authorize such rates to be put into effect for bills rendered on and after January 7, 2020, as interim rates subject to refund, if necessary, as provided in Code § 56-238.[13]

---

[1] Ex. 1 (Application) at 4. SEC clarifies that while its proposed base rates would take effect for bills rendered on and after January 7, 2020, its new Schedule AS-1 is proposed to take effect for bills rendered on and after February 1, 2020. *Id.* at 4, Schedule 5A.

[2] *Id.* at 3.

[3] *Id.*

[4] *Id.* at 3-4. The Cooperative is not requesting that the Commission set a TIER of 2.35x and adjust its proposed rates to that TIER. SEC requests that the Commission approve rates as proposed provided the resulting TIER is within a reasonable range that would normally be recommended for cooperatives in Virginia. *Id.* at 4.

[5] *Id.* at 4.

[6] *Id.*

[7] *Id.* at 5.

[8] *Id.*

[9] *Id.*

[10] *Id.* at 8-9; Ex. 5 (Gaines Direct) at 24.

[11] Ex. 1 (Application) at 9.

[12] *Id.*

[13] *Id.* at 10.

On August 9, 2019, the Commission entered an Order for Notice and Hearing that, among other things, docketed the Application; established a procedural schedule; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent; scheduled an evidentiary hearing; appointed a Hearing Examiner to conduct all further proceedings in this matter; and allowed SEC to put its proposed rates into effect on an interim basis and subject to refund effective January 7, 2020.

On December 12, 2019, the Staff of the Commission ("Staff") filed testimony describing the results of its investigation of the Application. On January 21, 2020, SEC filed rebuttal testimony. Although no interested persons filed a notice of participation, the Commission received two public comments on SEC's Application.

On January 27, 2020, SEC and Staff filed a Joint Motion to Approve Partial Stipulation ("Joint Motion") and the attached Partial Stipulation ("Partial Stipulation"). The proposed Partial Stipulation provided in part that:

(1) The Cooperative's rates will be calculated using the Cooperative's billing determinants provided in its Application, which increases revenues by $8.019 million and results in a TIER of 2.35x. This TIER is within the range of 2 to 2.5x found to be reasonable by Staff.

(2) Except as set forth in Partial Stipulation Paragraph (3), and subject to the Commission's findings related to the outstanding issue of revenue apportionment described in Partial Stipulation Paragraph (4), the Cooperative's proposed distribution delivery charges and energy supply service ("ESS") charges, including the demand charge and seasonal ESS rates, are reasonable and should be approved as set forth in the Cooperative's Application with no changes.

(3) The monthly single-phase consumer delivery charge for Schedule GSS shall be $26.00 and the Energy Delivery Charges shall be increased by $0.00163 per kilowatt-hour. The consumer delivery charges for Schedule 1 shall be $60.00 for secondary service and $43.00 for primary service and the Energy Delivery Charges shall be increased by $0.00005 per kilowatt hour. The consumer meter charge for substation service shall be $95.00.

(4) This Partial Stipulation does not address revenue apportionment as the Cooperative supports the revenue apportionment as proposed in its Application with no changes and Staff proposes a shift of $170,000 of revenue from Schedule A (Residential) to Schedule I (Industrial) as set forth in the pre-filed testimony of Staff witness Gravely. This outstanding revenue apportionment issue, and any effects from the determination thereof, is before the Hearing Examiner and Commission for determination based on the record in this proceeding.

(5) The Cooperative's proposed changes to its terms and conditions of service are reasonable and should be approved, including the addition of Schedule AS-1, a new rider to Schedule I that will pass through the cost effects of purchasing power from an alternative supplier to ODEC.[14]

The Senior Hearing Examiner convened the evidentiary hearing in this matter on February 4, 2020. Counsel for SEC and Staff appeared at the hearing. No public witnesses appeared to testify.

On February 24, 2020, the Senior Hearing Examiner filed her report ("Report") in this case. The Senior Hearing Examiner reviewed the Partial Stipulation's terms and the evidence, and she considered SEC's financial condition and its need for the proposed rate increase.[15] As a result, the Senior Hearing Examiner concluded that the Partial Stipulation is fair, reasonable, in the public interest, and complies with the relevant statutory provisions.[16] The Senior Hearing Examiner found that: (1) the Partial Stipulation offers a fair and reasonable resolution of all issues in this case except for revenue apportionment; and (2) SEC's proposed revenue apportionment is reasonable and should be approved by the Commission.[17] Accordingly, the Senior Hearing Examiner recommended that the Commission enter and order that adopts the findings and recommendations in her Report and approves the Partial Stipulation.[18]

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the Senior Hearing Examiner's findings and recommendations should be adopted. We find that the Partial Stipulation satisfies the statutory requirements relevant to this case and should be approved. We note that the terms of the Partial Stipulation are the result of compromise for purposes of a near-global resolution of the issues in this case and thus do not represent findings of fact or carry any precedential value. We also agree with the Senior Hearing Examiner that the Cooperative's proposed revenue apportionment is reasonable and should be approved. Finally, we find that SEC's proposed rates and terms and conditions, which were placed into effect on an interim basis and subject to refund for service rendered on and after January 7, 2020, should be made permanent.

For clarification, we note that the increased revenue requirement of $8.019 million, agreed upon in the Partial Stipulation and approved herein, is the same increase that has already been effected through the Cooperative's interim rates. Thus, no additional increase in revenues is being approved beyond that which has already been implemented. We realize that the current COVID-19 public health crisis has caused devastating economic effects that affect all utility customers. We have responded to this economic emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency.[19] We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of facts supported by evidence in the record. That is what we have done herein.

---

[14] Ex. 6 (Partial Stipulation) at 4-5.

[15] Report at 18.

[16] *Id*.

[17] *Id*. at 19 (citing *Application of Virginia Natural Gas, Inc., For a general increase in rates*, Case No. PUE-1990-00028, 1991 S.C.C. Ann. Rept. 297, 298, Order on Reconsideration (Sept. 6, 1991)). This case states, in pertinent part, "Sound rate structures balance all pertinent facts and factors."

[18] Report at 19.

[19] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020).

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Senior Hearing Examiner's Report hereby are adopted under the specific facts and circumstances of this case.

(2) The Joint Motion filed by Staff and SEC hereby is granted, and the Partial Stipulation hereby is approved.

(3) Within thirty (30) days of the issuance of this Final Order, the Cooperative shall file revised tariffs, schedules, and terms and conditions of service that reflect the rates and charges approved herein.

(4) This case is dismissed.

CASE NO. PUR-2019-00092
AUGUST 31, 2020

APPLICATION OF
TELCO PROS INC. d/b/a TPI EFFICIENCY

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On August 8, 2019, the State Corporation Commission ("Commission") granted Telco Pros Inc. d/b/a TPI Efficiency ("TPI Efficiency" or "Company") License No. A-69 to provide competitive aggregation services for electricity and natural gas to commercial and industrial customers throughout the service territories open to retail competition in Virginia.[1] The Commission's Order Granting License held the case open for consideration of any subsequent amendments or modifications to the license granted therein.[2]

On July 1, 2020, TPI Efficiency filed with the Commission an application to amend License No. A-69 ("Amendment Application"). Therein the Company seeks additional authority to market aggregation services for electricity and natural gas to eligible governmental[3] and residential customers in the service territories in Virginia that are open to retail competition.[4] TPI Efficiency attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules"). The Company paid the applicable registration fee of $250.

On July 16, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on the utilities identified in Attachment A to the Procedural Order on or before July 27, 2020, and to file proof of service on or before August 3, 2020. TPI Efficiency filed proof of service on July 20, 2020, in compliance with the Procedural Order.

The Commission's Procedural Order also directed any comments in the matter to be filed on or before August 12, 2020. Dominion filed comments on the Amendment Application on August 12, 2020.

The Procedural Order further directed the Staff of the Commission ("Staff") to investigate the Amendment Application and present its findings in a report ("Report"). The Staff filed its Report on August 17, 2020, which summarized TPI Efficiency's proposal and evaluated its financial condition and technical fitness. Based on its review of the Amendment Application, Staff recommended that TPI Efficiency be granted a license to conduct business as an aggregator of electricity and natural gas in the Virginia service territories open to retail competition to serve eligible commercial, industrial, governmental, and residential customers.

NOW THE COMMISSION, upon consideration of the Amendment Application, the case record, and applicable law, finds that TPI Efficiency's Amendment Application should be granted, subject to the conditions set forth below.

---

[1] *Application of Telco Pros Inc. d/b/a TPI Efficiency, For a license to do business as an electricity and natural gas aggregator*, Case No. PUR-2019-00092, Doc. Con. Cen. No. 190820016, Order Granting License, (Aug. 8, 2019).

[2] *Id.* at 2.

[3] In its Amendment Application, the Company indicated that it wished to provide services to a customer class that it identified as "educational." For licensure purposes, publicly owned educational facilities are classified as governmental, and privately held educational facilities would be in a customer class other than governmental depending on the size of the customer.

[4] Retail choice for natural gas service presently exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is permitted only pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

Accordingly, IT IS ORDERED THAT:

(1) License No. A-69 hereby is cancelled and shall be reissued as License No. A-69A, authorizing TPI Efficiency to provide competitive aggregation service of electricity and natural gas to eligible commercial, industrial, governmental, and residential customers in the Virginia service territories open to retail competition. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUR-2019-00094
JULY 2, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a 100 percent renewable energy tariff, designated Rider TRG, pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia

ORDER APPROVING TARIFF

On May 31, 2019, pursuant to §§ 56-577 A 5 ("Section A 5") and 56-234 of the Code of Virginia ("Code") and Rule 80, 5 VAC 5-20-80, of the State Corporation Commission's ("Commission") Rules of Practice and Procedure,[1] Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed with the Commission an application ("Application") for approval of an optional 100 percent renewable energy tariff, designated Rider TRG, whereby participating customers can voluntarily elect to purchase 100 percent of their energy and capacity needs sourced from renewable energy resources.

The Application states that Rider TRG customers will receive 100 percent of their energy and capacity from a portfolio of resources ("TRG Portfolio") owned or contracted for by the Company that meet the definition of renewable energy in Code § 56-576.[2] As proposed, the TRG Portfolio would include the following resources: the Scott, Whitehouse, and Woodland solar facilities; the Essex, Williamston Speight, HXOap, Cork Oak, and Sunflower solar power purchase agreements; the Gaston and Roanoke Rapids hydro facilities; and the Altavista, Hopewell, Southampton, and Virginia City Hybrid Energy Center ("VCHEC") biomass units.[3] As proposed, the Company expects that the TRG Portfolio will be able to meet the capacity and energy requirements of approximately 50,000 residential customers or their commercial equivalent.[4] The Company proposes to compare, on a monthly basis, the subscribed customer load to the monthly generation by the TRG Portfolio and will ensure that the generation exceeds the load, with reasonable margins for deviations.[5] The Company also states that it will retire the renewable energy certificates ("RECs") associated with each megawatt-hour generated by the TRG Portfolio that the Company sells to participating customers.[6]

The Company proposes that participating customers in Rider TRG pay a premium over standard service that is based on the prevailing market value of retail renewable energy, using the market value of RECs as a proxy for this premium.[7] The Company proposes an initial rate for Rider TRG of $4.21 per megawatt-hour, which is the weighted average value of the RECs produced by the current TRG Portfolio in 2018.[8] The Company states participating customers will also pay a balancing charge that credits the generation component of base rates, fuel, and generation riders in amounts to hold non-participants harmless, including any future generation riders that may be approved.[9] In addition, participating customers would be required to continue to pay their standard tariff for all wires-related charges for transmission and distribution service.[10]

---

[1] 5 VAC 5-20-10 *et seq.*

[2] Ex. 2 (Application) at 5.

[3] *Id.*

[4] *Id.*

[5] *Id.* at 6.

[6] *Id.*

[7] *Id.*

[8] *Id.*

[9] *Id.* at 7.

[10] *Id.*

Under the Company's proposal, all customers with a peak demand of less than five megawatts in the most recent 12-month billing period would be eligible to participate in Rider TRG.[11] According to the Application, for a typical residential customer using 1,000 kilowatt-hours per month, Rider TRG would increase a participating customer's monthly bill by $4.21, or 3.6%.[12] The Company proposes that customers give 30-days' notice to initiate or terminate service under Rider TRG, with no separate contracts required to participate.[13]

On June 20, 2019, the Commission issued an Order for Notice and Hearing that, among other things, directed the Company to provide notice of its Application; established a procedural schedule, including scheduling a public evidentiary hearing; provided opportunities for interested persons to participate in this proceeding by filing either comments on the Application or notices of participation; directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits summarizing Staff's investigation; and appointed a Hearing Examiner to conduct all further proceedings in this case.

Notices of participation were filed by Wal-Mart, Inc. ("Walmart"); Advanced Energy Economy ("AEE"); Appalachian Voices; Calpine Energy Solutions, LLC ("Calpine"); Collegiate Clean Energy, LLC ("Collegiate");[14] Costco Wholesale Corporation; Direct Energy Business, LLC and Direct Energy Services, LLC (collectively, "Direct Energy"); Renewable Energy Buyer's Alliance ("REBA"); and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). The Company, AEE, Appalachian Voices, Direct Energy, REBA, Walmart and Staff pre-filed testimony in this matter. The Commission also received written comments on the Application.

The public evidentiary hearing was convened, as scheduled, on November 21, 2019. Counsel for the Company, AEE, Appalachian Voices, Calpine, Direct Energy, REBA, Walmart, Consumer Counsel, and Staff appeared. One public witness testified at the hearing.[15] The hearing concluded on November 22, 2019.

On April 20, 2020, the Hearing Examiner issued her report ("Report"). Comments on the Report were filed by the Company, AEE, Appalachian Voices, Calpine, Direct Energy, REBA, Walmart, and Consumer Counsel.[16]

On May 15, 2020, Direct Energy filed a Motion for Delay of Any Compliance Filing and for Expedited Consideration ("Motion"), requesting, in the event Rider TRG is approved, that (a) the Commission not issue such approval until the issues in Case No. PUR-2020-00044 have been resolved, or, in the alternative, (b) the Commission issue an instruction to Dominion that its compliance filing for Rider TRG shall be filed no sooner than 90 days following the issuance of any final order approving Rider TRG as a Section A 5 tariff.[17] Dominion, AEE, and Calpine filed responses to the Motion and Direct Energy filed a reply.[18]

NOW THE COMMISSION, having considered the record, the pleadings, and the applicable law, is of the opinion and finds that Rider TRG should be approved, subject to certain modifications and conditions, as discussed herein.

Code § 56-577 A 5 states in full:

> 5. Individual retail customers of electric energy within the Commonwealth, regardless of customer class, shall be permitted:
>
> a. To purchase electric energy provided 100 percent from renewable energy from any supplier of electric energy licensed to sell retail electric energy within the Commonwealth, other than any incumbent electric utility that is not the incumbent electric utility serving the exclusive service territory in which such a customer is located, if the incumbent electric utility serving the exclusive service territory does not offer an approved tariff for electric energy provided 100 percent from renewable energy; and
>
> b. To continue purchasing renewable energy pursuant to the terms of a power purchase agreement in effect on the date there is filed with the Commission a tariff for the incumbent electric utility that serves the exclusive service territory in which the customer is located to offer electric energy provided 100 percent from renewable energy, for the duration of such agreement.

---

[11] *Id.*

[12] *Id.*

[13] *Id.* at 8.

[14] Collegiate subsequently filed a notice of withdrawal of its notice of participation on October 18, 2019.

[15] Tr. 11-14.

[16] Worthington Energy Consultants ("WEC"), a non-participant to this proceeding, also filed comments on the Hearing Examiner's Report. The Commission has previously found -- on multiple occasions -- that a non-party does not have a right to file comments on a Hearing Examiner's report. *See, e.g., Shenandoah Valley Electric Cooperative, For approval of a general increase in base rates and a plan to migrate transitioning customers to its modified legacy rates, and for approval of revisions to rate schedules for electric service*, Case No. PUE-2013-00132, 2015 S.C.C. Ann. Rept. 200, 202, Order on Application (Jan. 26, 2015). According, WEC's comments will not be considered.

[17] Motion at 7-8.

[18] Upon consideration of the Motion, and the responses and reply thereto, the Commission exercises its discretion and finds it not necessary or appropriate to grant the Motion.

The Commission has considered several applications and other proceedings related to Section A 5 over the last several years and has previously approved a 100 percent renewable tariff, designated Rider WWS, for Appalachian Power Company ("APCo") under this section.[19] In approving Rider WWS, the Commission recognized that Section A 5 "does not include an express standard of review for the Commission's approval, nor does it include any express limitations on what the Commission may determine is relevant to such review."[20] The Commission also explained that "any tariff proposed under this statute must be evaluated on its own merits in determining whether it is just and reasonable and should be approved."[21] The Commission, however, provided guidance in its Riders WWS Order, "for purposes of instruction but not limitation," that "certain basic principles inform our analysis of a 100 percent renewable energy tariff proposed under this statute."[22] Those principles are as follows:[23]

- First, to be just and reasonable, the proposed tariff should include safeguards that hold non-participating customers substantially harmless.
- Second, the tariff must supply the customer's full load requirements with electric energy provided 100 percent from "renewable energy" as defined by statute.[24]
- Third, the rates under such tariff should be reasonable for purposes of the renewable energy product that is being supplied.

With regard to the first principle, we agree with the Hearing Examiner that "should Rider TRG be approved, non-participating customers will be receiving the exact same product - undifferentiated energy - as they were getting before Rider TRG, and they will be paying the exact same price for that product, thus they will be held substantially harmless."[25]

We also agree with the Hearing Examiner that Rider TRG is designed to supply the customer's full load requirements with electric energy provided 100 percent from "renewable energy" as defined by statute, consistent with the Commission's second principle.[26] No party contested that the proposed TRG Portfolio includes resources that come within the definition of "renewable energy" under Code § 56-576.[27] We further find that Rider TRG is not simply a REC purchase program. In addition to retiring the applicable RECs on behalf of the TRG participants, Rider TRG offers to sell the renewable output of the TRG Portfolio.[28] We continue to find it is reasonable, for purposes of supplying 100 percent renewable energy under Section A 5, to match renewable generation with a participating customer's load on a monthly basis, as proposed by the Company.[29]

---

[19] *Application of Appalachian Power Company, For approval of a 100% renewable energy rider pursuant to § 56-577 A 5 of the Code of Virginia*, Case No. PUR-2017-00179, Doc. Con. Cen. No. 190110100, Order Approving Tariff (Jan. 7, 2019) ("Rider WWS Order"). The instant proceeding is the fourth case initiated by Dominion seeking tariff approval under Code § 56-577 A 5. *See Application of Virginia Electric and Power Company, For approval of 100 percent renewable energy tariffs for residential and non-residential customers pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia*, Case No. PUR-2017-00157, Doc. Con. Cen. No. 190210198, Order Dismissing Case (Feb. 6, 2019); *Application of Virginia Electric and Power Company, For approval of 100 percent renewable energy tariffs pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia*, Case No. PUR-2017-00060, 2018 S.C.C. Ann. Rept. 219, Final Order (May 7, 2018); *Application of Virginia Electric and Power Company d/b/a Dominion Virginia Power, For approval of its Renewable Energy Tariff*, Case No. PUE-2008-00044, 2008 S.C.C. Ann. Rept. 539, Order Approving Tariff (Dec. 3, 2008).

[20] Rider WWS Order at 4. *See Application of Virginia Electric and Power Company, For approval of 100 percent renewable energy tariffs pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia*, Case No. PUR-2017-00060, 2018 S.C.C. Ann. Rept. 219, 220, Final Order (May 7, 2018); *Petition of Appalachian Power Company, For approval of a 100% renewable energy rider*, Case No. PUE-2016-00051, 2017 S.C.C. Ann. Rept. 339, 341, Final Order (Sept. 13, 2017).

[21] Rider WWS Order at 4.

[22] *Id.*

[23] *Id.* at 5.

[24] Code § 56-576 states as follows:

> "*Renewable energy*" means energy derived from sunlight, wind, falling water, biomass, sustainable or otherwise, (the definitions of which shall be liberally construed), energy from waste, landfill gas, municipal solid waste, wave motion, tides, and geothermal power, and does not include energy derived from coal, oil, natural gas, or nuclear power. Renewable energy shall also include the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass.

[25] Report at 42. *See, e.g.,* Tr. 352; Ex. 19 (Carr) at 3-6.

[26] Report at 39.

[27] Certain parties contested whether VCHEC was capable of providing "electric energy provided 100 percent from renewable energy" under Section A 5. *See, e.g.,* Appalachian Voices comments at 7-9. As discussed further below, we exercise our discretion to exclude VCHEC from the TRG Portfolio and do not reach the legal issue.

[28] Report at 50.

[29] *See, e.g.,* Rider WWS Order at 5-6; *Petition of Virginia Electric and Power Company, For Declaratory Judgment*, Case Nos. PUR-2019-00117 and PUR-2019-00118, Doc. Con. Cen. No. 190940009, Final Order (Sept. 18, 2020).

With respect to last principle, we agree with the Hearing Examiner that the rates and rate design under Rider TRG are reasonable for purposes of the renewable energy product being supplied, for the reasons set forth in the Report.[30] For example, the design is consistent with the structure previously approved for APCo's Rider WWS and uses the cost of a REC as a proxy for the premium cost of renewable energy. We are unpersuaded by respondents in this proceeding that argued that Rider TRG was both too high and too low.[31]

Several respondents urge the Commission to consider additional principles beyond those enumerated above. For the most part, the respondents ask us to consider that approval of Rider TRG as a tariff that provides electric energy 100 percent from renewable energy will eliminate competitive supply of renewable energy for certain customers within Dominion's service territory. For example, Calpine asserts "it is simply not in the public interest to approve a tariff that, by operation of law, precludes customers from realizing potential savings on their electricity supply bill as compared to the rates that Dominion is offering."[32] AEE posits that "[b]efore offering a tariff that rescinds customer rights to purchase renewable energy – leaving such tariff as a customer's *only* renewable energy option – the utility should at a minimum demonstrate that the proposal is reasonably designed to meet the needs and desires of its customers . . . ."[33]

The Commission has fully considered the evidence and arguments raised by all participants, including those urging rejection of the Application.[34] We also recognize the General Assembly's policy decision, which removes competition under Section A 5 if the utility has an approved tariff thereunder.[35] In the exercise of the Commission's discretion, we have found – after fully considering the respondents' opposition – that Rider TRG as approved herein is just and reasonable and in the public interest and, moreover, that neither the facts nor the law attendant to this case mandate rejection thereof.

VCHEC

A significant issue in this case was the inclusion of the biomass portion of the output of VCHEC in the TRG Portfolio. The Hearing Examiner explained that "[n]o participant disputed that VCHEC may produce 'renewable energy' as defined by § 56-576 of the Code; however, every respondent and Staff raised concerns regarding the inclusion of VCHEC in the TRG Portfolio."[36] VCHEC only partially relies on renewable energy and is not designed to burn biomass absent co-firing with coal, a fossil fuel.[37] Reasons advanced to remove VCHEC from the TRG Portfolio include the potential customer confusion around a predominately coal-fired generation facility being included in a 100 percent renewable energy tariff[38] and concern that including VCHEC in the TRG Portfolio could be viewed as a requirement that Rider TRG participants indirectly support coal generation.[39]

Dominion did not oppose removing VCHEC from the TRG Portfolio and we agree with respondents and Staff that VCHEC should be excluded from the TRG Portfolio. There is no requirement in Section A 5 that Dominion include all of its resources that qualify as "renewable energy" under Code § 56-576 in the TRG Portfolio. We agree with Consumer Counsel "that customers . . . could reasonably be confused" by a 100 percent renewable energy tariff offering that includes a generating facility whose primary fuel source is coal.[40] Such exclusion will lower the renewable premium applicable to the Rider TRG from $4.21 to $3.98, reducing the cost of Rider TRG to participating customers.[41] Based on the record established in this proceeding, the Commission will exercise its discretion to remove VCHEC from the TRG Portfolio.[42]

---

[30] Report at 43-45.

[31] For example, Calpine argued that Rider TRG was "much higher than prevailing renewable retail market pricing." Calpine comments at 5 (citing public comments filed by Telco Pros. Inc.). Appalachian Voices, on the other hand, argued that the TRG rate should be higher than proposed because "participating customers do not pay the full cost of the Rider TRG resources" and "should bear 100 percent of the costs." Appalachian Voices comments at 4.

[32] Calpine comments at 6. As noted herein, we have fully considered the impacts of Rider TRG. Calpine's argument is also a public policy argument against the public policy embodied in Section A 5. Obviously, Calpine's proper recourse, along with other respondents who do not like the policy, is to the General Assembly.

[33] AEE comments at 10-11.

[34] *See also Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

[35] Although not part of our analysis herein, the Commission also notes that the 2020 General Assembly passed legislation, House Bill 868, that would permit all customers to purchase 100 percent renewable energy from a competitive supplier regardless of whether the incumbent utility has an approved tariff under Section A 5, subject to the requirement that the legislation be reenacted by the 2021 General Assembly. *See* 2020 Va. Acts ch. 1107.

[36] Report at 35.

[37] *See, e.g.,* Ex. 16 (Pratt) at 8-9.

[38] Report at 35-36.

[39] Report at 36.

[40] Report at 35-36.

[41] Report at 37.

[42] Having removed VCHEC from the TRG Portfolio, the Commission need not reach the legal issue of whether the inclusion of VCHEC would meet the requirements of Section A 5 to provide electric energy 100 percent for renewable energy.

Further in this regard, Walmart argues that the Commission cannot exclude VCHEC because "Dominion's relief is limited to the relief requested in its Application."[43] The Commission's discretion in this preceding is not limited to either approving or disapproving the Application in total. The Commission is required to implement Section A 5. "When a statute delegates such authority to the Commission, we presume that any limitation on the Commission's discretionary authority by the General Assembly will be clearly expressed in the language of the statute. Only the presence of such 'clearly expressed' statutory language ... can limit a general statutory grant of authority."[44] In support of its argument, Walmart cites a case in which the Commission, in the exercise of its discretion, declined to grant a petition for reconsideration that requested different relief than requested in the original application.[45] The Commission's determination herein to exclude VCHEC from the TRG Portfolio is not inconsistent with the decision cited by Walmart. These decisions rather represent the reasonable exercise of the Commission's discretion in two different cases involving different evidentiary records.

Here we simply use our discretion to acknowledge an obvious fact: Those customers who choose to purchase "100% renewable energy" in no universe would believe they are purchasing power from a generating unit in which the primary fuel is coal. Such would be a bizarre outcome for a statute intended to give those customers a 100% renewable option.

Biomass Units

The Commission declines to exclude the Company's three biomass units from the TRG Portfolio as requested by certain parties.[46] Unlike VCHEC, these units do not co-fire with a fossil fuel and the same concerns regarding customer confusion do not exist. Biomass meets the statutory definition of "renewable energy" under Code § 56-576. Moreover, exclusion of these units would significantly impact the number of customers that could take service under Rider TRG.[47] Based on the facts and circumstances on this case, the Commission declines to exercise its discretion to remove these units from the TRG Portfolio.

Modifications to the TRG Portfolio

We agree with the Hearing Examiner that the Company should be permitted to add resources to the TRG Portfolio on a short-term need basis but should not be permitted to add resources that do not address a "short-term need" without first obtaining Commission approval.[48] Such short-term additions should be consistent with the Company's proposed protocols.[49]

Tariff Language

We agree with the Hearing Examiner's recommended modification to the language of Rider TRG proposed by Consumer Counsel to remove the word "dedicated" and substitute the word "defined."[50] We find this clarification is reasonable and should be adopted.

Sunset Provision

We will not adopt a sunset provision such as that proposed by Direct Energy and Calpine.[51] We agree with Dominion that "the Commission retains authority to modify or amend Rider TRG at any time in the future and will have ample authority to address any concerns regarding participant levels during the annual update proceedings."[52]

Retail Choice

We further find that approval of Rider TRG does not preclude customers ineligible to participate (*i.e.*, those with peak demands at or above 5 megawatts) from purchasing electric energy provided 100 percent from renewable energy from a competitive supplier pursuant to Section A 5.[53] As we found with respect to Rider WWS, the Commission further finds that Rider TRG may be "offered" under the terms of Section A 5 until it becomes fully subscribed, or until the Company fails to accomplish the monthly matching of load and supply as approved herein.[54]

---

[43] Walmart comments at 4-5. *See also* Direct Energy comments at 13-14.

[44] *City of Alexandria v. State Corp. Comm'n*, 296 Va. 79, 818 S.E.2d 33, 43 (2018) (internal citations omitted).

[45] Walmart comments at 4-5. *Petition of Wal-mart Stores East, LP and Sam's East, Inc., for permission to aggregate or combine demands of two or more individual nonresidential retail customers of electric energy pursuant to § 56-577 A 4 of the Code of Virginia*, Case No. PUR-2017-00173 and PUR-2017-00174, Doc. Con. Cen. No. 190560141, Order on Reconsideration, at 2-3 (May 30, 2019).

[46] *See, e.g.,* REBA comments at 3.

[47] *See, e.g.,* Ex. 16 (Pratt) at 14.

[48] Report at 48.

[49] Ex. 18.

[50] Report at 48-49.

[51] *See, e.g.,* Direct Energy comments at 62-66; Calpine comments at 7-11.

[52] Dominion comments at 3.

[53] Report at 45-46.

[54] Rider WWS Order at 8.

Reporting and Disclosure Requirements

Finally, the Company shall comply with the disclosure and reporting requirements recommended by Staff and agreed to by the Company.[55]

Accordingly, IT IS ORDERED THAT:

(1) Rider TRG is approved as set forth herein.

(2) Within thirty (30) days hereof, Dominion shall file Rider TRG, as approved by this Order Approving Tariff, with the Clerk of the Commission and the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance. The Clerk of the Commission shall retain such filings for public inspection.

(3) Dominion shall file an annual update proceeding for Rider TRG on or before July 1, 2021.

(4) Dominion shall file annual reports on Rider TRG commencing May 1, 2021, and continuing until further order of the Commission.

(5) Direct Energy's Motion is hereby denied.

(6) This case is dismissed.

[55] *See, e.g.,* Report at 46-47.

CASE NO. PUR-2019-00094
JULY 23, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a 100 percent renewable energy tariff, designated Rider TRG, pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia

ORDER ON ADDITIONAL REQUESTS

On May 31, 2019, pursuant to Code §§ 56-577 A 5 and 56-234, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval of an optional 100 percent renewable energy tariff, designated Rider TRG, whereby participating customers can voluntarily elect to purchase 100 percent of their energy and capacity needs sourced from renewable energy resources.

On May 15, 2020, Direct Energy Business, LLC and Direct Energy Services, LLC (collectively, "Direct Energy") filed a Motion for Delay of Any Compliance Filing and for Expedited Consideration ("Motion for Delay"). Among other things, the Motion for Delay requested that if Rider TRG is approved, the Commission also issue an instruction to Dominion that its compliance filing for Rider TRG shall be filed no sooner than 90 days following the issuance of any final order approving Rider TRG as a Code § 56-577 A 5 tariff.[1]

On July 2, 2020, the Commission issued an Order Approving Tariff that, among other things: (1) approved Rider TRG subject to the requirements set forth therein; (2) directed Dominion to file Rider TRG (as approved therein) with the Clerk of the Commission and the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance within thirty (30) days; and (3) denied Direct Energy's Motion for Delay.[2]

On July 2, 2020, Dominion filed Rider TRG as directed in the Order Approving Tariff.

On July 8, 2020, Direct Energy filed a Motion for Order Clarifying Status of Proposed Tariff ("Motion to Clarify") and a Petition for Reconsideration seeking suspension of the Order Approving Tariff ("Petition to Suspend").

On July 10, 2020, the Company filed a Response in Opposition to the Motion to Clarify.

On July 17, 2020, Direct Energy filed a Reply.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

[1] Motion for Delay at 7-8. The Commission also received responses and a reply on the Motion for Delay.

[2] Order Approving Tariff at 13-14.

Application

The Company's Application in this proceeding specifically requested the following relief: "[T]hat the Commission issue an order no more than six months from the date of this filing: (i) approving Rider TRG as a 100 percent renewable energy tariff under Va. Code § 56-577 A 5; and, (ii) granting such other relief as deemed appropriate and necessary."[3] As a result, the instant Application required the Commission to exercise its discretionary authority in determining whether, and under what requirements (if any), to approve Rider TRG as a 100 percent renewable energy tariff. The Commission fulfilled its statutory obligation in the Order Approving Tariff.

Motion to Clarify

In its Motion to Clarify, Direct Energy "moves the Commission to issue an order clarifying that any Rider TRG tariff language submitted by [Dominion] is not immediately effective because such tariff remains subject to review by the Commission Staff and to consideration by the Commission of petitions for reconsideration…."[4]

The Commission clarifies that Dominion offered an approved tariff when the Company filed Rider TRG on July 2, 2020, in accordance with the Order Approving Tariff.

Petition to Suspend

In its Petition to Suspend, Direct Energy "petitions the Commission to suspend its Final Order issued on July 2, 2020 in this case approving Rider TRG for the limited purpose of reconsidering the impact of the approval of Rider TRG on a large commercial customer with multiple accounts in which each account's individual load is under 5 [megawatts ('MW')] but for which the customer's total load exceeds 5 MW."[5]

As stated above, the Commission previously denied Direct Energy's request to suspend or delay the filing of Rider TRG as approved in this proceeding. The Commission also exercises its discretion not to suspend the Order Approving Tariff to rule on the question of law raised in Direct Energy's Petition to Suspend.

The instant proceeding represents the seventh case in which an investor-owned electric utility has sought the Commission's discretionary approval for a 100 percent renewable energy tariff under Code § 56-577 A 5.[6] Consistent with those prior proceedings (and as long as the utility is proposing to offer a tariff for electric energy provided 100 percent from renewable energy), the instant case required the Commission to exercise its discretionary legislative authority. The Petition to Suspend, however, asks the Commission to interpret – as a legal matter of first impression – the term "individual retail customer" under Code §§ 56-576, 56-577 A 3, and 56-577 A 5. The Commission did not, and need not, answer this specific question of law regarding statutory interpretation in exercising its legislative discretion for purposes of ruling on the Application filed by Dominion in this proceeding.[7]

In addition, the Commission notes that Direct Energy, or any interested person, may initiate an appropriate proceeding under the Commission's Rules of Practice and Procedure[8] to bring an actual case or controversy before the Commission regarding specific questions of statutory interpretation under Code § 56-577. Indeed, numerous such cases raising questions of law on the implementation of retail competition under Code § 56-577 have been resolved in such manner, some of which were participated in or initiated by Direct Energy.[9] In exercising our discretion herein, and in issuing the Order Approving Tariff, the Commission finds that the distinct question of law on statutory interpretation raised in the Petition to Suspend need not and shall not be addressed as part of the instant Application, and that the Order Approving Tariff will not be suspended for such purpose.

---

[3] Ex. 2 (Application) at 10-11.

[4] Motion to Clarify and Petition to Suspend at 1.

[5] *Id*.

[6] *See, e.g., Application of Appalachian Power Company, For approval of a 100% renewable energy rider pursuant to § 56-577 A 5 of the Code of Virginia*, Case No. PUR-2017-00179, Doc. Con. Cen. No. 190110100, Order Approving Tariff (Jan. 7, 2019); *Application of Virginia Electric and Power Company, For approval of 100 percent renewable energy tariffs for residential and non-residential customers pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia*, Case No. PUR-2017-00157, Doc. Con. Cen. No. 190210198, Order Dismissing Case (Feb. 6, 2019); *Application of Virginia Electric and Power Company, For approval of 100 percent renewable energy tariffs pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia*, Case No. PUR-2017-00060, 2018 S.C.C. Ann. Rept. 219, Final Order (May 7, 2018); *Petition of Appalachian Power Company, For approval of a 100% renewable energy rider*, Case No. PUE-2016-00051, 2017 S.C.C. Ann. Rept. 339, Final Order (Sept. 13, 2017); *Application of Virginia Electric and Power Company d/b/a Dominion Virginia Power, For approval of its Renewable Energy Tariff*, Case No. PUE-2008-00044, 2008 S.C.C. Ann. Rept. 539, Order Approving Tariff (Dec. 3, 2008); *Application of Appalachian Power Company, For approval of its Renewable Power Rider*, Case No. PUE-2008-00057, 2008 S.C.C. Ann. Rept. 557, Order Approving Tariff (Dec. 3, 2008).

[7] The Commission notes that the Hearing Examiner likewise did *not* make a finding and recommendation on this specific question of law and statutory interpretation.

[8] 5 VAC 5-20-10 *et seq.*

[9] *See, e.g., Petition of Constellation NewEnergy, Inc., For a declaratory judgment*, Case No. PUR-2020-00072, Doc. Con. Cen. No. 200550191, Final Order (May 29, 2020); *Petition of Direct Energy Business LLC, For a declaratory judgment and injunctive relief against Virginia Electric and Power Company d/b/a Dominion Energy Virginia*, Case Nos. PUR-2020-00013, PUR-2020-00044, Doc. Con. Cen. No. 200710057, Order (July 2, 2020); *Petition of Pilgrim's Pride Corporation, For a declaratory judgment*, Case No. PUR-2019-00216, Doc. Con. Cen. No. 200420064, Final Order (Apr. 16, 2020); *Petition of Virginia Electric and Power Company, For a declaratory judgment*, Case Nos. PUR-2019-00117, PUR-2019-00118, Doc. Con. Cen. No. 190940008, Final Order (Sept. 18, 2019); *Petition of English Biomass Partners-Ferrum, LLC, For a declaratory judgment*, Case No. PUR-2017-00117, 2018 S.C.C. Ann. Rept. 263, Final Order (Apr. 20, 2018); *Petition of Direct Energy Services, LLC, For a declaratory judgment*, Case No. PUE-2016-00094, 2017 S.C.C. Ann. Rept. 368, Final Order (Mar. 15, 2017), *aff'd sub nom. Virginia Elec. and Power Co. v. State Corp. Comm'n*, 295 Va. 256 (2018).

Finally, we add the following. During the course of this proceeding, Direct Energy and other respondents make it clear that they oppose the public policy embedded in Code § 56-577 A 5, which is certainly their right. To the extent, however, that any party implies, on the record herein or in public statements, that our Order Approving Tariff represents an endorsement of that public policy or, at a minimum, a failure to correct a "wrong" public policy that denies customers the option of purchasing renewable energy from suppliers other than Dominion, such an implication fails to acknowledge the role of this Commission. As we have said many times before, this Commission's duty is to apply the law to the facts in a case and follow the law, without regard to whether we may agree or disagree with the statute from a policy standpoint.[10]

As we have repeatedly said before in similar contexts, including in this case, the recourse for those parties who oppose the public policy embedded in a statute is to be found at the General Assembly.[11] Along those lines, it is worth noting, as we did in the Order Approving Tariff, that in the most recent session of the General Assembly, the legislature passed a bill to repeal the provisions of Code § 56-577 A 5 that prohibit retail customers from purchasing 100 percent renewable energy from competitive service providers and the Governor signed that bill,[12] but such legislation contained what is known as a "re-enactment clause."[13] That clause effectively rendered the bill null and void *ab initio.* In other words, the legislation had no effect as an enactment of law; it allowed Code § 56-577 A 5 to remain undisturbed, in place and fully effective, just as it was when this case was initiated before the 2020 legislative session began.

Accordingly, IT IS SO ORDERED, and this case is DISMISSED.

Commissioner Jehmal T. Hudson did not participate in this matter.

---

[10] *See, e.g., Petition of the Old Dominion Committee for Fair Utility Rates v. Appalachian Power Company, For a declaratory judgment and an order requiring biennial review filings,* Case No. PUE-2016-00010, 2016 S.C.C. Ann. Rept. 357, 358, Final Order (July 1, 2016) ("Initially, it is important to emphasize what this case is about and not about. We agree with the Attorney General's assertion that, '... the question presented in this case is not whether [Senate Bill ('SB')] 1349 represents good policy; it is whether SB 1349 violates the Constitution.' ... Questions on whether SB 1349 is good or bad public policy… are different from the legal question whether SB 1349 is constitutional. That is the only question we can and must decide in this proceeding."), *aff'd sub nom. Old Dominion Committee for Fair Utility Rates v. State Corp. Comm'n*, 294 Va. 168 (2017).

[11] *See* Order Approving Tariff at 8 n.32 ("Calpine's argument is also a public policy argument against the public policy embodied in Section A 5. Obviously, Calpine's proper recourse, along with other respondents who do not like the policy, is to the General Assembly."). *See also Petition of Wal-Mart Stores East, LP and Sam's East, Inc., For permission to aggregate or combine demands of two or more individual nonresidential retail customers of electric energy pursuant to § 56-577 A 4 of the Code of Virginia*, Case Nos. PUR-2017-00173, PUR-2017-00174, Doc. Con. Cen. No. 190230081, Final Order (Feb. 25, 2019) ("These provisions of law embody the policy decision the General Assembly and Governor made in 2007, and as we have previously recognized in implementing other statutory provisions, the Commission's job is not to create public policy but to carry out the statutes as they are written."), *aff'd sub nom. Wal-Mart Stores East, LP v. State Corp. Comm'n*, __ Va. __, 2020 WL 3866468 (July 9, 2020).

[12] Order Approving Tariff at 9 n.35 (citing 2020 Va. Acts ch. 1107).

[13] 2020 Va. Acts ch. 1107, Enactment Clause 2 ("That the provisions of this act shall not become effective unless reenacted by the 2021 Session of the General Assembly.").

CASE NO. PUR-2019-00103
MAY 7, 2020

APPLICATION OF
ROANOKE GAS COMPANY

For approval of an Affiliate Agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On March 24, 2020, Roanoke Gas Company ("Roanoke Gas" or the "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),[1] requesting approval of an Affiliate Agreement ("Agreement") between Roanoke Gas and RGC Resources, Inc. ("Resources"), whereby Resources will continue to provide executive, administrative, accounting, information technology support, and human resources services to Roanoke Gas.

The Company and Resources have operated under previous versions of the Agreement since 1999, the most recent of which was approved by the Commission in Case No. PUE-2014-00054 ("2014 Agreement").[2] The Commission's approval of the 2014 Agreement was limited to the term of the agreement, which expired on June 30, 2019.

---

[1] Code § 56-76 *et seq*. ("Affiliates Act").

[2] *Application of Roanoke Gas Company, For approval of certain transactions pursuant to the Affiliates Act of Title 56 of the Code of Virginia,* Case No. PUE-2014-00054, 2014 S.C.C. Ann. Rept. 446, Order Granting Approval (Sept. 8, 2014).

On May 29, 2019, the Company filed with the Commission a Motion for Interim Authority to Continue to Participate in Approved Affiliates Arrangements ("Motion"). In the Motion, the Company requested, *inter alia*, authority to continue to operate under the 2014 Agreement on an interim basis until such time as the Commission issued an Order approving a renewed Agreement, which the Company stated it would file within 60 days of a Final Order in the Company's then pending base rate case, Case No. PUR-2018-00013 ("Rate Case"). The Commission approved the Company's Motion on June 27, 2019,[3] and on January 24, 2020, the Commission issued its Final Order in the Rate Case.[4]

The Company states that the proposed Agreement is substantially similar to the 2014 Agreement. The Company is not requesting any changes to the types of services provided under the Agreement, and the allocation factors, which are described in Attachment A to the Agreement and with one exception described below, are substantially similar to the 2014 Agreement.

According to the Application, corporate governance costs are tracked in Account 930 and are composed of the following sub-accounts, all of which are allocated: director's fees; annual report and proxy costs; annual meeting, registrar and transfer agent costs; NASDAQ fees; and industry and other costs. In the Company's Rate Case, the Commission's Staff ("Staff") recommended allocating corporate governance costs using executive exception time reporting rather than gross revenue, which was a departure from the allocation methodology approved under the 2014 Agreement. Staff reasoned that the gross revenue factor was not representative of inter-company benefits for corporate governance costs, since these costs are primarily performed or overseen by corporate executives. The Company did not oppose this recommendation, and the Commission approved new base rates incorporating Staff's allocation methodology. Therefore, the Company is proposing to use exception time reporting for Account 930 costs in the proposed Agreement to align with the rate setting methodology used in the Rate Case. The Company states that all other changes to allocation factors in the proposed Agreement were made to reflect current business practices.

NOW THE COMMISSION, upon consideration of this matter and having been advised by Staff, is of the opinion and finds that the Agreement is in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Company is hereby granted approval to enter into the Agreement effective as of the date of this Order, subject to the requirements set forth in the Appendix attached hereto.

(2) This case is dismissed.

APPENDIX

(1) The Commission's approval of the Agreement is limited to five (5) years from the date of the Order in this case. Should the Company wish to continue under the Agreement beyond that date, separate Commission approval shall be required.

(2) The Commission's approval shall have no accounting or ratemaking implications.

(3) The Commission's approval shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*., hereafter.

(4) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(5) Separate Commission approval is required for any changes in the terms and conditions of the Agreement.

(6) The Commission's approval is limited to the specific services identified in the Agreement. Should the Company wish to obtain additional services from Resources under the Agreement, other than those services specifically approved in this case, subsequent Commission approval shall be required.

(7) Separate Affiliates Act approval also is required for the Company to receive services from Resources, other than those specifically approved in this case, through the engagement of affiliated third parties under the Agreement.

(8) The Company shall maintain records demonstrating that the services received from Resources are cost beneficial to Virginia ratepayers. For all services charged to Roanoke Gas where a market may exist, the Company shall investigate whether comparable market prices are available, and if they exist, the Company shall compare the market price to cost and pay the lower of cost or market to Resources. Records of such investigations and comparisons shall be available to Staff upon request. The Company shall bear the burden of proving, in any rate proceeding, that all services charged to Roanoke Gas are priced at the lower of cost or market where a market for such services exists.

(9) The Company shall file with the Commission a signed and executed copy of the Agreement within thirty (30) days of the effective date of the Order in this case, with such filing date subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

(10) All transactions under the Agreement shall be included in the Company's Annual Report of Affiliate Transactions ("ARAT"), submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. All Company ARAT reporting shall include, but not be limited to, the following information:

---

[3] *Application of Roanoke Gas Company, For approval of certain transactions pursuant to the Affiliates Act of Title 56 of the Code of Virginia,* Case No. PUR-2019-00103, Doc. Con. Cen. No. 190640083, Order Granting Interim Authority (June 27, 2019).

[4] *Application of Roanoke Gas Company, For a general increase in rates,* Case No. PUR-2018-00013, Doc. Con. Cen. No. 200130065, Final Order (Jan. 24, 2020).

(a) The most recent case number under which the agreement was approved;
(b) The name and type of activity performed by each affiliate under the agreement; and,
(c) A schedule, in Excel electronic spreadsheet format with formulas intact, listing the prior year's transactions by month, type of service, account number, and dollar amount (as the transaction is recorded on the utility's books).

(11) In the event that the Company's annual informational filings or expedited or general rate case filings are not based on a calendar year, then the Company shall include the affiliate information contained in its ARAT in such filings.

CASE NO. PUR-2019-00104
MARCH 20, 2020

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider US-3, Colonial Trail West and Spring Grove 1 Solar Projects, for the rate year commencing June 1, 2020

FINAL ORDER

On July 1, 2019, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion " or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia, filed with the State Corporation Commission ("Commission") an annual update of the Company's rate adjustment clause ("RAC"), Rider US-3 ("Application"). Through its Application, the Company seeks to recover costs associated with two utility scale solar photovoltaic generating facilities: (i) the Colonial Trail West Solar Facility, an approximately 142 megawatt ("MW") (nominal alternating current ("AC")) facility located in Surry County; and (ii) the Spring Grove 1 Solar Facility, an approximately 98 MW AC facility located in Surry County (collectively, "US-3 Solar Projects").

On July 22, 2019, the Commission entered its Order for Notice and Hearing in which, among other things, the Commission docketed the Application; scheduled a public hearing; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

On July 29, 2019, the Office of Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed its notice of participation. On August 2, 2019, the Virginia Committee for Fair Utility Rates ("Committee") filed its notice of participation.

On January 14-15, 2020, the Chief Hearing Examiner convened an evidentiary hearing on the Company's request for a RAC. The Company, the Committee, Consumer Counsel, and the Commission's Staff ("Staff") participated in the hearing. On January 31, 2020, Dominion, the Committee, Consumer Counsel, and Staff filed post-hearing briefs as directed by the Chief Hearing Examiner.

On February 19, 2020, Chief Hearing Examiner Alexander P. Skirpan, Jr. filed his Report ("Report"). In his Report, the Chief Hearing Examiner found that the overall Rider US-3 revenue requirement for the Rate Year is $28,398,000, based on continued use of the Company's average and excess allocation methodology ("A&E Methodology" or "Factor 1").[1]

On March 2, 2020, the Company, the Committee, Consumer Counsel and Staff filed comments on the Chief Hearing Examiner's Report.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows.

The Commission finds that the Rider US-3 revenue requirement for the Rate Year commencing June 1, 2020, shall be $28,398,000.

The only contested issues in the RAC proceeding involved: (1) the appropriate jurisdictional and class cost allocation methodology to be applied to Rider US-3, and (2) the mechanism by which any capacity revenues received by the Company from bidding the US-3 Solar Projects into the PJM Interconnection, LLC ("PJM") capacity market are returned to customers.

Cost Allocation Methodology

Dominion and the Committee each advocated the continued usage of the A&E Methodology that Dominion typically uses for generation resources.[2] Consumer Counsel recommended that the Commission apply the allocation methodology the Company uses for third-party power purchase agreements to Company-owned intermittent resources.[3] Staff recommended that the Commission adopt the Modified Equivalent Peaker Methodology for Company-owned intermittent generating resources.[4]

[1] Report at 49.

[2] Ex. 10 (Crouch Direct) at 4-5; Ex. 15 (Baron Direct at 5).

[3] Ex. 19 (Norwood Direct) at 14-15.

[4] Ex. 25 (Abbott Direct) at 27.

The Chief Hearing Examiner recommended that the Commission direct the Company to continue using the A&E Methodology for intermittent resources, concluding that "intermittent solar facilities such as the US-3 Solar Projects are not subpar or inadequate capacity resources that require a departure from the A&E Method Factor 1."[5] In making this recommendation, the Chief Hearing Examiner noted that evidence in the record showed that Dominion's solar facilities generally operate at 70% of nameplate rating during the PJM system coincident peak and that the solar facilities' performance appears consistent with both the 45% capacity factor produced by PJM's methodology for valuing intermittent resources and the Company's Factor 1 demand weighting.[6] The Commission is cognizant of, and has fully considered, the evidence and arguments raised by Consumer Counsel and Staff. However, based on the record in the instant proceeding, we find that it is reasonable for the Company to continue allocating costs of intermittent generation resources based on Factor 1.[7]

Capacity Revenues

Traditionally, the Company has accounted for both the costs of procuring capacity from the PJM market and the revenues received from bidding generation into the PJM market through base rates. However, in its recent order granting the Company a Certificate of Public Convenience and Necessity for another solar project, the Commission found (among other things) that collecting capital costs for the solar project through a RAC, while crediting customers for capacity revenues through base rates, creates a mismatch.[8]

In this Rider US-3 proceeding, Staff and Consumer Counsel likewise proposed that the Company be directed to return to customers, through the US-3 RAC, any capacity revenues received from bidding the US-3 Solar Projects into the PJM capacity market.[9] Conversely, the Company opposed such treatment and, further, argued that the Commission does not need to decide the ratemaking treatment for future PJM capacity revenues associated with the US-3 Solar Projects in this proceeding because the Company has yet to receive any such capacity revenues. The Company also asserted that the most appropriate forum to evaluate this issue is in the context of a triennial review.[10]

Based on the record in the instant proceeding, the Commission finds that the Company shall account for any capacity revenues associated with the US-3 Solar Projects in the US-3 RAC. Further in this regard, we note that such treatment: (1) does not prevent the Company from recovering its reasonably and prudently incurred costs; and (2) reasonably matches the collection of capital costs, and the crediting of capacity revenues, through a single rate mechanism (*i.e.*, Rider US-3).

Accordingly, IT IS ORDERED THAT:

(1) The Company's Petition is approved as discussed herein.

(2) Rider US-3, as approved herein, shall be effective for usage on and after June 1, 2020.

(3) The Company shall file its next annual Rider US-3 application on or after July 1, 2020.

(4) This case is dismissed.

[5] Report at 46.

[6] *Id*.

[7] This finding does not preclude subsequent approval of other allocation methodologies. For example, as generation fleets serving Virginia evolve with higher penetrations of solar, wind, and other non-fossil-fueled resources, the Commission may review the issue of classification and cost allocation for generation resources in a future proceeding.

[8] *Petition of Virginia Electric and Power Company, For approval and certification of the proposed US-4 Solar Project pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, and for approval of a rate adjustment clause, designated Rider US-4, under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2019-00105, Doc. Con. Cen. No. 200120275, Order Granting Certificate (Jan. 22, 2020) at 13.

[9] *See, e.g.*, Staff Brief at 8-9; Consumer Counsel Brief at 10.

[10] Dominion Brief at 14.

CASE NO. PUR-2019-00105
JANUARY 22, 2020

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of the proposed US-4 Solar Project pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, and for approval of a rate adjustment clause, designated Rider US-4, under § 56-585.1 A 6 of the Code of Virginia

ORDER GRANTING CERTIFICATE

On July 23, 2019, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") a petition ("Petition") for approval and a certificate of public convenience and necessity ("CPCN") to construct and operate the Sadler Solar Facility, an approximately 100 megawatt ("MW") utility scale solar photovoltaic generating facility, located in Greensville County, Virginia (the "US-4 Solar Project" or the "Project"). The Company requested approval of, and a CPCN for, the US-4 Solar Project pursuant to §§ 56-46.1 and 56-580 D of the

Code of Virginia ("Code") and the Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility.[1] Through its Petition, the Company also requested approval of a rate adjustment clause ("RAC"), designated Rider US-4, pursuant to Code § 56-585.1 A 6 and the Rules Governing Utility Rate Applications and Annual Informational Filings.[2] Dominion filed a Motion for Entry of a Protective Order and Additional Protective Treatment, as well as a proposed Protective Order with its Petition.

On July 31, 2019, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, among other things: docketed the Petition; required the Company to publish notice of the Petition; gave interested persons the opportunity to comment on, or participate in, the proceeding; scheduled separate public hearings for the purpose of receiving testimony and evidence on the Company's request for a CPCN and approval of Rider US-4; directed the Commission Staff ("Staff") to investigate the Petition and file testimony and exhibits containing its findings and recommendations; and appointed a Hearing Examiner to conduct all further proceedings in this matter and provide a Report to the Commission. Appalachian Voices ("Environmental Respondents") and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel") filed notices of participation.

In the Procedural Order, the Commission noted that Staff had requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the proposed Project. The DEQ filed a report ("DEQ Report") on the proposed Project on October 8, 2019. The DEQ Report summarizes the proposed Project's potential impacts, makes recommendations for minimizing those impacts, and outlines the Company's responsibilities for compliance with certain legal requirements governing environmental protection.

The DEQ Report contains the following recommendations:

- Avoid and minimize impacts to wetlands and streams;
- Implement erosion and sediment control and stormwater management, as applicable;
- Minimize emissions during construction, especially during periods of high ozone;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, as applicable;
- Coordinate with the Department of Conservation and Recreation's Division of Natural Heritage to protect the identified conservation site, conduct a Barking treefrog inventory, develop an invasive species management plan, and obtain an update on natural heritage information;
- Coordinate with the Department of Game and Inland Fisheries regarding its recommendations related to tree removal and bat protection, wildlife passage and fencing, lake effect and thermal-island effect, and to enhance native vegetation;
- Coordinate with the Department of Historic Resources regarding its recommendation to avoid identified archaeological resources on site and continue to coordination to ensure the project will not impact significant historic resources;
- Coordinate with the Greensville Emporia Transit Office and the Virginia Department of Transportation Franklin Residency to ensure all transportation-related standards and policies are met, prior to commencing construction;
- Coordinate with the Department of Health regarding its recommendations to protect public drinking water sources and water utility infrastructure;
- Follow the principles and practices of pollution prevention to the maximum extent practicable;
- Limit the use of pesticides and herbicides to the extent practicable; and
- Coordinate with the Virginia Outdoors Foundation if the project area changes or the project does not start for 24 months;[3]

The Hearing Examiner convened an evidentiary hearing regarding the Company's request for a CPCN on November 19, 2019. The Company, Environmental Respondents, Consumer Counsel, and Staff participated in the hearing. At the conclusion of the hearing, the Hearing Examiner heard closing arguments from counsel.

On December 18, 2019, the Report of Michael D. Thomas, Senior Hearing Examiner was issued ("Hearing Examiner's Report"). In the Report, the Senior Hearing Examiner made the following recommendations:

- There is no evidence the US-4 Project would have a material adverse impact on reliability, especially considering the transmission network upgrades the Company has committed to make to interconnect the Project to the transmission grid;
- The Company has not met its evidentiary burden of proving the US-4 Project is needed to meet forecasted load growth because the Company's need analysis is flawed and unreliable;
- The US-4 Project is needed to meet important operational, customer, and public policy considerations;
- The overall cost of the US-4 Project is reasonable based on a $/kW and Net Present Value ("NPV") basis;

[1] 20 VAC 5-302-10 *et seq*.

[2] 20 VAC 5-201-10 *et seq*.

[3] Ex. 10 (DEQ Report) at 5.

- Based on the results of the Company's economic modeling, the Company had a reasonable basis for proposing the US-4 Project;
- The Commission should only approve the US-4 Solar Project if an appropriate performance guarantee is in place to address the performance and financial risks associated with the Project;
- The US-4 Project Performance Guarantee should include a Targeted Capacity Factor of 22% for determining lost energy and REC revenues;
- Any performance guarantee required by the Commission should include a provision that capacity revenues received for the Project, including any performance bonuses, be credited directly to Rider US-4;
- Any performance guarantee required by the Commission should not include a provision to hold customers harmless from any capacity performance penalties;
- The Commission should condition approval of the US-4 Project on a total project cost including $19 million in federal ITC benefits for the Company's customers;
- The Company made a good faith effort to comply with the statutory requirement in Code § 56.585.1:4 D to have a split of Company-build solar generating facilities and solar PPAs;
- The construction and operation of the US-4 Project would not have a material adverse impact on the environment, scenic assets, or historic resources;
- The summary recommendations in the DEQ Report are desirable or necessary to minimize any adverse environmental impact associated with the Project and should be made a condition of any CPCN issued by the Commission for the Project;
- The Company should be directed to obtain all environmental permits and approvals that are necessary to construct and operate the Project; and
- The US-4 Project would have a positive impact on economic development in Virginia in temporary jobs during construction of the Project, permanent jobs after the Project is completed, ancillary goods and services after the Project is completed, and expansion of the tax base in Greensville County and the Commonwealth.[4]

On January 6, 2020, the Company, Environmental Respondents, Consumer Counsel and Staff filed comments on the Hearing Examiner's Report.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows:

Code of Virginia

Code § 56-580 D provides in part:

> The Commission shall permit the construction and operation of electrical generating facilities in Virginia upon a finding that such generating facility and associated facilities (i) will have no material adverse effect upon reliability of electric service provided by any regulated public utility, (ii) are required by the public convenience and necessity, if a petition for such permit is filed after July 1, 2007, and if they are to be constructed and operated by any regulated utility whose rates are regulated pursuant to § 56-585.1, and (iii) are not otherwise contrary to the public interest.

Further, regarding generating facilities, Code § 56-580 D directs that "the Commission shall give consideration to the effect of the facility and associated facilities on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1 . . . ."

Code § 56-46.1 A provides in part:

> Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact. . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted pursuant to Article 3 (§ 15.2-2223 *et seq*.) of Chapter 22 of Title 15.2.

[4] Hearing Examiner's Report at 56-57.

Code § 56-46.1 A also provides:

> In order to avoid duplication of governmental activities, any valid permit or approval required for an electric generating plant and associated facilities issued or granted by a federal, state or local governmental entity charged by law with responsibility for issuing permits or approvals regulating environmental impact and mitigation of adverse environmental impact or for other specific public interest issues such as building codes, transportation plans, and public safety, whether such permit or approval is granted prior to or after the Commission's decision, shall be deemed to satisfy the requirements of this section with respect to all matters that (i) are governed by the permit or approval or (ii) are within the authority of, and were considered by, the governmental entity in issuing such permit or approval, and the Commission shall impose no additional conditions with respect to such matters.

Code § 56-580 D contains language that is nearly identical to the language set forth in Code § 56-46.1 A.

The Code also directs the Commission to consider the effect of a proposed facility on economic development in Virginia. Code § 56-46.1 A states in part:

> Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Energy Policy set forth in §§ 67-101 and 67-102, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Similarly, Code § 56-596 A provides that "[i]n all relevant proceedings pursuant to [the Virginia Electric Utility Regulation] Act, the Commission shall take into consideration, among other things, the goal of economic development in the Commonwealth."

Code § 56.585.1 A 6 provides in part that (emphasis added):

> The construction or purchase by a utility of one or more generation facilities with at least one megawatt of generating capacity, and with an aggregate rated capacity that does not exceed 5,000 megawatts, including rooftop solar installations with a capacity of not less than 50 kilowatts, and with an aggregate capacity of 50 megawatts, that use energy derived from sunlight or from wind and are located in the Commonwealth or off the Commonwealth's Atlantic shoreline, regardless of whether any such facilities are located within or without the utility's service territory, *is in the public interest*, and in determining whether to approve such facility, the Commission shall liberally construe the provisions of this title.

Code § 56.585.1:4 A states that (emphasis added):

> Prior to January 1, 2024, (i) the construction or purchase by a public utility of one or more solar or wind generation facilities located in the Commonwealth or off the Commonwealth's Atlantic shoreline, each having a rated capacity of at least one megawatt and having in the aggregate a rated capacity that does not exceed 5,000 megawatts, or (ii) the purchase by a public utility of energy, capacity, and environmental attributes from solar facilities described in clause (i) owned by persons other than a public utility *is in the public interest*, and the Commission shall so find if required to make a finding regarding whether such construction or purchase is in the public interest.

Code § 56.585.1:4 D states that:

> Twenty-five percent of the solar generation capacity placed in service on or after July 1, 2018, located in the Commonwealth, and found to be in the public interest pursuant to subsection A or B shall be from the purchase by a public utility of energy, capacity, and environmental attributes from solar facilities owned by persons other than a public utility. The remainder shall be construction or purchase by a public utility of one or more solar generation facilities located in the Commonwealth. All of the solar generation capacity located in the Commonwealth and found to be in the public interest pursuant to subsection A or B shall be subject to competitive procurement, provided that a public utility may select solar generation capacity without regard to whether such selection satisfies price criteria if the selection of the solar generating capacity materially advances non-price criteria, including favoring geographic distribution of generating capacity, areas of higher employment, or regional economic development, if such non-price solar generating capacity selected does not exceed 25 percent of the utility's solar generating capacity.

Finally, Code § 56.585.1 D states that (emphasis added):

> The Commission may determine, during any proceeding authorized or required by this section, the *reasonableness or prudence of any cost incurred or projected to be incurred*, by a utility in connection with the subject of the proceeding. A determination of the Commission regarding the reasonableness or prudence of any such cost shall be consistent with the Commission's authority to determine the reasonableness or prudence of costs in proceedings pursuant to the provisions of Chapter 10 (§ 56-232 et seq.). In determining the reasonableness or prudence of a utility providing energy and capacity to its customers from renewable energy resources, the Commission shall consider the extent to which such renewable energy resources, whether utility-owned or by contract, further the objectives of the Commonwealth Energy Policy set forth in §§ 67-101 and 67-102, and shall also consider whether the costs of such resources is likely to result in unreasonable increases in rates paid by customers.

Reliability

Code § 56-580 D sets forth three criteria for granting a CPCN. The first criterion is "no material adverse effect upon reliability of electric service provided by any regulated public utility."[5] The Senior Hearing Examiner found that "there is no evidence the US-4 Project would have a material adverse impact on reliability, especially considering the transmission network upgrades the Company has committed to make to interconnect the Project to the transmission grid." The record in this case includes no evidence that the Project would have a material adverse effect upon reliability. We agree with the Senior Hearing Examiner, and find that the US-4 Project will have no material adverse effect upon reliability of electric service provided by any regulated public utility.

Public Convenience and Necessity

The second enumerated criterion in Code § 56-580 D is that a project is "required by the public convenience and necessity." As we have previously found, this term includes, among other criteria, both an evaluation of the need for the project as well as the reasonableness of the cost.[6]

Need

The Senior Hearing Examiner found that the Company has not met its evidentiary burden of proving the US-4 Project is needed to meet forecasted load growth because the Company's need analysis is flawed and unreliable.[7] We agree with the Senior Hearing Examiner. As he notes in his Hearing Examiner's Report, the evidence presented by the Company includes both the proposed retirement of nearly 1,500 MW of fossil fuel generation and a statement that the Company may ultimately not retire these units.[8]

However, as we found in the Company's US-3 case in 2019, while the Project is not needed to serve short-term load growth, the Commission's need analysis is not limited solely to meeting customer demand.[9] The Senior Hearing Examiner found that "the Company has established the Project is needed to: (i) contribute to generation diversity so that the Company's generation portfolio is not overly dependent on one fuel source; (ii) meet the needs of the Company's Schedule RF customer for the Project; (iii) support compliance with future carbon regulations such as RGGI; and (iv) meet the goals of the Commonwealth Energy Policy."[10] As we found with the Company's US-3 proposal, we agree with the Senior Hearing Examiner that, while the US-4 Project is not needed to serve load growth in the short-term, the Project will assist the Company's compliance with future carbon regulations and to provide environmental attributes under Schedule RF. Accordingly, taking the record as a whole, we find that the Project is needed.

Cost

The US-4 Solar Project will cost customers approximately $145.6 million in capital investment.[11] The Senior Hearing Examiner found that, compared to a 20 year power purchase agreement ("PPA"), the Project would cost approximately $72 million (or about 42%) more over the first 20 years of the Project's life.[12] The Project's cost per MWh, however, is lower than other Company-owned supply resources.[13]

The Senior Hearing Examiner found that for the Company's economic modeling to be correct and for the US-4 Project to be economical to customers, several conditions must be met, including: (i) receiving capacity revenue from PJM based on a capacity value of 35.7%; (ii) generating RECs based on a 22% capacity factor and receiving the revenue from those RECs; (iii) receiving revenues from the sale of energy produced by the facility based on a 22% capacity factor; and (iv) receiving federal investment tax credits from the construction of a solar generating facility.[14] For the reasons stated by the Senior Hearing Examiner, we agree that, taking the record as a whole and assuming that the conditions set forth above prove to be true, the Company had a reasonable basis for pursuing the US-4 Project.

Risk

As we found in the US-3 CPCN Order, the Company's decision to pursue a self-build option rather than a PPA imposes on its customers financial and performance risks should the Project fail to meet the performance targets upon which Dominion has based its projected costs and benefits.[15] That is, there is an inverse relationship that will see customers' costs rise as performance falls. The Senior Hearing Examiner found that the Commission should only approve the US-4 Solar Project if an appropriate performance guarantee is in place to address the performance and financial risk associated with the Project.

---

[5] Hearing Examiner's Report at 46.

[6] *Petition of Virginia Electric and Power Company, For approval and certification of the proposed US-3 Solar Projects pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, and for approval of a rate adjustment clause, designated Rider US-3, under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2018-00101, Order Granting Certificates (Jan. 24, 2019)("US-3 CPCN Order") at 9.

[7] Hearing Examiner's Report at 47.

[8] *Id*.; Tr. at 56-61.

[9] US-3 CPCN Order at 10.

[10] Hearing Examiner's Report at 47; Ex. 3 (Windle Direct) at 23-24.

[11] *Id*.

[12] Hearing Examiner's Report at 49; *see*, Ex. 3, Ex. 11 (Abbott Direct) at 9.

[13] Ex. 20 (Fasca Rebuttal) at 2.

[14] Hearing Examiner's Report at 50.

[15] US-3 CPCN Order at 15.

Dominion proposed a performance guarantee to address this risk. Specifically, the Company proposed a performance guarantee that would hold customers harmless for performance below a 22% capacity factor for the Project.[16] To the extent the actual capacity factor for the Project falls below 22% for an annual calendar-year period, the Company proposed to credit customers for lost REC revenues and replacement power costs associated with that deficit. The Company proposed that the performance guarantee would remain in place for a period of twenty years from the date that the first Project enters commercial operations.

The Staff proposed an alternative performance guarantee, which would increase the Project's target capacity factor to 24.6%. The Staff's performance guarantee would also require the Company to credit capacity revenues received for the US-4 Project directly to Rider US-4.[17]

Based on the instant record, the Commission finds that a performance guarantee is appropriate and necessary to address the risk of rising and excessive costs to customers attendant to the proposed Project. As discussed below, however, we further find that Dominion's proffered performance guarantee is insufficient for this purpose.

Performance Guarantee

The Commission finds that the Project, as proposed in the Petition, is not "required by the public convenience and necessity" under Code § 56-580 D due to the performance and financial risks that would be placed on Dominion's customers.[18] Dominion's cost analyses are based on a 24.6% solar capacity factor.[19] The capacity factor at which customers essentially break even is 22%.[20] As we found in the US-3 proceeding and find again here based on the record herein, we do not find that it is reasonable for customers to bear the risks, for the life of the Project, that either of these assumed capacity factors will be met.

The Commission agrees with the Senior Hearing Examiner that a sufficient performance guarantee is needed in order to find that the Project is reasonable, prudent, and required by the public convenience and necessity.[21] We agree with the Senior Hearing Examiner that the target capacity factor for the guarantee should be, consistent with our previous determination in US-3, the Company's calculated break-even point of 22%.

We also agree with the Senior Hearing Examiner that, in order for the Project to be economically viable for customers, those customers need a dollar-for-dollar recovery of capacity revenues. We will, therefore, require that the performance guarantee in this proceeding credit customers through Rider US-4 for any capacity revenues received by the Company, including performance bonuses. As noted by Staff, the current regime, which would collect capital costs for the Project through Rider US-4 while crediting customers for capacity revenues through base rates creates a mismatch.

Accordingly, the Commission finds that the Project is required by the public convenience and necessity, and that the costs thereof as identified in this proceeding are reasonable and prudent, only if the following conditions and requirements are met:

(1) The Project shall have a guaranteed capacity factor of 22% or higher for purposes of cost recovery. Customers shall be held harmless for performance below this 22% capacity factor.

(2) The collective capacity factor for the Project shall be determined annually.

(3) In calculating the capacity factor, force majeure shall apply only to events that are truly sudden, catastrophic, and extraordinary (such as hurricanes), not to events such as vagaries in weather, equipment failures, design problems, or operation and maintenance issues. Should Dominion seek to invoke force majeure in calculating the capacity factor, such claim shall be considered as an issue of fact in the annual RAC proceeding attendant to the Project.

(4) The guaranteed capacity factor herein of 22% or greater shall remain in place for a period of 20 years from the date that the Project enters commercial operations.

(5) The Company shall credit capacity revenues received for the US-4 Project, including any performance bonuses, directly to Rider US-4.

---

[16] *See, e.g.,* Ex. 2 (Petition) at 7.

[17] Ex. 13 (White Direct) at 13.

[18] Thus, we likewise find that it would not be reasonable and prudent, under Code § 56.585.1 D, for Dominion to incur the costs of the Project under the terms set forth in its Petition.

[19] Ex. 4 (Fasca Direct) at 7.

[20] Ex. 18 (Windle Supplemental Rebuttal) at 3.

[21] *See*, Hearing Examiner's Report at 51.

Federal Investment Tax Credits

Dominion's NPV calculations are also based on maximizing the federal investment tax credits available for solar facilities, which represents an approximately $19 million benefit to customers on an NPV basis.[22] The Company, however, will only maximize such tax credits if it begins construction prior to December 31, 2019.[23] We agree with the Senior Hearing Examiner that our approval of the Project should be conditioned on a total project cost that includes this $19 million benefit to the Company's customers.[24]

Environmental Impact

The Code directs that the Commission "shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact."[25]

As noted above, DEQ coordinated an environmental review of the proposed Project and submitted a DEQ Report that, among other things, set forth specific recommendations. We agree with the Senior Hearing Examiner that as a condition of the CPCN granted herein, the Company should be required to comply with the recommendations in the DEQ Report and coordinate with DEQ to implement DEQ's recommendations. As a further condition to the CPCN granted herein, the Company shall obtain all environmental permits and approvals that are necessary to construct and operate the Project.

Economic Development

As required by Code § 56-46.1 A, the Commission has "consider[ed] the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Energy Policy set forth in §§ 67-101 and 67-102."

The Senior Hearing Examiner found that the US-4 Project would have a positive impact on economic development in Virginia in temporary jobs during construction, permanent jobs after the Project is completed, ancillary goods and services related to the Project, and expansion of the tax base in Greensville County and the Commonwealth.[26] We agree with the Senior Hearing Examiner that the Project will have local economic benefits.

Accordingly, IT IS ORDERED THAT:

(1) Dominion shall not construct the US-4 Solar Project, or seek recovery therefor, if the Company does not accept all of the conditions and requirements of the Commission's approval set forth in this Order Granting Certificate.

(2) Subject to the conditions and requirements set forth in this Order Granting Certificate, Dominion is granted approval and Certificate of Public Convenience and Necessity No. EG-223 to construct and operate the US-4 Solar Project as set forth in this proceeding.

(3) Pursuant to the Utility Facilities Act, Chapter 10.1 (§ 56-265.1 *et seq*.) of Title 56 of the Code, the Company is issued the following certificates of public convenience and necessity:
EG-223 Sadler Solar Facility.

(4) This matter is continued.

---

[22] *See, e.g.,* Ex. 2 (Petition) at 5.

[23] *Id*.; The Company testified that it expected the Project to begin pre-construction activities by December 31, 2019, at its own risk. Ex. 4 (Fasca Direct) at 10.

[24] Hearing Examiner's Report at 53.

[25] Code § 56-46.1 A. *See also* Code § 56-580 D (stating that "the Commission shall give consideration to the effect of the facility and associated facilities on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1 . . . .").

[26] Hearing Examiner's Report at 56.

CASE NO. PUR-2019-00105
FEBRUARY 4, 2020

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of the proposed US-4 Solar Project pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, and for approval of a rate adjustment clause, designated Rider US-4, under § 56-585.1 A 6 of the Code of Virginia

ORDER GRANTING RECONSIDERATION IN PART

On July 23, 2019, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") a petition for: (1) approval and a certificate of public convenience and necessity ("CPCN") to construct and operate the Sadler Solar Facility, an approximately 100 megawatt utility scale solar photovoltaic generating facility, located in Greensville County, Virginia ("US-4 Solar Project" or "Project"); and (2) approval of a rate adjustment clause ("RAC"), designated Rider US-4, pursuant to Code § 56-585.1 A 6 and the Rules Governing Utility Rate Applications and Annual Informational Filings.[1]

On January 22, 2020, the Commission issued an Order Granting Certificate.

On January 31, 2020, Dominion filed a Petition for Limited Reconsideration or Rehearing or Alternatively for Clarification ("Petition for Reconsideration") in which the Company requests the Commission as follows:

(i) to find that the appropriate ratemaking treatment for PJM capacity revenues, bonuses and penalties should be considered separate and apart from the Performance Guarantee and not be made a condition of the CPCN, with such issue being deferred for determination in the RAC portion of the current proceeding, a future RAC update proceeding in which actual PJM capacity revenues are at issue, or another appropriate forum; or, in the alternative,

(ii) to clarify that in directing the Company to credit any performance bonuses to Rider US-4, the Company may also flow any performance penalties through Rider US-4.[2]

NOW THE COMMISSION, upon consideration hereof, is of the opinion and finds as follows.

As to the first request above, the Commission denies reconsideration and continues to find as follows:

Accordingly, the Commission finds that the Project is required by the public convenience and necessity, and that the costs thereof as identified in this proceeding are reasonable and prudent, only if the following conditions and requirements are met:

(1) The Project shall have a guaranteed capacity factor of 22% or higher for purposes of cost recovery. Customers shall be held harmless for performance below this 22% capacity factor.

(2) The collective capacity factor for the Project shall be determined annually.

(3) In calculating the capacity factor, force majeure shall apply only to events that are truly sudden, catastrophic, and extraordinary (such as hurricanes), not to events such as vagaries in weather, equipment failures, design problems, or operation and maintenance issues. Should Dominion seek to invoke force majeure in calculating the capacity factor, such claim shall be considered as an issue of fact in the annual RAC proceeding attendant to the Project.

(4) The guaranteed capacity factor herein of 22% or greater shall remain in place for a period of 20 years from the date that the Project enters commercial operations.

(5) The Company shall credit capacity revenues received for the US-4 Project, including any performance bonuses, directly to Rider US-4.[3]

As to the second request above in the alternative, the Commission grants limited reconsideration to consider Dominion's request to clarify that in directing the Company to credit any performance bonuses to Rider US-4, the Company may also flow any performance penalties through Rider US-4.

Accordingly, IT IS ORDERED THAT:

(1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter and considering Dominion's alternative request referenced above.

(2) Pending the Commission's reconsideration, the Order Granting Certificate is suspended.

---

[1] 20 VAC 5-201-10 *et seq*.

[2] Petition for Rehearing at 11-12.

[3] Order Granting Certificate at 13-14.

(3) On or before February 12, 2020, Commission Staff and any respondent in this case may file a response to the Company's request for the Commission to clarify that in directing the Company to credit any performance bonuses to Rider US-4, the Company may also flow any performance penalties through Rider US-4.

(4) On or before February 19, 2020, the Company may file a reply to the responses of Commission Staff and any respondent.

(5) This case is continued.

CASE NO. PUR-2019-00105
APRIL 13, 2020

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of the proposed US-4 Solar Project pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, and for approval of a rate adjustment clause, designated Rider US-4, under § 56-585.1 A 6 of the Code of Virginia

ORDER APPROVING RATE ADJUSTMENT CLAUSE

On July 23, 2019, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") a petition ("Petition") for approval of and a certificate of public convenience and necessity ("CPCN") to construct and operate the Sadler Solar Facility, an approximately 100 megawatt ("MW") utility scale solar photovoltaic generating facility located in Greensville County, Virginia (the "US-4 Solar Project" or the "Project"). The Company requested approval of, and a CPCN for, the US-4 Solar Project pursuant to §§ 56-46.1 and 56-580 D of the Code of Virginia ("Code") and the Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility.[1] Through its Petition, the Company also requested approval of a rate adjustment clause ("RAC"), designated Rider US-4, pursuant to Code § 56-585.1 A 6 and the Rules Governing Utility Rate Applications and Annual Informational Filings.[2]

On July 31, 2019, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, among other things: docketed the Petition; required the Company to publish notice of the Petition; gave interested persons the opportunity to comment on, or participate in, the proceeding; scheduled separate public hearings for the purpose of receiving testimony and evidence on the Company's request for a CPCN and approval of Rider US-4; directed the Commission Staff ("Staff") to investigate the Petition and file testimony and exhibits containing its findings and recommendations; and appointed a Hearing Examiner to conduct all further proceedings in this matter and provide a Report to the Commission. Appalachian Voices ("Environmental Respondents") and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel") filed notices of participation.

On November 19, 2019, the Hearing Examiner convened an evidentiary hearing on Dominion's request for a CPCN. The Company, Environmental Respondents, Consumer Counsel, and Staff participated in the hearing.

On January 22, 2020, the Commission issued an Order Granting Certificate that approved the requested CPCN subject to specific conditions and requirements, which the Company accepted.[3]

On February 25, 2020, the Commission convened an evidentiary hearing on the Company's request for a RAC. The Company, Environmental Respondents, Consumer Counsel, and Staff participated in the hearing.

On March 13, 2020, the Report of Michael D. Thomas, Senior Hearing Examiner was issued ("Report"). In the Report, the Senior Hearing Examiner noted that the parties agreed on the revenue requirement calculation for the Rate Year, except for the appropriate cost allocation factor to apply. The Senior Hearing Examiner recommended that the Commission apply the same cost allocation factor decided in Case No. PUR-2019-00104, the Company's Rider US-3 RAC case.

On March 20, 2020, the Commission entered its Final Order in Case No. PUR-2019-00104. Among other things, the Commission found that, based on the record in that proceeding, it was reasonable for the Company to continue allocating costs of intermittent generation resources based on its traditional Average and Excess methodology (also referred to as "Factor 1").[4]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows.

The Commission finds that Rider US-4 meets the statutory requirements for approval of a RAC under Code § 56-585.1 A 6. The Commission herein approves a revenue requirement of $7,449,000.[5]

---

[1] 20 VAC 5-302-10 *et seq*.

[2] 20 VAC 5-201-10 *et seq*.

[3] Motion of Virginia Electric and Power Company for Leave to Withdraw Petition for Limited Reconsideration and to Suspend Response Period (Feb. 5, 2020) at 3.

[4] *Petition of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider US-3, Colonial Trail West and Spring Grove 1 Solar Projects, for the rate year commencing June 1, 2020*, Case No. PUR-2019-00104, Doc. Con. Ctr. No. 200330085, Final Order (Mar. 20, 2020) at 3-4.

[5] Report at 12.

The only contested issue in the RAC proceeding involved the appropriate jurisdictional and class cost allocation methodology to be applied to Rider US-4. As we found in the Rider US-3 proceeding, and based on the record in the instant proceeding, we find that it is reasonable for the Company to continue allocating costs of intermittent generation resources based on Factor 1.[6]

Accordingly, IT IS ORDERED THAT:

(1) The Company's Petition for approval of a RAC, designated Rider US-4, is approved as discussed herein.

(2) Rider US-4, as approved herein, shall be effective for usage on and after June 1, 2020.

(3) The Company shall file its annual Rider US-4 application on or after July 1, 2020.

(4) This case is dismissed.

[6] This finding does not preclude subsequent approval of other allocation methodologies. For example, as generation fleets serving Virginia evolve with higher penetrations of solar, wind, and other non-fossil-fueled resources, the Commission may review the issue of classification and cost allocation for generation resources in a future proceeding.

CASE NO. PUR-2019-00119
FEBRUARY 12, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of amending regulations governing net energy metering

ORDER ADOPTING REGULATIONS

The Regulations Governing Net Energy Metering, 20 VAC 5-315-10 *et seq*. ("Net Energy Metering Rules"), adopted by the State Corporation Commission ("Commission") pursuant to § 56-594 of the Virginia Electric Utility Regulation Act, Chapter 23 (§ 56-576 *et seq*.) of Title 56 of the Code of Virginia, establish the requirements for participation by an eligible customer-generator in net energy metering in the Commonwealth. The Net Energy Metering Rules include conditions for interconnection and metering, billing, and contract requirements between net metering customers, electric distribution companies, and energy service providers.

On August 27, 2019, the Commission entered an Order Establishing Proceeding ("Order") to consider revisions to the Net Energy Metering Rules to reflect statutory changes enacted by Chapter 763 of the 2019 Acts of Assembly, which amended § 56-594 of the Code and added new §§ 56-585.4 and 56-594.01 to (1) introduce new caps on participation in net metering by customers of electric cooperatives; (2) authorize electric cooperatives to vote to increase these caps up to a cumulative total of seven percent of their system peak; (3) permit third-party partial requirements power purchase agreements for those retail customers and nonjurisdictional customers of an electric cooperative that are exempt from federal income taxation; and (4) establish registration requirements for third-party partial requirements power purchase agreements ("PPAs"), including a self-certification system whereby such providers would be added to a registry maintained by the Commission's Division of Public Utility Regulation ("Division").

The Commission appended to its Order proposed amendments ("Proposed Rules") revising the Net Energy Metering Rules, which were prepared by the Staff of the Commission to reflect the revisions mandated by Chapter 763.

Notice of the proceeding and the Proposed Rules were published in the *Virginia Register of Regulations* on September 16, 2019. Additionally, each Virginia electric distribution company was directed to serve a copy of the Order upon each of their respective net metering customers. Interested persons were directed to file any comments and requests for hearing on the Proposed Rules on or before October 11, 2019.[1]

Maryland-DC-Delaware-Virginia Solar Energy Industries Association ("MDV-SEIA"), Kentucky Utilities Company d/b/a Old Dominion Power Company, Appalachian Voices, Secure Futures, LLC ("Secure Futures") and the Virginia Electric Cooperatives ("Virginia Cooperatives")[2] filed comments. The Commission also received electronic comments from 219 interested persons. No one requested a hearing on the Proposed Rules.

[1] By order entered October 18, 2019, the Commission extended the time for filing written comments for net metering customers of Appalachian Power Company to October 28, 2019, due to an error in providing notice to these customers.

[2] The filing entitled "Comments of the Virginia Electric Cooperatives" was submitted jointly on behalf of: A&N Electric Cooperative, BARC Electric Cooperative, Central Virginia Electric Cooperative, Community Electric Cooperative, Craig-Botetourt Electric Cooperative, Mecklenburg Electric Cooperative, Northern Neck Electric Cooperative, Northern Virginia Electric Cooperative, Prince George Electric Cooperative, Rappahannock Electric Cooperative, Shenandoah Valley Electric Cooperative, and Southside Electric Cooperative, as well as the Virginia, Maryland & Delaware Association of Electric Cooperatives.

MDV-SEIA, the Virginia Cooperatives and Secure Futures each proposed that 20 VAC 3-315-77 be revised to provide that if a parent entity executes individual PPAs through one or more special purpose entities ("SPEs"), then only the parent need register with the Division. We are mindful of the concerns expressed by the MDV-SEIA, the Virginia Cooperatives and Secure Futures; however, as the registration is a one-time process with no continuing obligation, we do not believe that requiring SPEs to register will present an unreasonable burden. In addition, as one purpose of the legislation is to provide an assessment of PPA providers operating in Virginia, permitting parental registration would only represent a portion of these operating providers. As discussed below, we will expand the form of permitted security to include a parental guaranty to SPEs, which should alleviate any financial burden on these entities.

Appalachian Voices and the Virginia Cooperatives recommend that the Commission add language to the Proposed Rules to clarify that changes to the systemwide net energy metering cap initiated by a Cooperative Board of Directors pursuant to Va. Code § 56- 594.01(G) or § 56-585.4 will override the caps as set forth in the Proposed Rules. This modification is superfluous, as the Proposed Rules already reference §§ 56- 594.01(G) and 56-585.4 in 20 VAC 5-315-40.

Secure Futures recommends that 20 VAC 5-315-77 be revised. The Proposed Rules require registering PPA Providers to have one of (1) an investment-grade credit rating of BBB+ or higher; (2) liquid assets of at least $150,000; or (3) a $50,000 continuous performance surety bond. Secure Futures argues that these requirements would place an unreasonable burden on SPEs, which are unlikely to have a credit rating or $150,000 in liquid assets. The Commission has revised 20 VAC 5-315-77 to provide that PPA providers may provide a continuous or renewable performance or surety bond, an irrevocable letter of credit, or an irrevocable guaranty from a creditworthy corporate parent of the applicant, in a minimum amount of $50,000.

The Commission also received a number of comments requesting that the net metering cap be extended from 1% to 7% for all customers, including customers of investor-owned utilities. These caps were established by statute, and any revisions to the statute would have to come from the legislature, not the Commission.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the revised regulations attached hereto as Appendix A should be adopted as final rules, as discussed herein.

Accordingly, IT IS ORDERED THAT:

(1) The Regulations Governing Net Energy Metering, as shown in Appendix A to this Order, are hereby adopted and are effective as of March 1, 2020.

(2) A copy of this Order with Appendix A including the Regulations Governing Net Energy Metering shall be forwarded to the Registrar of Regulations for publication in the *Virginia Register of Regulations*.

(3) On or before May 1, 2020, each utility in the Commonwealth subject to Chapter 10 (§ 56-232 *et seq.*) of Title 56 of the Code of Virginia shall file with the Clerk of the Commission, in this docket, one (1) original document containing any revised tariff provisions necessary to implement the regulations adopted herein and also shall file a copy of the document containing the revised tariff provisions with the Commission's Division of Public Utility Regulation. The Clerk of the Commission need not distribute copies but shall make such filings available for public inspection in the Clerk's Office and post them on the Commission's website at: http://www.scc.virginia.gov/case.

(4) This docket shall remain open to receive the filings from electric utilities pursuant to Ordering Paragraph (3).

NOTE: A copy of Attachment A is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUR-2019-00122
MAY 21, 2020

PETITION OF
APPALACHIAN POWER COMPANY

For approval to continue rate adjustment clause, the EE-RAC, and for approval of new energy efficiency programs pursuant to §§ 56-585.1 A 5 c and 56-596.2 of the Code of Virginia

ORDER APPROVING RATE ADJUSTMENT CLAUSE

On September 30, 2019, Appalachian Power Company ("APCo" or "Company"), pursuant to §§ 56-585.1 A 5 and 56-596.2 of the Code of Virginia ("Code") and the Final Order of the State Corporation Commission ("Commission") in Case No. PUR-2018-00118,[1] filed with the Commission its petition for approval of the continued implementation of a rate adjustment clause – the "EE-RAC" – to recover the costs of its proposed energy efficiency ("EE")/demand response ("DR") portfolio ("EE/DR Portfolio"), as well as for the approval of three new programs ("Petition").

In its Petition, APCo sought approval to implement three new energy efficiency and demand response programs.[2] Specifically, the Company requested that the Commission permit it to implement the following proposed EE programs for a five-year period starting January 1, 2021, and subject to future extensions as requested by the Company and if granted by the Commission:

[1] *Petition of Appalachian Power Company, For revision of rate adjustment clause, the EE-RAC, pursuant to § 56-585.1 A 5 c of the Code of Virginia*, Case No. PUR-2018-00118, Doc. Con. Cen. No. 190510057, Order Approving Rate Adjustment Clause (May 2, 2019).

[2] *See* Ex. 2 (Petition) at 2-4.

- ENERGY STAR® Manufactured Housing Program ("ESMH")
- Low Income Multifamily Program ("LIMF")
- Low Income Single Family Program ("LISF")[3]

APCo requested approval to continue the EE-RAC for the rate year of July 1, 2020, through June 30, 2021 ("2020 Rate Year") to recover: (i) 2020 Rate Year costs associated with the Company's EE/DR programs ("Projected Factor"); and (ii) any (over)/under recovery of costs associated with the EE/DR Portfolio as of June 30, 2020 ("True-Up Factor").[4] APCo calculated the margin on operating expenses for the Projected Factor based on a return on common equity of 9.42%, authorized by the Commission in Case No. PUR-2018-00048.[5] The Company proposed a total EE-RAC revenue requirement of $9,695,615 for the 2020 Rate Year, which consists of a Projected Factor in the amount of $10,584,787, and a True-Up Factor credit of $889,172.[6] APCo did not seek recovery of lost revenues in this proceeding.[7]

On October 29, 2019, the Commission issued an Order for Notice and Hearing that, among other things, docketed this case; required the Company to provide notice of the Petition; established a schedule for the submission of notices of participation and prefiled testimony; scheduled a public hearing on the Petition for March 3, 2020; and appointed a Hearing Examiner to conduct all further proceedings in this matter and to file a final report.

The Office of Attorney General, Division of Consumer Counsel ("Consumer Counsel") filed a timely notice of participation. The hearing was convened by the Hearing Examiner as scheduled on March 3, 2020. The Company, Consumer Counsel, and the Staff of the Commission ("Staff") participated in the hearing.

On April 3, 2020, the Report of Mary Beth Adams, Hearing Examiner, was issued ("Report"). In her Report, the Hearing Examiner made the following findings and recommendations:

1. The Commission should approve the LIMF and LISF programs and deny the ESMH program. Alternatively, the Commission should approve a revised ESMH program that includes an incentive that would be split between the retailer and the participating ratepayer;

2. The Commission should approve an annual revenue requirement for the EE-RAC in the amount of $9.44 million. Should the Commission approve the ESMH program, the annual revenue requirement would be $9.70 million;

3. The cost caps based solely on the programmatic costs of the EE Programs should be approved;

4. The Company's Evaluation, Measurement and Verification ("EM&V") analysis should include sampling and statistical analysis to test the validity of the technical reference manual ("TRM") formulas and the accuracy of the claimed energy savings;

5. In future EE-RAC filings, the Company should be required to continue to provide the information recommended by Staff witness Mangalam;

6. The LIMF and LISF programs satisfy the requirements of Component 1 of § 56-596.2:1 of the Code and the Company should be permitted to apply the first three years of these programs towards meeting the goals established therein;

7. The updated EE-RAC rates should be implemented for service rendered during the 2020 Rate Year; and

8. The Company should make its next EE-RAC filing on or before September 30, 2020.[8]

The Company, Consumer Counsel, and Staff filed comments in response to the Report on April 17, 2020.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows.

LIMF and LISF

The Hearing Examiner found that the LIMF and LISF each fail three of the four cost-benefit analyses required by the Code but noted that Code § 56-576 further provides that "an energy efficiency program may be deemed to be 'in the public interest' if the program provides measurable and verifiable energy savings to low-income customers or elderly customers."[9] The Hearing Examiner found that the record establishes that these programs are designed to provide measurable and verifiable energy savings to low-income customers.[10]

---

[3] *Id.;* Ex. 5 (Nichols Direct) at 14.

[4] *See* Ex. 2 (Petition) at 6, Schedule 46C; Ex. 5 (Nichols Direct) at 16.

[5] Ex. 2 (Petition) at 6. *See Application of Appalachian Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2018-00048, Doc. Con. Cen. No. 181120212, Final Order (Nov. 7, 2018).

[6] Ex. 2 (Petition) at 6, Schedule 46C; Ex. 5 (Nichols Direct) at 16.

[7] Ex. 2 (Petition) at 6; Ex. 5 (Nichols Direct) at 16.

[8] Report at 27.

[9] *Id*. at 21.

[10] *Id*.

We agree with the Hearing Examiner and will approve the LIMF and LISF programs as proposed by the Company because they provide measurable and verifiable energy savings to low-income customers or elderly customers.

ESMH Program

The Company's proposed ESMH program would provide financial incentives to manufacturers and retailers of manufactured homes to encourage them to make ENERGY STAR homes available for purchase by the Company's ratepayers. The Hearing Examiner found that the ESMH program passes three of the four cost benefit tests, but noted that Staff raised several concerns with the program.[11]

Specifically, Staff argued that the ESMH program was based on a faulty analysis, which assumed a net-to-gross ("NTG") ratio of 100%.[12] NTG is a measurement of free ridership, and thus the Company claimed that there would be no free riders. Staff noted, however, that a small survey of customers purchasing manufactured homes showed that "five out of five survey respondents stated they were not aware of the ESMH program offered to manufacturers and that they would have purchased the ENERGY STAR home rather than the non-ENERGY STAR home regardless."[13] Staff also argued that, because 69% of the energy savings from the ESMH program come from energy-efficient heat pumps, and the customer survey indicated that customers were already aware of the benefits of a heat pump compared to electric resistance heating, the energy savings of the program were likely overstated.[14]

The Hearing Examiner found that "the NTG assumed by the Company and the Cost/Benefit Model savings results presented by the Company for the proposed ESMH program are overstated."[15] The Report recommends that the ESMH program not be approved but suggests that if the Commission were to approve the program, it should consider an alternative incentive structure in which the retailer receives a portion of the rebate and the APCo ratepayer who participates in the ESMH program receives a portion of the rebate.[16]

In its comments on the Report, the Company continued to support the ESMH program as proposed but stated that it would not oppose the alternative suggested by the Hearing Examiner.[17] The Company suggested the following split of the incentive between retailer and ratepayer:

Party	**Incentive Amount**
APCo Customer	$700
HVAC Contractor	$50-$100
Retailer	$600-$650
Manufacturer	$0

We agree with the Hearing Examiner that the ESMH program as proposed is based on inflated NTG ratios and energy savings. We also agree that the program should provide benefit directly to the ratepayer purchasing the manufactured home. We will, therefore, approve the alternative ESMH program recommended by the Hearing Examiner, in which the incentives are split between the homebuyer and retailer. We find that the allocation of the incentive proposed by the Company in its comments on the Report is reasonable and that it should be adopted.

Revenue Requirement

We agree with the Hearing Examiner that, with the alternative ESMH program approved herein, the record in this case supports a revenue requirement of $9,695,615.[18] In approving this request for an increase in the EE-RAC that was filed on September 30, 2019, the Commission notes its awareness of the ongoing COVID-19 public health crisis, which has had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of fact supported by the evidence in the record.[19] This is what we have done herein.

---

[11] *Id.* at 21-23.

[12] *Id.* at 21-22; Ex. 6 (Boehnlein Direct) at 14-15.

[13] Report at 22; *see also* Ex. 6 (Boehnlein Direct) at 14-17.

[14] Report at 22; Ex. 6 (Boehnlein Direct) at 15-16.

[15] Report at 23.

[16] *Id.* at 23-24, 27.

[17] APCo Comments at 2-3, 8.

[18] Report at 24.

[19] *See, e.g.*, the definition of “in the public interest” in Code § 56-576 and the requirement in Code § 56-596.2 that a Phase I Utility such as APCo develop EE programs, at least 5% of which “shall benefit low-income, elderly, and disabled individuals.”

Cost Caps

We agree with the findings and recommendations of the Hearing Examiner as to cost caps on the EE programs proposed herein.[20] The Company did not propose cost caps on the EE Programs; however, Staff recommended cost caps based solely on the programmatic costs of the EE Programs.[21] Staff's proposed cost caps do not include lost revenues. The Hearing Examiner recommended that if the Commission wished to impose cost caps in this proceeding, such caps should be based solely on the programmatic costs of the EE Programs.[22] Nothing contained in the Company's comments suggest a concern with this finding and recommendation.[23] We find that this recommendation is reasonable and should be adopted.

Reporting Requirements

The Commission also agrees with the Hearing Examiner that the reporting requirements recommended by Staff witness Mangalam should be approved.[24] As to the dispute between Staff and APCo as to whether reporting should include sampling and statistical analysis in the reports submitted by APCo for EM&V, we note that in the prior proceeding on APCo's EE-RAC,[25] the Commission found that the purpose of EE/DR programs is to reduce energy usage, either at peak times (demand response and peak shaving) or year-round (energy efficiency). Thus, the true test of any such program is whether, *in actual practice*, it is the proximate cause of a verifiable reduction in energy usage. This evidence will be, by definition, retrospective in nature. In the present case, we agree with the Hearing Examiner's finding that the record shows more rigorous evaluation, measurement, and verification is necessary to ensure that the programs are, in *actual practice,* the proximate cause of a verifiable reduction in energy usage.[26] Accordingly, we direct the Company to include in its annual EM&V report its evidence of the actual energy savings achieved as a result of each specific program along with revised cost-benefit test results that incorporate actual Virginia energy savings and cost data. We agree with the Hearing Examiner, and Staff, and find that APCo should be required to perform additional sampling and statistical analysis to test the validity of the TRM formulas and the accuracy of the claimed energy savings.[27] We will require this unless the Company can demonstrate in its EM&V report what alternative was used to document actual savings for the particular program for which it did not use sampling and statistical analysis, and why that alternative provides evidence of actual savings for that program reasonably comparable to sampling and statistical analysis. We further direct Staff to investigate each such report to analyze the program-specific evidence on actual energy savings and the proximate cause thereof, and to report on its findings in the Company's next EE-RAC filing.

Future Filings

We direct APCo to file in every future rate adjustment clause proceeding under Code § 56-585.1 A 5 evidence of the actual energy savings achieved as a result of each specific program for which cost recovery is sought, along with revised cost-benefit tests that incorporate actual Virginia energy savings and cost data. As noted above, we direct Staff to investigate and analyze the program-specific evidence on actual energy savings and the proximate cause thereof, and to report on its findings. As we stated in Case No. PUR-2018-00118, this evidence will be relevant to at least two foreseeable issues: (i) identifying the true cost-effectiveness of programs, which will enable the Commission to determine which programs should be expanded in scope and budget so as to maximize the reductions in energy usage, which ones are least effective and should have their budgets shifted to more effective programs, and which ones are not cost-effective and should be discontinued; and (ii) evaluating any claim by APCo to cost recovery for lost revenues.[28]

We find that APCo's request made in comments to the Hearing Examiner's Report to allow the Company to file its next EE-RAC petition on or before November 30, 2020, instead of September 30, 2020,[29] is reasonable and should be granted. APCo shall include in that petition the effect, if any, on the EE-RAC rate year or its EM&V reporting obligations arising from the delay in filing its next petition.

---

[20] Report at 24.

[21] *Id.;* Ex. 9 (Mangalam Direct) at 4, 9, 15.

[22] Report at 24.

[23] *See* APCo Comments at 1-13.

[24] Report at 26. APCo also confirmed it will continue to work with Staff regarding these reporting requirements. Tr. at 61-62.

[25] *Petition of Appalachian Power Company, For revision of rate adjustment clause, the EE-RAC, pursuant to § 56-585.1 A 5 c of the Code of Virginia*, Case No. PUR-2018-00118, Doc. Con. Cen. No. 190510057, Order Approving Rate Adjustment Clause (May 2, 2019).

[26] Report at 1, 25-26.

[27] *Id.* at 26.

[28] Accurate EM&V reporting is also needed, on a going-forward basis, to permit the Commission to comply with the Virginia Clean Economy Act, which requires the Commission to "annually monitor and report to the General Assembly the performance of all programs approved pursuant to this subdivision, including each utility's compliance with the total annual savings required by § 56-596.2, as well as the annual and lifecycle net and gross energy and capacity savings, related emissions reductions, and other quantifiable benefits of each program; total customer bill savings that the programs produce; utility spending on each program, including any associated administrative costs; and each utility's avoided costs and cost-effectiveness results." 2020 Va. Acts of Assembly, Ch. 1193, 1194.

[29] APCo Comments at 12-13.

Goals Established in § 56-596.2:1 of the Code

We agree with the Hearing Examiner that LIMF and LISF programs satisfy the requirements of Code § 56-596.2:1 and the Company should be permitted to apply the first three years of these programs towards meeting the $25 million goal established therein.[30] Further, as requested by APCo,[31] we find that the costs associated with the new programs proposed in this Petition should count towards the $140 million target established for the Company in Code § 56-596.2.

Accordingly, IT IS ORDERED THAT :

(1) The Company's Petition is hereby granted as set forth herein.

(2) The Company shall forthwith file revised tariffs designed to recover a 2020 Rate Year revenue requirement of $9,695,615 with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance.

(3) The EE-RAC as approved herein shall become effective for usage on and after July 1, 2020.

(4) The Company shall file its petition to continue Rider EE-RAC no later than November 30, 2020.

(5) In future EE-RAC filings, the Company shall continue to fulfill the reporting requirements agreed to with Staff in the form of a pre-filed exhibit(s). The Company shall continue to work with Staff to prepare such a pre-filed exhibit(s).

(6) The Company shall file an updated EM&V report on or before May 1, 2021, in which it shall use sampling and statistical analysis for each program to demonstrate the extent to which actual savings are present for each program, or to explain why sampling and statistical analysis was not used for a particular program, what was used instead to determine energy savings associated with that program, why sampling and statistical analysis was not used, and why the alternative method provides evidence of actual energy savings reasonably comparable to sampling and statistical analysis.

(7) In every future rate adjustment clause proceeding under Code § 56-585.1 A 5, APCo shall submit evidence of the actual energy savings achieved by each specific program for which cost recovery is sought.

(8) The LIMF and LISF programs satisfy the requirements of Code § 56-596.2:1, and the Company is permitted to apply the first three years of these programs towards meeting the $25 million goal established therein.[32] The Company is also permitted to apply the new programs approved herein towards the $140 million target established for the Company in Code § 56-596.2.

(9) This matter is continued.

[30] Report at 17, 26-27.

[31] APCo Comments at 12.

[32] Report at 17, 26-27.

CASE NO. PUR-2019-00124
FEBRUARY 14, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To participate in the pilot program for electric power storage batteries pursuant to § 56-585.1:6 of the Code of Virginia, and for certification of a proposed battery energy storage system pursuant to § 56-580 D of the Code of Virginia

FINAL ORDER

On August 2, 2019, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") to participate in the pilot program for electric power storage batteries ("Pilot Program") pursuant to Virginia Code ("Code") § 56-585.1:6, the Commission's Guidelines Regarding Electric Power Storage Battery Pilot Programs ("Pilot Guidelines") and Rule 80 A of the Commission's Rules of Practice and Procedure.[1] Through the Application, the Company presents three projects for deployment of battery energy storage systems ("BESS") as part of the Pilot Program.[2]

The Application states that the Grid Transformation and Security Act of 2018 ("GTSA") directed the Commission to establish the Pilot Program, a program under which the Company must submit proposals to deploy electric power storage batteries.[3] The GTSA established permissible objectives of the Pilot Program; established a five-year duration for the Pilot Program; set the size of the Pilot Program; and provided for recovery of the Company's reasonable and prudent costs incurred under the Pilot Program through base rates.

[1] 5 VAC 5-20-10 *et seq.*

[2] Ex. 2 (Application) at 1.

[3] *Id.* at 3.

On August 16, 2019, the Commission issued an Order for Notice and Hearing that, among other things: established a procedural schedule; set an evidentiary hearing date; directed Dominion to provide public notice of its Application; and provided interested persons an opportunity to file comments on the Application or to participate in the case as a respondent by filing a notice of participation. Notices of participation were filed by: Appalachian Power Company; Appalachian Voices ("Environmental Respondents"); and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"). The Company, Environmental Respondents and Commission Staff ("Staff") pre-filed testimony in this matter.

On January 14, 2020, the Commission convened an evidentiary hearing on the Application. The Company, Environmental Respondents, Consumer Counsel, and Staff participated at the hearing.[4]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Application should be approved and Dominion's Pilot Program should be established as follows.

Code of Virginia

Pursuant to Code § 56-585.1:6 A:

> The Commission shall establish pilot programs under which each Phase I Utility and each Phase II Utility, as such terms are defined in subdivision A 1 of § 56-585.1, shall submit a proposal to deploy electric power storage batteries. A proposal shall provide for the deployment of batteries pursuant to a pilot program that accomplishes at least one of the following: (i) improve reliability of electrical transmission or distribution systems; (ii) improve integration of different types of renewable resources; (iii) deferred investment in generation, transmission, or distribution of electricity; (iv) reduced need for additional generation of electricity during times of peak demand; or (v) connection to the facilities of a customer receiving generation, transmission, and distribution service from the utility. A Phase I Utility may install batteries with up to 10 megawatts of capacity. A Phase II Utility may install batteries with up to 30 megawatts of capacity. Each pilot program shall have a duration of five years. The pilot program shall provide for the recovery of all reasonable and prudent costs incurred under the pilot program through the electric utility's base rates on a nondiscriminatory basis. Any pilot program proposed by a Phase I Utility or Phase II Utility that satisfies the requirements of this subsection is in the public interest.

Pilot Program

Through BESS-1, the Company proposes to deploy a 2 megawatt ("MW") / 4 megawatt-hour ("MWh") alternating current ("AC") lithium-ion BESS that will study the prevention of solar back-feeding onto the transmission grid at a specific substation.[5] Through BESS-2, the Company proposes to deploy a 2 MW / 4 MWh AC lithium-ion BESS that will study batteries as a non-wires alternative to reduce transformer loading at a specific substation.[6] Through BESS-3, the Company proposes to deploy a lithium-ion BESS at its Scott Solar Facility consisting of a 2 MW / 8 MWh direct current system with a 10 MW / 40 MWh AC-coupled system to study solar plus storage.[7] The Company explained that it "has proposed BESS-1, BESS-2, and BESS-3 to study important statutory objectives, and believes that the information and experience gained from each will provide valuable insight and experience toward deployment of BESS in the future."[8] The Company expects that "learning about the [battery] systems now . . . will put [the Company] in the best position to use them as a cost-effective solution in the future."[9]

The Commission finds that each of the proposed BESS will further one or more of the statutory objectives set forth in Code § 56-585.1:6 A. The Commission further finds that the costs of BESS-1, BESS-2, and BESS-3 are reasonable and prudent for purposes of conducting a pilot program on electric power storage batteries at a cost of $2.9 million, $4.1 million and $26.1 million, respectively.[10] As such, the Pilot Program is in the public interest. The Commission cautions, however, that approval of the Pilot Program does not guarantee approval of any future BESS. Any future application must be found reasonable under the particular statutory requirements relevant to such request.

The Commission will not require the Company to relocate BESS-2, as urged by Environmental Respondents. As the Company explained, the available space within the existing substation as well as the proximity to Richmond support locating BESS-2 at the Hanover Substation, as proposed by the Company.[11]

Reporting Requirements

Consistent with the Pilot Guidelines, the Company proposes to file an annual report on the status of the Pilot Program by March 31 of each year following deployment of the BESS. The Commission adopts the Company's proposed annual reporting requirements that incorporate recommendations of the parties in addition to the metrics included in the Pilot Guidelines.[12] Among other things, the Company committed to study additional use cases for each

[4] No public witnesses appeared to testify at the hearing. Tr. 9.

[5] Ex. 2 (Application) at 5.

[6] *Id.* at 5-6.

[7] *Id.* at 6.

[8] Ex. 13 (Wright Rebuttal) at 3.

[9] Tr. 97.

[10] *See, e.g.,* Ex. 2 (Application) at Ex. 1-3 (Proposal Summaries) at 1; Ex. 8 (Cusick Direct) at 7.

[11] *See, e.g.,* Ex. 13 (Wright Rebuttal) at 16-17; Tr. 100-102.

[12] Ex. 13 (Wright Rebuttal) at 6-7, Rebuttal Attachment-1.

of the proposed batteries and report on the Company's progress.[13] For BESS-3, the Company specifically committed to evaluating potential participation of BESS-3 in the PJM[14] wholesale markets.[15] We accept the Company's commitment to study additional use cases, including potential participation of BESS-3 in the PJM wholesale markets, and so direct. During the evidentiary hearing, the Company also agreed to the Environmental Respondents' recommendation to track the reduction in the net PJM capacity obligation resulting from the use of BESS-3.[16] The Commission agrees this metric should be collected and directs the Company to report on it.

Amended Certificate of Public Convenience and Necessity ("CPCN")

To the extent necessary, Dominion requests an amended CPCN for the Scott Solar Facility to include BESS-3, which the Company will classify as a generation asset.[17] The Commission finds issuance of the requested amended CPCN is appropriate, subject to Company's compliance with the requirements set forth in the report of the Department of Environmental Quality filed in this matter on November 8, 2019.[18]

Cost Recovery

Pursuant to Code § 56-585.1:6 A, "[t]he pilot program shall provide for the recovery of all reasonable and prudent costs incurred under the pilot program through the electric utility's base rates on a nondiscriminatory basis." Having determined herein that the projected costs of the proposed BESS are reasonable and prudent, the Commission will address specific issues related to cost recovery associated with the Pilot Program in a future base rate proceeding.

Accordingly, IT IS ORDERED THAT:

(1) Dominion's Application is granted, subject to the requirements set forth herein.

(2) Subject to the findings and requirements set forth in this Final Order, Certificate No. ET-206 authorizing Dominion to construct and operate the Scott Solar Facility is hereby cancelled and shall be reissued as amended Certificate No. ET-206a to include construction and operation of BESS-3 at the Scott Solar Facility.

(3) This case is continued.

[13] *See, e.g., id.* at 4.

[14] The term "PJM" refers to PJM Interconnection LLC regional transmission organization.

[15] Ex. 17 (Rajan Rebuttal) at 15.

[16] Tr. 26, 124.

[17] Ex. 2 (Application) at 1-2. The Scott Solar Facility was previously approved in 2016. *Application of Virginia Electric and Power Company, For approval and certification for the proposed 2016 Solar Projects pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, and approval of a rate adjustment clause, designated Rider US-2, under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUE-2015-00104, 2016 S.C.C. Ann. Rept. 295, Final Order (June 30, 2016).

[18] Ex. 12 (DEQ Report). The Company did not object to any of the recommendations made by DEQ in its Summary of Findings and Recommendations. Ex. 18 (Gangle Rebuttal) at 2. We will not require CPCNs for BESS-1 or BESS-2 based on the facts and circumstances of this proceeding. Specifically, in the Commission's judgment, the proposed size and function of these specific BESS are "ordinary extensions or improvements in the usual course of business" not requiring a CPCN. Code § 56-265.2.

CASE NO. PUR-2019-00128
JUNE 2, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric facilities: Loudoun-Ox 230 kV Transmission Line Partial Rebuild Projects

FINAL ORDER

On August 13, 2019, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and certification to construct and operate electric transmission facilities in the Counties of Loudoun, Prince William, and Fairfax, Virginia, pursuant to Code § 56-46.1 and the Utility Facilities Act, Code § 56-265.1 *et seq*. ("Application"). Specifically, Dominion proposes to rebuild, entirely within an existing right-of-way or on Company-owned property, portions of the Company's existing 230 kilovolt ("kV") transmission Lines #2173, #295, #265, #200, #2051, #2063, #266, and #2008, and to perform associated work on facilities in the Company's Loudoun, Bull Run, Mosby, Sully, and Clifton Substations (collectively, "Rebuild Project").[1]

[1] Ex. 2 (Application) at 2.

Dominion states that the Rebuild Project is necessary to maintain the structural integrity and reliability of its transmission system in compliance with mandatory North American Electric Reliability Corporation Reliability Standards.[2] Further, the Company states that the Rebuild Project will replace aging infrastructure that is at the end of its service life.[3]

The Company states that the expected in-service date for the Rebuild Project is December 31, 2024.[4] The estimated cost of the Rebuild Project is approximately $67.5 million, which includes an estimated $59.0 million cost for transmission-related work and approximately $8.5 million for substation-related work (2019 dollars).[5]

On September 17, 2019, the Commission issued an Order for Notice and Hearing ("Procedural Order"), which, among other things, docketed the proceeding; directed the Company to provide notice of its Application to the public; provided interested persons the opportunity to comment on the Application or to participate as a respondent in this proceeding; scheduled public hearings for January 29, 2020, and April 22, 2020; and directed the Commission's Staff ("Staff") to investigate the Application and to file testimony containing Staff's findings and recommendations.

No written public comments or notices of participation were filed.

As also directed in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Rebuild Project by the appropriate agencies and to provide a report on the review. On October 24, 2019, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following Summary of Recommendations regarding the Rebuild Project. According to the DEQ Report, the Company should:

- Conduct an on-site delineation of all wetlands and stream crossings within the project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams.
- Follow DEQ's recommendations regarding air quality protection, as applicable.
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable and follow DEQ's recommendations regarding the evaluation of waste sites.
- Coordinate with the Department of Conservation and Recreation's ("DCR") Division of Natural Heritage regarding its recommendations to protect natural heritage resources, the Rusty patched bumble bee, karst resources, and the aquatic ecosystem; develop and implement an invasive species management plan; plant native species; and obtain an update on natural heritage information.
- Coordinate with the Department of Game and Inland Fisheries ("DGIF") regarding its recommendations to protect wildlife resources.
- Coordinate with the Virginia Outdoors Foundation regarding its recommendation for additional consultation as necessary.
- Coordinate with the Department of Historic Resources regarding its recommendations to protect historic and archaeological resources.
- Coordinate with the Virginia Department of Health regarding its recommendations to protect water supplies.
- Follow the principles and practices of pollution prevention to the maximum extent practicable.
- Limit the use of pesticides and herbicides to the extent practicable.
- Coordinate with Fairfax and Loudoun counties regarding their recommendations for additional coordination and protection of resources.[6]

On February 28, 2020, Staff filed testimony along with an attached report ("Staff Report") summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion has reasonably demonstrated the need for the proposed project and that the project is necessary to continue providing reliable electric transmission service.[7] Staff, therefore, did not oppose the issuance of the certificates of public convenience and necessity ("CPCNs") requested in the Company's Application.[8]

---

[2] *Id.*

[3] *Id.* at 4.

[4] *Id.* at 5.

[5] *Id*.

[6] Ex. 7 (DEQ Report) at 7-8.

[7] Ex. 8 (Cizenski Direct) at Staff Report, p. 21.

[8] *Id.*

On March 20, 2020, Dominion filed its rebuttal testimony. In its rebuttal, the Company did not object to most of the recommendations included in the DEQ Report but requested that the Commission reject four of DEQ's recommendations. Dominion also offered clarifications for three aspects of the DEQ Report.[9]

On January 29, 2020, a public witness hearing was held in Chantilly, Virginia. One public witness appeared to testify.[10] On March 31, 2020, upon consideration of the ongoing public health emergency relating to the spread of the novel coronavirus and representations made by the case participants that there were no disputed issues that necessitated an evidentiary hearing, the Hearing Examiner issued a Ruling canceling the April 22, 2020 hearing. On April 8, 2020, Dominion and Staff (collectively, "Stipulating Participants") filed a Proposed Stipulation enumerating the documents and evidence it recommended be entered into the evidentiary record for consideration in this case.[11] The Stipulating Participants also recommended that the record for this proceeding close without the necessity of a hearing.[12]

On May 1, 2020, the Hearing Examiner issued his report ("Report"). In the Report, the Hearing Examiner recommended that the Commission authorize the Company to construct and operate the Rebuild Project, subject to certain findings and conditions included in the Report, and issue appropriate CPCNs for the Rebuild Project.[13] No comments opposing the findings and recommendations set forth in the Report were filed.[14]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require that the Company construct the Rebuild Project. The Commission finds that CPCNs authorizing the Rebuild Project should be issued subject to certain findings and conditions contained herein.

Approval

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides that "it shall be unlawful for any public utility to construct . . . facilities for use in public utility service . . . without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

> Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, . . . and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned."

The Code further requires that the Commission consider existing right of way ("ROW") easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

Public Convenience and Necessity

Dominion represents that the Rebuild Project is necessary to replace aging infrastructure that is at the end of its service life to comply with the Company's mandatory transmission planning criteria, thereby enabling the Company to maintain the overall long-term reliability of its transmission system.[15] Based on information provided by the Company, including the outage projections if the line is not in service and evidence showing deterioration

[9] Ex. 10 (Carr Rebuttal) at 7-10.

[10] *See* Tr. 7-13.

[11] Ex. 12 (Proposed Stipulation) at 1-3.

[12] *Id*. at 4.

[13] Report at 31.

[14] Two clarifications were made in the comments, however. First, it was noted that certain references in the Report to Line #228 should have instead been to Line #266. *See* Dominion's Comments on Report at 2. Second, Dominion stated it believed it has already complied with the Hearing Examiner's recommendation to provide the public witness who testified at the January 29, 2020 hearing a point of contact with the Company. However, the Company agreed to provide the public witness additional information, should any further information be requested. *Id*. at 2-3.

[15] *See* Ex. 2 (Application) at 4.

of the structures, Staff agreed with the Company that the Project is needed to ensure reliable service.[16] The Commission finds that the Company's proposed Rebuild Project is needed to replace aging infrastructure, thereby enabling the Company to maintain the overall long-term reliability of its transmission system.

Economic Development

The Commission finds that the evidence in this case demonstrates that the Rebuild Project will support reliable power throughout Virginia, thereby facilitating economic growth in the Commonwealth by continuing to provide reliable electric service.[17]

Rights-of-Way and Routing

Dominion has adequately considered usage of existing ROW. The Rebuild Project, as proposed, would be constructed on existing ROW or on Company-owned property, with no additional ROW required.[18]

Scenic Assets and Historic Districts

As noted above, the Rebuild Project would be constructed on existing ROW already owned and maintained by Dominion. The Commission finds that this will minimize adverse impacts on scenic assets and historic districts in the Commonwealth of Virginia as required by § 56-46.1 B of the Code.[19]

Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Rebuild Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides that the Commission shall receive and give consideration to all reports that relate to the Rebuild Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Rebuild Project. This finding is supported by the DEQ Report, as nothing therein suggests that the Rebuild Project should not be constructed.

There are, however, recommendations included in the DEQ Report for the Commission's consideration.[20] The Company filed a response opposing four of these recommendations.

First, Dominion requests that the Commission reject the recommendation from DCR related to avoiding impacts to certain natural heritage resources, specifically the recommendation to avoid impacts to the Stiff goldenrod, Earleaf False foxglove, and Purple milkweed plants.[21] The Company states that none of these plants have state or federal status requiring Dominion to avoid impacts to them and that the Company does not believe any proposed structures will be constructed within the designated areas identified by DCR.[22] Further, the Company agrees to provide its construction team with information regarding these resources of concern prior to commencing construction activity and to coordinate with DCR should the resources be found within the project area.[23] The Commission finds that the Company shall educate its construction personnel regarding the resources of concern and shall coordinate with DCR should the species be found within the Rebuild Project area.

Second, Dominion requests that the Commission reject DCR's recommendation that the Company develop and implement an invasive species management plan.[24] Dominion asserts that it "already has a robust Integrated Vegetation Management Plan in place that utilizes mechanical, chemical, and cultural methods for controlling vegetation, including invasive species."[25] It therefore states that the development and implementation of a separate invasive species plan is unnecessary.[26] The Commission finds that the invasive species plan recommended by DCR is duplicative of the Company's Integrated Vegetation Management Plan and therefore is unnecessary.

---

[16] Ex. 8 (Cizenski Direct) at Staff Report, pp. 9-14, 21.

[17] *See id*. at 20.

[18] *See* Ex. 2 (Application) at Appendix, p. 112. As such, no alternative routes were proposed for the Rebuild Project. *Id*.

[19] *See* Ex. 2 (Application) at Appendix, pp. 249-302; Ex. 8 (Cizenski Direct) at Staff Report, pp. 19-20.

[20] *See* Ex. 7 (DEQ Report) at 7-8. Dominion should comply with all uncontested recommendations included in the DEQ Report. However, to the extent Dominion and DEQ, or other appropriate state agency or municipality, reach agreement that certain recommendations included in the DEQ Report are not necessary or have been adequately addressed elsewhere, we find that Dominion need not comply with those specific recommendations. *See* Ex. 10 (Carr Rebuttal) at 7-10.

[21] *See id*. at 20-22, DCR Memorandum Figures 1-2; Ex. 10 (Carr Rebuttal) at 3-4.

[22] Ex. 10 (Carr Rebuttal) at 3.

[23] *Id*. at 3-4.

[24] Ex. 7 (DEQ Report) at 22; Ex. 10 (Carr Rebuttal) at 4-5.

[25] Ex. 10 (Carr Rebuttal) at 4.

[26] *Id*. at 5.

Third, the Company recommends rejection of DGIF's recommendation to conduct significant tree removal and ground clearing activities outside of the primary songbird nesting season.[27] Dominion states that it does not expect any ground clearing activities to be "significant."[28] However, the Company agrees to survey the relevant area for songbird nesting colonies if any significant clearing occurs during nesting season and will coordinate with DGIF if any colonies are found.[29] We agree with the Hearing Examiner that the Company shall be required to survey the Rebuild Project area for songbird nesting colonies if any significant clearing occurs during nesting season and coordinate with DGIF to create appropriate construction restrictions if any colonies are found.[30]

Fourth, Dominion objects in part to the recommendation that it coordinate with Fairfax and Loudoun counties regarding their recommendations for additional coordination and protection of resources. Specifically, Dominion requests that the Commission reject Fairfax County's recommendation that the Company coordinate with the Fairfax County Park Authority's ("FCPA") Archaeology and Collection Branch in the development and review of an environmental impact statement ("EIS") because the Company states that it does not anticipate that an EIS or other environmental assessment will be required for the Rebuild Project.[31] Dominion states, however, that it intends to continue to coordinate with the FCPA during the federal wetland permitting process.[32] We concur with the Hearing Examiner that the Company should continue coordinating with the FCPA with respect to historical properties and National Historic Preservation Act compliance during the federal wetland permitting process.[33]

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Rebuild Project as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCNs to construct and operate the Rebuild Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCNs to Dominion:

> Certificate No. ET-91ad, which authorizes Virginia Electric and Power Company, under the Utility Facilities Act, to operate certificated facilities in Loudoun County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2019-00128, cancels Certificate No. ET-91ac, issued to Virginia Electric and Power Company in Case No. PUR-2019-00191 on May 22, 2020.
>
> Certificate No. ET-105af, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Prince William County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2019-00128, cancels Certificate No. ET-105ae, issued to Virginia Electric and Power Company in Case No. PUR-2017-00078 on February 5, 2018.
>
> Certificate No. ET-79rr, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in the Counties of Arlington and Fairfax and the City of Alexandria, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2019-00128, cancels Certificate No. ET-79qq, issued to Virginia Electric and Power Company in Case No. PUR-2019-00040 on September 27, 2019.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation three copies of an appropriate map for each Certificate No. that shows the routing of the transmission lines approved herein.

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCNs issued in Ordering Paragraph (3) with the maps attached.

(6) The Rebuild Project approved herein must be constructed and in service by December 31, 2024. No later than 90 days before the in-service date approved herein, except for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter is dismissed.

---

[27] Ex. 7 (DEQ Report) at 24; Ex. 10 (Carr Rebuttal) at 5-6.

[28] Ex. 10 (Carr Rebuttal) at 5.

[29] *Id*. at 5-6.

[30] Report at 30, 31.

[31] Ex. 7 (DEQ Report) at 31-32; Ex. 10 (Carr Rebuttal) at 6-7.

[32] Ex. 10 (Carr Rebuttal) at 7.

[33] *See* Report at 30, 31.

CASE NO. PUR-2019-00145
MARCH 5, 2020

PETITION OF
APPALACHIAN POWER COMPANY

For approval of a broadband capacity pilot program pursuant to § 56-585.1:9 of the Code of Virginia

FINAL ORDER

On September 6, 2019, Appalachian Power Company ("APCo" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission") pursuant to § 56-585.1:9 of the Code of Virginia ("Code") (hereinafter, "Broadband Pilot Statute") for approval of a pilot program to provide broadband capacity to a nongovernmental Internet service provider ("ISP") in areas of Grayson County, Virginia, that are unserved by broadband ("Grayson Broadband Pilot" or "Pilot").[1] Specifically, APCo seeks approval of the Grayson Broadband Pilot, under which it will provide broadband capacity to GigaBeam Networks, LLC ("GigaBeam") in unserved areas of Grayson County, Virginia.[2] To provide the capacity, APCo states that it will install 96-strand fiber optic communications cable on its existing utility poles in Grayson County and will use a portion of the capacity to meet its own distribution system needs, including as the supporting communications backbone for intelligent grid technologies.[3] The Company states that it will lease another portion to GigaBeam, which will use the fiber infrastructure to deliver high-speed Internet access to thousands of unserved residences and businesses in Grayson County.[4] APCo states that it will use the lease revenues it receives from GigaBeam to offset the costs of the Pilot.[5]

APCo states that it intends to seek recovery of the costs of the Pilot in a rate adjustment clause ("RAC") filing pursuant to Code § 56-585.1 A 6 on or after July 1, 2020.[6] APCo requests that the Commission issue an explicit ruling that: (i) the Company is authorized to defer the costs of the Pilot as they are incurred and to recover the associated revenue requirement in future RAC proceedings; and (ii) confirms that APCo will be entitled to earn a return on and of its investments over the expected thirty-year life of the fiber optic infrastructure.[7] APCo also requests that the Commission approve the Pilot for an initial term of six years.[8]

On September 26, 2019, the Commission entered an Order for Notice and Hearing that, among other things: (i) docketed the Petition; (ii) directed APCo to publish notice of the Petition; (iii) provided any interested person an opportunity to file comments on the Petition or to participate in the case as a respondent by filing a notice of participation; (iv) directed the Staff of the Commission ("Staff") to investigate the Petition and file testimony and exhibits containing its findings and recommendations; (v) scheduled a public hearing for January 24, 2020, in Richmond, Virginia, to receive the testimony of public witnesses and the evidence of the Company, any respondents, and the Staff; and (vi) appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission, including filing a final report ("Report").

Notices of participation were timely filed by Virginia Electric and Power Company ("Dominion") and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On December 18, 2019, Staff filed testimony documenting the results of its investigation of APCo's Petition and the Staff's recommendations in this proceeding. Neither Dominion nor Consumer Counsel filed testimony. In addition, the Commission received written comments supporting the Petition from 31 individuals, organizations, local governments, and members of the General Assembly. The Commission also received comments from Comcast regarding its concerns as an ISP in portions of Grayson County.

The Hearing Examiner convened a public hearing as scheduled on January 24, 2020. No public witnesses appeared.[9] APCo, Consumer Counsel, and the Staff participated in the hearing, during which the Hearing Examiner received testimony from witnesses on behalf of the participants and admitted evidence on the Petition.[10]

---

[1] Ex. 2 (Petition) at 1.

[2] *Id.* at 5.

[3] *Id.*

[4] *Id.*

[5] *Id.*

[6] *Id.* at 8-9.

[7] *Id.* at 9-10.

[8] *Id.* at 10.

[9] Tr. at 7.

[10] Dominion did not participate in the hearing.

On January 31, 2020, the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report") was filed. In the Report, the Hearing Examiner thoroughly summarized the record, including the written comments received, the testimony and exhibits presented during the evidentiary hearing, and the applicable law. The Hearing Examiner found that based on the evidence received in this case: (1) The Pilot meets the requirements of the Broadband Pilot Statute and should be approved subject to the biannual reporting requirements recommended by Staff and commencement of construction within three years of Commission approval; (2) The Commission should approve an initial Pilot term of three years; and (3) APCo should be authorized to defer the costs of the Pilot with the expectation that it will file for cost recovery on or after July 1, 2020.[11] The Hearing Examiner also found that regarding the annual cost cap in the Broadband Pilot Statute and the alternative methods of calculation suggested by Staff and APCo, that Staff's interpretation appears to be reasonable.[12]

On February 14, 2020, Consumer Counsel and Staff filed comments to the Report. On February 19, 2020, APCo filed a Motion for Leave to File Comments and Exceptions Out of Time ("Motion") stating it had attempted to file its comments electronically on February 14, 2020.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

This is the first case brought under Code § 56-585.1:9 that establishes the framework for broadband capacity pilot programs to unserved areas of the Commonwealth.[13] No party to this proceeding asserted that APCo's proposed Grayson Broadband Pilot failed to meet the requirements of the Broadband Pilot Statute.[14] For the reasons set forth in the Report, we agree with the Hearing Examiner that the Pilot does satisfy the statutory requirements.[15]

APCo developed two alternate plans for deploying fiber optic broadband infrastructure under the proposed Pilot: Scenario 1 involving installation of approximately 238 miles of fiber optic cable, which would support full deployment of advanced metering infrastructure ("AMI") meters and distribution automation and circuit reconfiguration technology; and Scenario 2 involving installation of approximately 146 miles of fiber optic cable, which would not support the full deployment of AMI meters.[16] The Petition states that the estimated costs of Scenario 1 include approximately $17.5 million in capital investment plus annual operation and maintenance expenses of $481,000 and that the estimated costs of Scenario 2 include approximately $11.2 million in capital investment plus annual operation and maintenance expenses of $306,000.[17] Subsequently, APCo lowered the capital requirements for Scenario 1 to $16.7 million and for Scenario 2 to $10.3 million.[18] Neither scenario reaches the annual cost cap of $60 million set forth in the Code, regardless of whether the limit is based upon an annual revenue requirement or annual spending.[19]

APCo asserts that Scenario 1 would result in higher quality Internet service to a greater number of customers, would accelerate the time needed to deploy broadband capacity throughout the unserved areas, and would increase the longevity of the network installed under the Pilot.[20] Staff did not take a position on which scenario should be selected.[21] The Hearing Examiner concluded that the Commission had the discretion to approve either Scenario 1 or Scenario 2 or to allow APCo to choose between the two scenarios since both met the criteria from the statute.[22] We agree that both scenarios meet the statutory criteria. We also agree with the Hearing Examiner that Scenario 1 should be approved despite its higher cost as it will provide a higher level of service to customers.[23] It is also the scenario used by Grayson County and GigaBeam when applying for funds from the Virginia Telecommunications Initiative.[24] Given the facts of this case, we grant approval for APCo to proceed with Scenario 1.

Next, we turn to the length of the Pilot. The Broadband Pilot Statute requires that the Pilot:

> shall continue for the three-year period ending three years following the date the Commission approves the first petition to provide broadband capacity pursuant to this section, unless the Commission extends the pilot program or makes the pilot program permanent.

---

[11] Report at 29.

[12] *Id.* at 27.

[13] Tr. at 7.

[14] *See* Tr. at 11, Ex. 11 (Cizenski) at 17. Consumer Counsel took no position on whether the Petition should be approved but noted certain issues for the Commission's consideration. Tr. at 156-57.

[15] Report at 25-26.

[16] Ex. 2 (Petition) at 7.

[17] *Id.* at 8.

[18] Ex. 13 (Harris) at 3; Tr. at 14.

[19] *Id.* at 6.

[20] Ex. 2 (Petition) at 7-8.

[21] Ex. 11 (Cizenski) at 17.

[22] Report at 25.

[23] *Id*.

[24] Tr. at 40-44.

APCo requests that the Pilot be approved for a period of six years.[25] Staff recommended that the Pilot be approved for three years.[26] APCo asserts that a three-year timeframe is "extremely aggressive and affords no time for data collection and assessment."[27] We grant approval of the Pilot for an initial term of three years, and we further extend that approval for an additional three years. As set forth in the Code, the approval period begins with the date of this Final Order and shall run for a total of six years. Further, as required by the statute, construction shall commence within three years of such approval.[28]

For the cost of the Pilot, APCo requested that the Commission provide "reasonable assurance" that the Company will be able to recover the costs of the Pilot through future RAC rates.[29] The Broadband Pilot Statute states in part:

> B. The incremental costs of providing broadband capacity pursuant to any such pilot program, net of revenue generated therefrom, shall be eligible for recovery from customers as an electric grid transformation project pursuant to clause (vi) of subdivision A 6 of § 56-585.1 filed on or after July 1, 2020.

Much of the discussion on the record surrounds "incremental costs" of the Pilot and what should be approved in this proceeding. We agree with the Hearing Examiner that no finding on the Pilot costs is warranted at this time.[30] Specifically, we make no finding on the reasonableness or prudence of any AMI-related costs, as the Company is not seeking recovery of these costs through the Petition.

The Commission notes that, by statute and given the Commission's approval of the Pilot, the Company is allowed to recover the incremental costs of providing broadband capacity pursuant to the Pilot, net of revenue generated therefrom, through a RAC. The Commission does not object to the Company deferring such incremental Pilot costs until this Commission addresses a separate petition for a RAC.

The Commission recognizes that the provision of broadband capacity to nongovernmental ISPs in areas of the Commonwealth unserved by broadband has been statutorily declared to be in the public interest, and but for the fiber-based communications platform proposed in this case, the Company would be unable to provide the broadband availability authorized by statute.

Accordingly, while it is premature to opine on the prudence and/or cost recovery of AMI-related costs included in the Pilot Petition, any potential denial of recovery of costs for fiber-based AMI service would not negatively affect an application for recovery of the incremental costs for the Pilot. In any petition for recovery of incremental Pilot costs in the future, the Company shall include testimony on the baseline costs to which the Pilot costs are considered incremental.

Staff recommended that the Company file biannual reports summarizing the progress of the Pilot.[31] The Company agreed to make the reports.[32] We agree with the Hearing Examiner that these reporting requirements are reasonable.[33] APCo is directed to make biannual reports on the progress of the Pilot, including the information outlined by Staff.[34]

Subsection A of the Broadband Pilot Statute states that petitions for pilot programs shall not exceed $60 million in costs annually. APCo and Staff each asked the Commission for clarification on whether this statutory cost cap is to be calculated according to an annual revenue requirement, as proposed by APCo, or according to actual annual spending - including capitalized, expensed, and deferred costs, as proposed by Staff.[35] We agree with the Hearing Examiner and find that Staff's approach to the cost cap under the Broadband Pilot Statute should be used going forward.[36]

Finally, APCo's Motion is granted, and its comments are accepted as filed on February 20, 2020.

Accordingly, IT IS ORDERED THAT:

(1) APCo's Grayson Broadband Pilot is approved as described herein for an initial period of three years. Further, the Grayson Broadband Pilot approval is extended for an additional three years.

---

[25] Ex. 2 (Petition) at 10.

[26] Ex. 13 (Harris) at 9.

[27] Ex. 18 (Sebastian Rebuttal) at 6.

[28] Code § 56-585.1:9 D.

[29] Ex. 2 (Petition) at 10.

[30] Report at 26-27.

[31] Ex. 11 (Cizenski) at 16-17.

[32] Ex. 17 (Perdew Rebuttal) at 5.

[33] Report at 26.

[34] The witness from GigaBeam agreed to confirm customers are unserved before enrolling them to receive service under the Pilot. Tr. at 130-131. The Commission agrees with the Hearing Examiner that given GigaBeam's representations at the hearing, it is unnecessary for the Commission's approval of the Pilot to be conditioned upon GigaBeam's verification of customer broadband access. Report at 25.

[35] Ex. 5 (Sebastion) at 5; Ex. 18 (Sebastian Rebuttal) at 4; Ex. 13 (Harris) at 6.

[36] *See* Report at 27.

(2) The approval is conditioned upon APCo beginning construction within three years of the date of this Final Order.

(3) APCo shall submit biannual reports as described herein.

(4) The statutory $60 million cap in annual costs of APCo pilots under Broadband Pilot Statute shall be based upon actual annual spending - including capitalized, expensed, and deferred costs.

(5) This case is dismissed.

CASE NO. PUR-2019-00148
JUNE 17, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of the Commission's investigation into exhaust relief for the 540 area code

ORDER ON AREA CODE RELIEF

On September 9, 2019, the North American Numbering Plan Administrator ("NANPA"), as the neutral third-party numbering plan area relief planner for the Commonwealth of Virginia and on behalf of Virginia's telecommunications industry ("Industry"),[1] filed an application ("Application") requesting that the State Corporation Commission ("Commission")[2] approve the Industry's consensus recommendation for an all-services overlay as the form of relief for the 540 NPA or area code.[3] NANPA stated that absent NPA relief, the supply of available telephone numbers in the 540 area code will be exhausted during the second quarter of 2022.[4]

According to NANPA, the recommended all-services overlay would superimpose a new NPA (or area code) over the same geographic area covered by the existing 540 NPA, and the overlay approach has a projected life of 30 years.[5] Under the Industry's recommended approach, all existing customers would retain the 540 area code and would not have to change their telephone numbers.[6] However, NANPA represented that, consistent with FCC regulations,[7] the relief plan would require ten-digit dialing for all calls within and between the 540 NPA and the new NPA going forward once a phased-in implementation period is complete. [8]

On October 3, 2019, the Commission issued an Order Assigning Hearing Examiner which, in part, found that public comments should be invited regarding the proposed area code relief plan for the 540 NPA and that public hearings should be scheduled in the affected area to receive testimony from public witnesses. The Commission assigned a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission and to file a final report containing the Hearing Examiner's findings and recommendations. The Commission also directed the Staff of the Commission ("Staff") to assist with arrangements and scheduling of the public hearings.

On November 21, 2019, a Hearing Examiner's Ruling ("November 21, 2019 Ruling") was entered which, in part, scheduled local hearings (afternoon and evening) in Roanoke, Harrisonburg, and Front Royal, Virginia, and an evidentiary hearing at the Commission in Richmond, Virginia. The Hearing Examiner also directed the Staff to file a report on the Application containing the Staff's findings and recommendations by April 15, 2020.

Local hearings were conducted between March 3 and 5, 2020, in accordance with the Hearing Examiner's November 21, 2019 Ruling. While no parties filed to participate formally as respondents in this proceeding, NANPA did file on March 20, 2020, the prefiled direct testimony of its NPA Relief Planner, Heidi A. Wayman, for use in the Commission's evidentiary hearing on the Application.

---

[1] The Industry is described as current and prospective telecommunications carriers operating in, or considering operations within, the Virginia 540 area code. Ex. 2 (Application) at 1.

[2] According to the Application, the Federal Communications Commission ("FCC") delegated authority to the states to review and approve numbering plan area ("NPA") relief plans. *Id.* at 1 (citing 47 C.F.R. § 52.19).

[3] Ex. 2 (Application) at 1.

[4] *Id.* NANPA also stated that as the neutral third-party administrator, NANPA has no independent view regarding the relief option selected by the Industry. *Id.*

[5] *Id.* at 4.

[6] *Id.*

[7] *Id.* (citing 47 C.F.R. § 52.19(c)(3)(ii)).

[8] Ex 2 (Application) at 4-6.

On April 10, 2020, the Staff filed its report ("Staff Report"), which described the analysis undertaken by the Staff in the course of investigating the Application.[9] The Staff concluded that NANPA's information, including projected exhaust data and the utilization reports, reasonably demonstrated the need for area code relief; that the proposed overlay was the preferable alternative; and that NANPA and the Industry appear to have a reasonable educational and technical matrix for use during the implementation of the area code relief process.[10] Therefore, the Staff recommended: (i) approval by the Commission of the proposed all-services distributed overlay proposed by the Industry; (ii) that NANPA and the Industry follow the established Customer Education and Technical/E911 Implementation documents; (iii) that the Industry operating in the 540 NPA be required to provide copies of their consumer education plans to the Division of Public Utility Regulation; (iv) approval by the Commission of the proposed thirteen-month implementation schedule of the overlay, which includes a six-month customer permissive dialing period; and, (v) approval of the recommendation that all assignable central office codes from the 540 NPA be exhausted before assignments are made in the new overlay area code.[11]

On May 19, 2020, the Report of D. Mathis Roussy, Jr., Hearing Examiner ("Hearing Examiner's Report") was entered. The Hearing Examiner's Report thoroughly reviewed the record, including the local hearings, written comments submitted in this proceeding, and the evidentiary hearing conducted on May 6, 2020. The Hearing Examiner noted in part that the record in this case reflects five alternatives for the Commission's consideration: an all-services distributed overlay (Alternative 1); a boundary elimination overlay with the 434 NPA (Alternative 2); a boundary elimination overlay with the 276 NPA (Alternative 3); a geographic split presented in the Application (Alternative 4); and a geographic split presented in comments by the Town of Bridgewater (Alternative 5).[12]

The Hearing Examiner found that with a projected life of 30 years across the entire 540 NPA, Alternative 1 is far more durable than boundary elimination Alternatives 2 and 3.[13] The Hearing Examiner found that the geographic split in Alternative 5 is problematic because it would create a significant disparity for customers in the current 540 NPA, with further area code relief needed in 11 years for some customers and 90 years for others.[14] The Hearing Examiner noted that while any relief chosen will result in some customer and Industry disruption, based on the record in this proceeding, he found Alternative 1 to be less disruptive than geographic split Alternatives 4 and 5.[15]

The Hearing Examiner stated that he had given significant weight to the fact that Alternative 1 allows all existing customers to keep their current number and found that the record indicates that the primary "con" associated with Alternative 1 - required 10-digit dialing - is much less of a concern today than it was in the past because of the widespread use of wireless phones, mobility, and technology, which have already made dialing 10 digits for telephone calls a routine occurrence for many customers.[16] Moreover, the Hearing Examiner noted that wireless and cordless home phone technology allow customers to program phone numbers, meaning someone often only has to touch a screen or one button to make a 10-digit call.[17] The Hearing Examiner also found that not everyone in the 540 area code may have or use such technology, and that an effective customer education process can minimize the disruptive effect of transitioning from 7- to 10-digit dialing.[18]

Accordingly, the Hearing Examiner found that:

(1) NANPA reasonably demonstrated the need for area code relief in the 540 NPA by the second quarter of 2022;

(2) The Industry's and Staff's recommended alternative for an all-services distributed overlay – which is, among other things, more durable and/or less disruptive than other alternatives - should be approved for area code relief in the 540 NPA;

(3) The proposed 13-month implementation schedule, including a six-month permissive dialing period, should be approved;

(4) NANPA and Industry should be directed to follow the established Customer Education and Technical/E911 Implementation documents;

(5) Industry members operating in the current 540 NPA should be directed to provide copies of their consumer education plans to the Division of Public Utility Regulation before the commencement of the 13-month implementation schedule; and

(6) All assignable central office codes from the 540 NPA should be exhausted before assignments are made in the new overlay area code.[19]

---

[9] Ex. 4 (Staff Report) at 14-16.

[10] *Id.*

[11] *Id.* at 17.

[12] Hearing Examiner's Report at 8.

[13] *Id.* at 11.

[14] *Id.* at 11-12.

[15] *Id.* at 12.

[16] *Id.*

[17] *Id.*

[18] *Id.*

[19] *Id.* at 12-13.

The Hearing Examiner recommended that the Commission enter an order adopting the findings and recommendations contained in the Hearing Examiner's Report and dismissing the case from the Commission's active docket.[20] On June 8, 2020, the Staff filed a response to the Hearing Examiner's Report recommending that the Commission adopt the findings and recommendations contained therein. No other comments on the Hearing Examiner's Report were filed.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the findings and recommendations as set forth in the Hearing Examiner's Report should be and hereby are adopted.

Accordingly, IT IS ORDERED THAT:

(1) An all-services distributed overlay is approved to provide area code relief in the 540 NPA.

(2) The proposed 13-month implementation of an all-services distributed overlay for the 540 area code is approved.

(3) NANPA and Industry members operating in the current 540 area code shall follow the established Customer Education and Technical/E911 Implementation documents.

(4) Industry members operating in the current 540 area code shall provide copies of their consumer education plans to the Division of Public Utility Regulation before the commencement of the 13-month implementation schedule.

(5) All assignable central office codes from the 540 NPA shall be exhausted before assignments are made in the new overlay area code.

(6) This case is dismissed.

[20] *Id.* at 13.

CASE NO. PUR-2019-00149
FEBRUARY 3, 2020

APPLICATION OF
TIER 1 FIBER LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On September 10, 2019, Tier 1 Fiber LLC ("Tier 1" or "Company") filed an application with the State Corporation Commission ("Commission") for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia ("Application"). The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia ("Code"). Tier 1 also filed a Motion for a Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.[1]

On October 4, 2019, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed Tier 1 to provide notice to the public of its Application and directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report"). On November 19, 2019, the Commission issued an Order on Motion granting the Company's request to revise the procedural schedule and for additional time to provide the required notice and surety bond. On January 9, 2020, Tier 1 filed proof of service and proof of notice in accordance with the Order on Motion.

On January 23, 2020, Staff filed its Staff Report concluding that Tier 1's Application is in compliance with the Commission's Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules")[2] and the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules").[3] Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant certificates to Tier 1 subject to the following condition: Tier 1 should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.[4]

On January 27, 2020, Tier 1 filed a letter response stating that it concurred with the Staff Report and requesting an order granting certificates to the Company as soon as possible.

[1] 5 VAC 5-20-10 *et seq*.

[2] 20 VAC 5-417-10 *et seq*.

[3] 20 VAC 5-411-10 *et seq*.

[4] Staff Report at 4.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant certificates to Tier 1. Having considered Code § 56-481.1, the Commission finds that Tier 1 may price its interexchange services competitively. Further, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.[5]

Accordingly, IT IS ORDERED THAT:

(1) Tier 1 is hereby granted Certificate No. T-768 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Tier 1 is hereby granted Certificate No. TT-308A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) Pursuant to Code § 56-481.1, Tier 1 may price its interexchange telecommunications services competitively.

(4) Prior to providing telecommunications services pursuant to the certificates granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If Tier 1 elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(5) Tier 1 shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until the Commission determines it is no longer necessary.

(6) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(7) This case is dismissed.

[5] The Commission has not received a request to review the information that the Company designated as confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2019-00152
JANUARY 30, 2020

APPLICATION OF
HUDSON FIBER NETWORK (VIRGINIA), LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On September 13, 2019, Hudson Fiber Network (Virginia), LLC ("Hudson" or "Company") filed an application with the State Corporation Commission ("Commission") for certificates of public convenience and necessity ("Certificates") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia ("Application"). The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia ("Code"). Included in the Application is Hudson's notice to the Commission of the Company's election to be regulated as a competitive telephone company pursuant to Code § 56-54.2 *et seq.*[1] Hudson also filed a Motion for a Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.[2]

On October 4, 2019, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed Hudson to provide notice to the public of its Application, and directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report"). On November 14, 2019, Hudson filed proof of service and proof of notice in accordance with the Scheduling Order.

On December 13, 2019, Staff filed its Staff Report concluding that Hudson's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"),[3] and the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules").[4] Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to Hudson subject to the following condition: Hudson should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.

[1] Chapter 2.1 of Title 56 of the Code became effective on July 1, 2014. *See* 2014 Va. Acts ch. 340 and ch. 376.

[2] 5 VAC 5-20-10 *et seq*.

[3] 20 VAC 5-417-10 *et seq*.

[4] 20 VAC 5-411-10 *et seq*.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant Certificates to Hudson. Having considered Code § 56-481.1, the Commission finds that Hudson may price its interexchange services competitively. Further, the Commission finds that pursuant to Code § 56-54.2, Hudson is eligible to elect to be regulated as a competitive telephone company and that such election, pursuant to Code § 56-54.3, becomes effective on the date of this Final Order. Finally, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.[5]

Accordingly, IT IS ORDERED THAT:

(1) Hudson is hereby granted Certificate No. T-767 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Hudson is hereby granted Certificate No. TT-307A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) Pursuant to Code § 56-481.1, Hudson may price its interexchange telecommunications services competitively.

(4) Hudson shall be regulated as a competitive telephone company pursuant to the provisions of Code § 56-54.2 *et seq*.

(5) Prior to providing telecommunications services pursuant to the Certificates granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If Hudson elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(6) Hudson shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until the Commission determines it is no longer necessary.

(7) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(8) This case is dismissed.

[5] The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2019-00154
MARCH 26, 2020

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia, and for approval of an addition to the terms and conditions applicable to electric service

FINAL ORDER

On September 30, 2019, Virginia Electric and Power Company ("Dominion" or "Company") filed a petition with the State Corporation Commission ("Commission") for approval of a plan for electric distribution grid transformation projects ("Petition") pursuant to § 56-585.1 A 6 ("Section A 6") of the Code of Virginia ("Code"). Specifically, the Company is requesting approval of additional investments over the first three years of its ten-year grid transformation plan ("Plan"). The Company refers to these additional proposed investments as "Phase IB" of the Plan.[1] Pursuant to Section A 6, the Commission is required to issue its final order on the Petition within six months of the filing date.

On October 4, 2019, the Commission issued an Order for Notice and Hearing that, among other things: established a procedural schedule; set an evidentiary hearing date; directed Dominion to provide public notice of its Petition; and provided interested persons an opportunity to file comments on the Petition or to participate in the case as a respondent by filing a notice of participation. Notices of participation were filed by: Appalachian Power Company; Appalachian Voices ("Environmental Respondents"); ChargePoint, Inc. ("ChargePoint"); Electrify America, LLC ("Electrify America"); the Sierra Club ("Sierra Club"); Walmart, Inc. ("Walmart"); and the Virginia Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"). The Company, Environmental Respondents, ChargePoint, Electrify America, Sierra Club, Walmart, Consumer Counsel and Commission Staff ("Staff") pre-filed testimony in this matter.

[1] Ex. 2 (Petition) at 5-6. The Company notes that the Commission previously approved certain proposed Phase I investments related to cyber and physical security, including supporting telecommunications infrastructure, which the Company refers to as "Phase IA" of the Plan. *See Petition of Virginia Electric and Power Company, For approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2018-00100, Doc. Con. Cen. No. 190130074, Final Order (Jan. 17, 2019) ("2018 Grid Mod Final Order").

Beginning January 27, 2020, the Commission convened a hearing on the Company's Petition.[2] During the hearing, the Commission received the testimony of public witnesses.[3] The Commission also received testimony and exhibits from Dominion, respondents, and Staff. The hearing concluded on January 30, 2020. Post-hearing briefs were subsequently filed by Dominion, Environmental Respondents, ChargePoint, Electrify America, Sierra Club, Consumer Counsel, and Staff on February 28, 2020.[4]

NOW THE COMMISSION, having considered the record, the pleadings, and the applicable law, is of the opinion and finds as follows.

Code of Virginia

As amended by the Grid Transformation and Security Act ("GTSA"),[5] Code § 56-576 defines an "electric distribution grid transformation project" ("GT Project") to mean:

> a project associated with electric distribution infrastructure, including related data analytics equipment, that is designed to accommodate or facilitate the integration of utility-owned or customer-owned renewable electric generation resources with the utility's electric distribution grid or to otherwise enhance electric distribution grid reliability, electric distribution grid security, customer service, or energy efficiency and conservation, including advanced metering infrastructure; intelligent grid devices for real time system and asset information; automated control systems for electric distribution circuits and substations; communications networks for service meters; intelligent grid devices and other distribution equipment; distribution system hardening projects for circuits, other than the conversion of overhead tap lines to underground service, and substations designed to reduce service outages or service restoration times; physical security measures at key distribution substations; cyber security measures; energy storage systems and microgrids that support circuit-level grid stability, power quality, reliability, or resiliency or provide temporary backup energy supply; electrical facilities and infrastructure necessary to support electric vehicle charging systems; LED street light conversions; and new customer information platforms designed to provide improved customer access, greater service options, and expanded access to energy usage information.

As amended by the GTSA, Section A 6 directs that:

> A utility shall, without regard for whether it has petitioned for any rate adjustment clause pursuant to clause (vi), petition the Commission, not more than once annually, for approval of a plan for electric distribution grid transformation projects. Any plan for electric distribution grid transformation projects shall include both measures to facilitate integration of distributed energy resources and measures to enhance physical electric distribution grid reliability and security. In ruling upon such a petition, the Commission shall consider whether the utility's plan for such projects, and the projected costs associated therewith, are reasonable and prudent. Such petition shall be considered on a stand-alone basis without regard to the other costs, revenues, investments, or earnings of the utility; without regard to whether the costs associated with such projects will be recovered through a rate adjustment clause under this subdivision or through the utility's rates for generation and distribution services; and without regard to whether such costs will be the subject of a customer credit offset, as applicable, pursuant to subdivision 8 d. The Commission's final order regarding any such petition for approval of an electric distribution grid transformation plan shall be entered by the Commission not more than six months after the date of filing such petition.

Section A 6 further declares that: "[e]lectric distribution grid transformation projects are in the public interest."

Like its first grid transformation plan proposed in Case No. PUR-2018-00100, the Company's current Plan will be costly to customers. If the ten-year Plan were fully implemented, the lifetime revenue requirement – the cost to customers over the life of the investments – would be nearly $7 billion, including financing costs.[6] Phase IB alone would have a lifetime revenue requirement of $837.8 million, including financing costs.[7] These costs are significant and, if approved, would ultimately be borne by customers through their monthly electric bills.

For purposes of this Order, the Commission has grouped the Company's proposed investments into several categories of related elements. These categories and the costs of each are as follows: (i) advanced metering infrastructure ("AMI") (total cost: $752.5 million; Phase IB: $303.8 million); (ii) cyber security and stakeholder engagement and customer education (total cost: $197.7 million; Phase IB: $10.4 million); (iii) the customer information platform (total cost: $668.9 million; Phase IB: $36.5 million); (iv) pilot programs and hosting capacity analysis (total cost: $65.9 million; Phase IB: $34.8 million); (v) grid hardening (total cost: $2.9 billion; Phase IB: $210.8 million); and (vi) the self-healing grid and related investments (total cost: $2.1 billion; Phase IB: $241.5 million).[8]

After consideration of the entire record, we find that Dominion has proven that the Phase IB costs of cyber security, stakeholder engagement and customer education, the customer information platform, the pilot programs and hosting capacity analysis, and certain components of grid hardening are reasonable and prudent, subject to certain requirements as discussed further below. We find that the Company has not proven the reasonableness and

[2] Staff and all parties except Appalachian Power Company participated at the hearing.

[3] Tr. 8-65.

[4] Walmart filed a letter in lieu of a post-hearing brief ("Post-Hearing Letter").

[5] 2018 Va. Acts ch. 296.

[6] Ex. 27 (Myers) at Table 3 (Revised).

[7] The Company also proposes to spend $83.7 million of capital costs associated with the customer information platform, which will not be in service until after Phase IB concludes and were not included in the Company's Phase IB lifetime revenue requirement calculation.

[8] Ex. 27 (Myers) at Tables 3-7 (Revised) (including financing costs).

prudence of the plan or the costs associated with AMI, the self-healing grid and related investments, and certain components of grid hardening. These parts of the Plan are not approved. This disapproval is without prejudice to re-file for similar components in future proceedings. In total, through this Final Order, we approve additional incremental grid transformation-related costs of approximately $212 million[9] and additional related costs involving cyber security, stakeholder engagement and customer education, and telecommunications.[10] The approved components include both measures to facilitate integration of distributed energy resources ("DER") and measures to enhance physical electric distribution grid reliability and security, consistent with the statutory purpose of the GTSA.

The Commission has followed all applicable statutory provisions. In considering the Company's cost-benefit analysis results, the Commission finds this evidence relevant and has weighed those results along with other relevant evidence in the record. Among other things, we recognize that the cost-benefit analysis is based on the full ten-year Plan and is not solely limited to Phase IB.[11] The Commission has also considered both the arguments supporting the cost-benefit analysis, as well as those criticizing or opposing the results.[12] We do not herein establish a specific cost-benefit test for approval of a proposed GT Project. We agree with the Company in this regard that "the results of the [cost-benefit analysis] do not end the analysis of whether the proposed investments are reasonable and prudent."[13] We have evaluated the proposed spending on a project-by-project basis in light of all the evidence in the record to determine whether the proposed Phase IB spending is reasonable and prudent, recognizing that the General Assembly has declared GT Projects to be in the public interest.[14]

Advanced Metering Infrastructure

As part of the Plan, the Company proposes to fully deploy AMI across its Virginia service territory. The proposed Phase IB spending associated with AMI is $303.8 million ($752.5 million over ten years).[15] The Company previously requested approval to fully deploy AMI as part of its first application for approval of a grid transformation plan, but this request was denied in the 2018 Grid Mod Final Order. In denying approval, we cited Environmental Respondents witness Golin, who testified that AMI and related technologies "are beneficial and cost-effective *only to the extent* the Company utilizes them *to maximize* the potential gains of rate optionality, energy efficiency, demand response, and DERs …" and "[w]ithout a well-reasoned plan, this expensive equipment could be under-utilized and provide *little to no benefit to customers* and the utility."[16]

Environmental Respondents, Sierra Club and Consumer Counsel all urged rejection of Dominion's AMI proposal in that proceeding. We agreed for the reasons articulated by witness Golin and others. Our rejection was specifically without prejudice and invited Dominion to re-submit a proposal for deployment of AMI in a future proceeding subject to certain requirements set forth in the 2018 Grid Mod Final Order. Among other things, we stated that a future proposal must include any plan for time-varying rates.[17] We concluded the 2018 Grid Mod Final Order by stating that "spending billions of dollars of customers' money on full deployment is reasonable and prudent *only* if the expenditure is accompanied by a sound and well-crafted plan to *fulfill the promise that smart meter technology* and other grid enhancements offer."[18]

Rate design in the form of time-varying rates, sometimes called "time of use" or "TOU" rates, holds the promise of being an extremely effective - if not the most effective – mechanism for energy efficiency and demand response. Demand response, in the form of peak-shaving, reduces the need to call upon additional generation units at times of peak demand, which may also have the added benefit of reducing carbon emissions. It also has the benefit of reducing the need to build additional generation units, the costs of which would otherwise be borne by customers. TOU rate design can empower customers to respond to price signals to reduce or shift consumption times and amounts. AMI is necessary to implement such rate design, and without TOU rates, one of the most significant benefits of AMI is lost to customers. So, it is reasonable and prudent in a grid transformation plan under Section A 6 that both be deployed together.[19]

---

[9] These amounts do not include an additional $83.7 million in capital costs we approve herein related to the customer information platform that the Company did not include in its calculation of the lifetime revenue requirement. *Id.* at Table 1 (Revised) and Appendix A at 8.

[10] Some, but not all, of the costs of cyber security, stakeholder engagement and customer education and telecommunications relate to approved components of the Plan. Based on the record, it is not possible to calculate an exact level of approved spending in these categories; however, we will direct the Company to make a compliance filing identifying those costs and to track incurred costs necessary to demonstrate that spending in these categories is only related to approved components of the Plan.

[11] *See, e.g.,* Staff's Post-Hearing Brief at 9.

[12] *See, e.g.,* Ex. 4 (Hulsebosch Direct) at 3-19; Ex. 16 (Norwood) at 8-12; Ex. 18 (O'Donnell) at 17-28; Ex. 23 (Volkmann) at 6-28; Ex. 29 (Hulsebosch Rebuttal) at 6-16.

[13] Dominion's Post-Hearing Brief at 50.

[14] No party suggested that any of the components of the proposed Plan did not meet the definition of an "electric grid transformation project." *See, e.g.,* Ex. 16 (Norwood) at 8; Ex. 25 (Essah) at 14. They are therefore deemed "in the public interest" pursuant to Section A 6.

[15] Ex. 27 (Myers) at Table 4 (Revised) (including financing costs).

[16] 2018 Grid Mod Final Order at 8 (emphasis added).

[17] *Id*. at 11.

[18] *Id*. at 15 (emphasis added).

[19] The record in this proceeding also shows that the Company has installed approximately 485,000 AMI meters through the end of 2019 and continues to install additional AMI meters. Tr. 198-206. In this regard, the Commission notes that the instant case specifically involves the approval of a particular AMI project as part of a grid transformation plan under Section A 6 and, thus, the outcome herein is without prejudice for purposes of other proceedings.

In its current Petition, Dominion has not submitted a comprehensive plan to maximize the potential of AMI. In particular, while Dominion wants approval to collect from its customers the substantial costs of *full* deployment of AMI technology, it has failed to submit a comprehensive proposal to roll out TOU rate design across its entire territory and make such rates available to all its customers.[20] Rather, on December 12, 2019 and February 14, 2020, in a proceeding docketed as Case No. PUR-2019-00214, Dominion submitted and supplemented a separate, stand-alone proposal for approval of another TOU rate pilot,[21] limited to no more than 10,000 of Dominion's 2.5 million Virginia customers, apparently in response to the 2018 Grid Mod Final Order and subsequent legislation.[22] The Company asserts that the proposed pilot – which will take several years to complete – is a prerequisite to system-wide TOU rates.[23] In this regard, the Commission concludes that the Company has simply not provided a concrete, definitive plan to implement TOU rates on a system-wide basis and bring the benefits of full AMI deployment to customers in a timely manner.[24] Accordingly, we once again find the Petition contains an insufficient plan to maximize the potential of AMI, and that the substantial cost to customers of AMI is not reasonable and prudent based on the record established herein. Once again, this rejection is without prejudice.

Cyber Security and Stakeholder and Customer Education

Cyber Security

The Company proposes cyber security spending of $7.2 million ($186.6 million over ten years).[25] As part of Phase IB, the Company proposes to deploy cyber security protections necessary to protect the other Phase IB projects.[26] No party specifically took issue with the Company's proposed Phase IB cyber security component,[27] and the Commission generally supports reasonable utility spending to support enhanced utility security.[28] Consistent with our determination in the 2018 Grid Mod Final Order, the Commission finds reasonable and prudent the costs of the Company's proposed Phase IB cyber security program, with the exception of the proposed spending that is related exclusively to components of the Plan that are not approved herein.[29]

---

[20] A comprehensive proposal to offer TOU and related rate designs to all of Dominion's customers – either as a voluntary (opt-in) or as the default (opt-out) tariff – could be accomplished in conjunction with a base rate case in which rate design issues can be comprehensively addressed. Under current statutes, however, it is unclear when Dominion would be required to submit to a full base rate case. An earnings review is scheduled for 2021; however, it is not known at this time whether that earnings review will require a full base rate case. There is also an opportunity during a Triennial Review for revenue neutral changes to rate design in the absence of a full base rate case, but such rate design would be limited to a revenue neutral TOU proposal. *See, e.g.,* Consumer Counsel's Post-Hearing Brief at 16; Staff's Post-Hearing Brief at 6-7.

[21] Nearly ten years ago, Dominion applied for – and this Commission approved – three dynamic pricing TOU pilot offerings. *Commonwealth of Virginia, ex rel. State Corporation Commission: In re: Virginia Electric and Power Company's Proposed Pilot Program on Dynamic Rates*, Case No. PUE-2010-00135, Order Establishing Pilot Program, 2011 S.C.C. Ann. Rept. 386 (Apr. 8, 2011). These TOU pilots were undertaken in conjunction with the Company's three AMI demonstration pilots conducted in Charlottesville, Midlothian and Northern Virginia, which were not themselves subject to prior Commission approval. *See Application of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2009-00081, 2010 S.C.C. Ann. Rept. 362, 366, Order Approving Demand-Side Management Programs (Mar. 24, 2010) ("The Company also states that the three AMI-enabled demonstration projects do not require Commission approval prior to implementation - only that approval is needed for cost recovery thereof.").

[22] *See, e.g.,* Ex. 45 (Morgan Rebuttal) at 8-9; Dominion's Post-Hearing Brief at 17; Ex. 7 (Frost Direct) at 7; Tr. 263, 267-68; 278. *See also* 2019 Va. Acts ch. 763, Enactment Clauses 3 and 4. Among other things, these enactment clauses direct Dominion to "develop and submit to the … Commission for approval retail rate schedules designed to offer time-varying pricing, include at least one non-demand rate schedule."

[23] Tr. 267-70.

[24] *See, e.g.,* Tr. 268, 281.

[25] Ex. 27 (Myers) at Table 5 (Revised) (including financing costs).

[26] *See, e.g.,* Dominion's Post-Hearing Brief at 37.

[27] The Environmental Respondents opposed all of Phase IB, or alternatively, request the Commission condition future cost recovery on meeting or exceeding appropriate performance benchmarks. Environmental Respondents Post-Hearing Brief at 2, 14.

[28] 2018 Grid Mod Final Order at 7.

[29] Thus, the Commission finds that such spending related exclusively to components of the Plan that are not approved herein is not reasonable and prudent and is not approved, In addition, as we did in the 2018 Grid Mod Final Order, the Commission directs the Company to separately track approved spending and to maintain documentation to facilitate Staff audit to ensure such spending is not related to unapproved components of the Plan. 2018 Grid Mod Final Order at 7 n.14.

Stakeholder Engagement and Customer Education

The Company proposes to spend $3.2 million ($11.1 million over ten years) on stakeholder engagement and customer education.[30] To facilitate stakeholder engagement, the Company will continue to convene grid modernization workshops involving varying interests, including environmental advocates, municipal representatives and low income advocates.[31] The Commission approves stakeholder engagement costs, as well as the customer education costs, to the extent they are necessary to support the approved components herein, such as the Smart Charging Infrastructure Pilot Program ("Smart Charging Pilot") and to prepare for future grid modernization filings.[32] The Commission finds such costs are reasonable and prudent.

Customer Information Platform

The Company proposes to deploy a customer information platform, including a meter data management system, at a cost of $36.5 million for Phase IB ($668.9 million over ten years).[33] The customer information platform, among other things, replaces the Company's legacy customer information system, the primary system supporting processes such as metering, billing, credit, services orders and revenue reporting.[34] Staff and Walmart support approval and Consumer Counsel does not oppose approval of the customer information platform.[35] The Commission finds that the costs of the new customer information platform are reasonable and prudent and should be approved. For example, the evidence in this matter showed that:

- "the Phase 1B investment in the [customer information platform] . . . is well supported by detailed cost estimates and a competitive [request for proposal] process;"[36]
- "[t]he existing [system] is no longer vendor supported, [and] is quickly approaching the end of its useful life;"[37]
- "the existing system is an outdated technology that is getting very close to . . . not functioning anymore;"[38]
- "the existing [system] is unable to effectively and efficiently offer an expanded set of rate structures and customer-centric programs . . . .;"[39] and
- The new customer information platform "will provide customers the option to compare available rates and make assumptions on changing usage."[40]

Pilot Programs and Hosting Capacity Analysis

The Commission includes the following Plan elements in this category: Locks Campus Microgrid (total cost: $13.6 million; Phase IB: $12.3 million), the Smart Charging Pilot (total cost: $51.1 million; Phase IB: $22.2 million), and the hosting capacity analysis (total cost: $1.2 million; Phase IB: $0.3 million).[41]

---

[30] Ex. 27 (Myers) at Table 3 (Revised) (including financing costs).

[31] Ex. 2 (Plan) at 18-19.

[32] Proposed educational spending is not approved to the extent that it is related exclusively to components of the Plan that are not approved herein. The Commission directs the Company to separately track approved spending and to maintain documentation to facilitate Staff audit to ensure such spending is not related to unapproved components of the Plan.

[33] Ex. 27 (Myers) at Table 3 (Revised) (including financing costs). The Phase IB customer information platform lifetime revenue requirement of $36.5 million includes only O&M expenses and financing costs. The Company also proposes to spend $83.7 million of capital costs associated with the customer information platform, which will not be in service until after Phase IB concludes and were not included in the Company's Phase IB lifetime revenue requirement calculation, but are nevertheless approved by this Final Order. *Id.* at Table 1 (Revised) and Appendix A at 8. The Commission has found such costs reasonable and prudent.

[34] *See, e.g.,* Dominion's Post-Hearing Brief at 20.

[35] *See, e.g.,* Consumer Counsel's Post-Hearing Brief at 4; Walmart's Post-Hearing Letter at 2; Staff's Post-Hearing Brief at 19. The remaining parties took no position with the exception of Environmental Respondents which opposed all components of Phase IB or alternatively, recommended the Commission condition future cost recovery on meeting or exceeding appropriate performance benchmarks.

[36] Ex. 27 (Myers) at 17.

[37] Dominion's Post-Hearing Brief at 20.

[38] *Id.* at 21 (internal quotation marks omitted).

[39] Ex. 8 (Arruda Direct) at 9.

[40] *Id.* at 11.

[41] Ex. 27 (Myers) at Tables 3 and 6 (Revised) (including financing costs).

Locks Campus Microgrid

With the Locks Campus Microgrid project, the Company seeks to install a microgrid at its Locks Campus in Petersburg, Virginia. The microgrid will consist of a group of interconnected loads and DER that act as a small power grid, able to operate when connected to the larger electric grid and also able to continue to operate as an "island" when normal power is interrupted.[42] Through this project, the Company states it "will obtain real-world data, better understand DER performance characteristics, perform testing of DER grid support and islanding capabilities, vet new technology integration into the distribution grid, and evaluate microgrid operations architecture for potential future applications."[43] Staff, Walmart, Sierra Club, ChargePoint, and Electrify America took no position on this component and Consumer Counsel and Environmental Respondents opposed it generally.[44] Based on the limited scope and experimental nature of this pilot-type program related to the integration of DER on the Company's system, the Commission finds the Locks Campus Microgrid is reasonable and prudent.

Smart Charging Pilot

With the Smart Charging Pilot, the Company seeks to obtain "data and tools necessary to understand and manage future [electric vehicle ("EV")] charging load in furtherance of additional investments, pilots, programs, or rate designs that will support EV adoption while minimizing the impact of EV charging on the distribution grid."[45] The pilot will consist of: (i) rebates for the infrastructure and upgrades, if necessary, at EV charging sites; and (ii) rebates for the smart charging equipment that enables managed charging.[46] The Company also proposes to own up to four charging stations as part of Phase IB to support electrification in the rideshare market.[47] The data collected as part of the pilot will enable the Company "to design customer offerings specific to the charging behavior of its customers."[48] The pilot will also inform "future options for alternative rates and programs for electric transportation."[49]

Several respondents sponsored testimony that was largely focused on the Smart Charging Pilot, including Sierra Club, Electrify America, and ChargePoint. Each of these parties was generally supportive of the pilot;[50] however, ChargePoint recommended that the Company's proposed ownership of four charging stations be rejected and the spending be converted to additional rebates.[51] ChargePoint, among other things, objected to "inject[ing] the utility into the competitive EV space."[52] Dominion, however, maintains that "it is important to consider various utility investment models as part of the Pilot Program with the understanding that one model . . . may be better suited for some segments and geographic areas . . ." and that "many rideshare rides start or end in low income areas, which are often less likely to have [fast charging] located nearby."[53]

The Commission approves the proposed Smart Charging Pilot Program, including the Company's proposed limited ownership of four charging stations for purposes of collecting relevant data during the term of the Pilot. The Commission finds that collecting relevant data to facilitate the increased deployment of EVs on the Company's electric grid through the proposed Pilot is reasonable and prudent. Such approval does not, however, represent any guarantee that additional utility ownership of charging stations will be approved by the Commission.

---

[42] Ex. 9 (Wright Direct) at 17.

[43] Ex. 2 (Plan) at 25; *see also* Ex. 38 (Wright Rebuttal) at 18.

[44] *See, e.g.,* Staff's Post-Hearing Brief at 26; Consumer Counsel's Post-Hearing Brief at 17; Environmental Respondents' Brief at 2.

[45] Ex. 7 (Frost Direct) at 35.

[46] *Id.* Dominion states that managed charging allows a utility or third-party to remotely control vehicle charging by turning it up, down, or off to better correspond to the needs of the grid. *Id*. at 39

[47] *Id.* at 41.

[48] *Id.* at 47.

[49] Ex. 34 (Frost Rebuttal) at 25-26.

[50] In addition, Walmart supported the proposed Pilot; Consumer Counsel did not oppose it; and Staff took no position. *See, e.g.,* Walmart's Post-Hearing Letter at 2; Consumer Counsel's Post-Hearing Brief at 17; Staff's Post-Hearing Brief at 26-27. As noted earlier, Environmental Respondents' generally opposed all aspects of the Plan based on concerns with the Company's cost/benefit analysis.

[51] *See, e.g.,* ChargePoint's Post-Hearing Brief at 12.

[52] *See, e.g., id.*

[53] Ex. 34 (Frost Rebuttal) at 24.

The integration of EV charging into the Company's electric system raises important issues, many of which were not able to be fully explored in this proceeding. For example, Electrify America requests the Commission direct Dominion "to work with EV charging companies to eliminate minimum charges and to develop and propose new rate designs that will support the growing private market for fast charging services."[54] Sierra Club witness Camp also recommends the Commission implement an energy-only time-of-use rate for EV customers.[55] Consumer Counsel witness Norwood recommends, among other things, that the Company study "cost allocation methods that fairly recognize the direct benefits of such [infrastructure] investment."[56] While we decline to adopt these specific recommendations in this case based on the record established herein, the Commission recognizes that the continued deployment of charging stations in the Commonwealth represents a significant, ongoing issue that impacts the public interest. In this regard, the Commission has recently issued an order establishing a separate proceeding for the investigation and consideration of electric vehicle-related issues, which has been docketed as Case No. PUR-2020-00051.

Hosting Capacity Analysis

A hosting capacity analysis defines the amount of DER that can be connected to each segment of the distribution grid without causing voltage or loading issues and indicates to customers whether distribution grid investments may be necessary to integrate their DER.[57] In Phase IB, the Company proposes to perform a hosting capacity analysis for both utility scale and net metering DER and publish the results using online interactive maps.[58]

The Company asserts that the intelligent grid devices that are proposed to be installed as part of AMI and the self-healing grid will enable more advanced and dynamic hosting capacity analysis in the future.[59] Staff witness Volkmann explained, however, that the Company currently has the capability to successfully engage in a "round one" hosting capacity analysis with the information currently available to the Company.[60] We do not approve the Company's AMI or self-healing grid proposals as discussed herein; however, we do find the proposed hosting capacity analysis, using information currently available to the Company, is reasonable and prudent.

Grid Hardening

The Company's grid hardening proposal is one of the most expensive components of the Plan. Over ten years, it makes up the single largest category of proposed spending, with a lifetime revenue requirement of approximately $3 billion ($210.8 million over Phase IB). The four sub-components of Grid Hardening are: (i) mainfeeder hardening (total cost: $1.6 billion; Phase IB: $112.4 million); (ii) targeted corridor improvement (total cost: $37.4; Phase IB: $12.5 million); (iii) proactive component upgrade (total cost: $1.2 billion; Phase IB: $70.1 million); and (iv) voltage island mitigation (total cost: $143.6 million; Phase IB: $15.7 million).[61] Consumer Counsel, Environmental Respondents and Staff opposed the grid hardening proposals, in large part based on concerns with the Company's cost-benefit analysis.[62]

Mainfeeder Hardening

During Phase IB, the Company proposes to harden 11 mainfeeders serving approximately 24,000 customers.[63] These mainfeeders were selected based on outage history and "essentially represent the 'worst of the worst' performing feeders in terms of customers experiencing poor reliability."[64] While the average Dominion customer experienced 127 outage minutes annually between 2014 and 2018, the customers served by the targeted 11 mainfeeders experienced 348 outage minutes on average annually, which is significantly worse than the system average.[65] The Company anticipates that Phase IB mainfeeder hardening will, on average, reduce outage time annually by 94 minutes for each customer served by the selected mainfeeders, a 27% improvement.[66]

---

[54] *See, e.g.,* Electrify America's Post-Hearing Brief at 8.

[55] Ex. 22 (Camp) at 19-24.

[56] Ex. 16 (Norwood) at 22. The Company opposed this recommendation because it has not requested cost recovery in this proceeding. Ex. 34 (Frost Rebuttal) at 26.

[57] Ex. 9 (Wright Direct) at 9.

[58] *Id.* at 10.

[59] Ex. 2 (Plan) at 24. Staff supported this component of the Plan; Consumer Counsel and Environmental Respondents opposed it; and the remaining parties took no position.

[60] Tr. 446.

[61] Ex. 27 (Myers) at Table 7 (Revised) (including financing costs).

[62] *See, e.g.,* Consumer Counsel's Post-Hearing Brief at 17; Environmental Respondents' Post-Hearing Brief at 2; Staff's Post-Hearing Brief at 29-33. The remaining parties took no position.

[63] *See, e.g.,* Dominion's Post-Hearing Brief at 32.

[64] *Id.*

[65] Ex. 9 (Wright Direct) at 23-26. Figures are excluding major events.

[66] *Id.* at 26.

The Commission finds that Phase IB mainfeeder hardening is reasonable and prudent and should be approved as a pilot-type program as proposed by the Company,[67] targeting customers with the worst reliability records, to validate the projected reliability improvements resulting from this type of program. Such a pilot-type program would provide credible measurement and evaluation to determine whether there are demonstrative improvements in reliability that result from hardening these mainfeeders. Commission approval herein does not guarantee any additional future approvals associated with the Company's full ten-year mainfeeder hardening program, which, if fully implemented over ten years, would cost approximately $1.6 billion.[68] The Commission expects to see actual data collected to analyze the specific impacts of mainfeeder hardening before it will approve any additional spending on future phases related to mainfeeder hardening.[69] The Company shall also report annually on mainfeeder hardening, as detailed further below.

Targeted Corridor Improvements

The Company proposes to spend $12.5 million during Phase IB ($37.4 million over ten years) on targeted corridor improvements.[70] The targeted corridor improvements would consist of (i) a remediation of ash tree mortality program and (ii) an herbicide program for ground floor maintenance.[71] We find the targeted corridor improvements are reasonable and prudent based on the record in this proceeding. The evidence showed, for example, that:

- Identifying and proactively removing ash trees impacted by emerald ash borer infestation before they become too brittle will reduce safety risk, reduce the cost of removal, and eliminate dead hazard trees that could cause outages;[72]
- While the Company has been removing affected ash trees for several years, the pace of the impact to the system is growing, with approximately 75% of the ash trees already dead or in declining health;[73]
- The Company has completed several pilot projects to determine the most effective approach to an herbicide program;[74] and
- The Company's proposed herbicide program is designed to reduce the amount of incompatible growth on the Company's distribution corridors and reduce outages and improve accessibility to Company facilities for routine inspections or unplanned restoration work.[75]

Proactive Component Upgrades

The Company proposes to spend $70.1 million during Phase IB ($1.2 billion over ten years) on proactive component upgrades.[76] In Phase IB, the Company is proposing to proactively upgrade (i) substation transformers deemed to be at a high risk of failure, and (ii) service transformers identified by smart meters as either being overloaded or not providing appropriate voltage levels.[77]

The Commission does not find that the proposed proactive component upgrade program is reasonable and prudent based on the record in this case. First, the service transformer-related component is dependent on AMI meters, which the Commission does not approve herein. In addition, the evidence showed that:

- The ten-year cost of the proactive component upgrade program exceeds $1 billion, making it one of the larger components of the overall Plan;
- The Company acknowledges that the program "is not cost-effective under a traditional cost-benefit analysis;"[78]
- Although the primary-asserted benefit of this component is reliability improvements, the Company did not present specific reliability improvement metrics (reduced minutes of interruption before and after, reduced customer interruptions, etc.) that could be measured and verified after-the-fact for the program;[79] and

[67] *See, e.g.,* Dominion's Post-Hearing Brief at 7.

[68] Ex. 27 (Myers) at Table 7 (Revised) (including financing costs).

[69] Further, any additional spending would depend upon the Company demonstrating that the reliability improvements are reasonable and prudent based on the record in that case.

[70] Ex. 27 (Myers) at Table 7 (Revised) (including financing costs).

[71] Ex. 9 (Wright Direct) at 27-28.

[72] *Id.* at 27.

[73] *Id.* at 27-28.

[74] *Id.* at 28.

[75] *Id.*

[76] Ex. 27 (Myers) at Table 7 (Revised) (including financing costs).

[77] Ex. 9 (Wright Direct) at 29.

[78] Ex. 28 (Baine Rebuttal) at 6. Staff witness Volkmann also testified that, based on the Company's own analysis, the Poor Health [Substation] Transformer component of the proactive component upgrade program was not cost-effective on a stand-alone basis, even considering reliability benefits. Tr. 408.

[79] *See, e.g.,* Ex. 9 (Wright Direct) at 29-32; Ex. 29 (Hulsebosch Rebuttal) at 29.

- Unlike mainfeeder hardening, the proactive component upgrade program does not target customers with below average reliability.

Voltage Island Mitigation

The Company proposes to spend $15.7 million during Phase IB ($143.6 million over ten years) on voltage island mitigation to address portions of the distribution grid without any available system redundancy.[80] For Phase IB, the Company proposes to mitigate two voltage islands which serve 2,600 customers.[81] The Commission finds that Phase IB Voltage Island Mitigation is reasonable and prudent at the level proposed for Phase IB. The evidence showed, for example:

- The communities served by voltage islands are exposed to the risk of an extended outage, in the range of 24 hours, if the single substation transformer fails;[82] and

- The Company's proposal would apply various solutions that would eliminate the risk of extended outages and would include installing a second transformer at each location and reconfigure feeders to provide both capacity to restore all customers in the event of a failure of the existing transformer, but also to improve the day-to-day service reliability.[83]

Self-Healing Grid and Related Elements

The Company proposes to spend $54 million during Phase IB ($873 million over ten years)[84] to deploy certain technology referred to as fault location, isolation, and service restorage, or FLISR. This technology is also referred to as the self-healing grid. This investment is closely related to, and dependent on, the Company's proposed Phase IB telecommunications investment, which would cost an additional $152.7 million in Phase IB ($1.1 billion over ten years).[85] Also connected to the self-healing grid investment are the Company's proposed investments in advanced analytics (total cost: $67.1 million; Phase IB: $12.8 million) and the enterprise asset management system ("EAMS") (total cost: $41.4 million; Phase IB: $22 million).[86] In total, these related investments would have a Phase IB lifetime revenue requirement of approximately $241.5 million and represent the largest component (almost 30 percent) of the Company's proposed Phase IB spending. During Phase IB, the Company would install the self-healing grid on mainfeeders serving 88,000, or just 3.5%, of the Company's 2.5 million Virginia customers.[87] Over ten years, this group of investments would ramp up significantly and result in the installation of the self-healing grid on mainfeeders serving over 2 million of the Company's customers.[88] Over ten years, the lifetime revenue requirement would top $2.1 billion, representing approximately 30 percent of the costs of the ten-year Plan.[89]

The Company's self-healing grid proposal is expensive and sweeping. No respondent or Staff supported it.[90] The Company's justification for this proposed investment is to improve customer reliability.[91] Similarly, the Company's cost-benefit analysis shows that the primary benefit of this proposal is improved reliability.[92] Unlike the Company's mainfeeder hardening proposal, however, the self-healing component is not targeted at customers with below average reliability.[93] Rather, the Company states it is targeting mainfeeders with the largest number of customers.[94] The Commission finds that the Company has not sufficiently established the need for this level of investment to improve overall system reliability, and we will not commit customers to pay for such an expensive investment based on this record. In sum, the Commission finds that the proposed self-healing grid and related investments are not reasonable and prudent.

---

[80] Ex. 27 (Myers) at Table 7 (Revised) (including financing costs).

[81] Ex. 9 (Wright Direct) at 34.

[82] *Id.* at 33.

[83] *Id.* at 33-34.

[84] Ex. 27 (Myers) at Table 6 (Revised) (including financing costs).

[85] *Id.* at Table 5 (Revised) (including financing costs). At the hearing, Company witness Wright indicated that a small portion of the telecommunications component is related to the Locks Campus Microgrid and grid hardening. Tr. 258. The Commission approves necessary telecommunications spending related to the Locks Campus Microgrid and grid hardening, but only to the extent those components are approved herein. The Company is directed to track approved spending and to maintain documentation to facilitate Staff audit to ensure such spending is not related to unapproved components of the Plan.

[86] Ex. 40.

[87] Ex. 7 (Frost Direct) at 7; Ex. 9 (Wright Direct) at 8.

[88] Ex. 9 (Wright Direct) at 7-8.

[89] Ex. 27 (Myers) at Tables 5-6 (Revised) (including financing costs).

[90] *See, e.g.,* Consumer Counsel's Post-Hearing Brief at 17; Staff's Post-Hearing Brief at 27-29; Environmental Respondents' Brief at 2.

[91] *See e.g.,* Ex. 9 (Wright Direct) at 6.

[92] *See, e.g.,* Ex. 29 (Hulsebosch Rebuttal) at 27.

[93] *See, e.g.,* Tr. 159, 250.

[94] See, e.g., Ex. 9 (Wright Direct) at 7-8.

Further in this regard, we note that Dominion correctly points out that the GTSA requires the Company to propose GT Projects aimed at improved reliability.[95] The GTSA, however, does not require the Commission to approve *any* reliability-related GT Project at *any* cost. Instead, the GTSA directs the Commission to consider the reasonableness and prudence of the Company's proposal. The Commission finds that the record simply does not support the need for this level of costs to customers when the purported gains in reliability are speculative and not targeted to the worst-performing locations.

Finally, Dominion requests the opportunity to demonstrate the reliability and resiliency improvements of the self-healing grid through a pilot-type program.[96] While we find a limited pilot-type program is reasonable for Phase IB mainfeeder hardening, we do not find it reasonable and prudent for the self-healing grid. If effective, mainfeeder hardening has the potential to improve service for customers with reliability significantly below system average. That is not the case for the self-healing grid, which is not targeted at customers with below average reliability. In addition, we find that the Company has not sufficiently established the specific parameters of a pilot that would support a research and development ("R&D") project for cost-benefit review; and while the Commission has not applied a strict cost-benefit analysis herein, we consider the reasonableness and prudence of using customers to fund specific pilot-type R&D projects, as we have done herein with mainfeeder hardening.

Cost Caps

The Commission further finds that the Phase IB components approved herein are reasonable and prudent only if they are limited to the amount of capital and operations and maintenance ("O&M") costs proposed for each approved component by the Company on rebuttal for the following: the customer information platform; the pilot programs and hosting capacity analysis; and mainfeeder hardening. We do not find it reasonable and prudent for the Company to incur any amount of costs above those proposed costs. Any costs that exceed the cost estimates for approved components on rebuttal must be proven by Dominion in a future proceeding to be reasonable and prudent before recovery thereof from ratepayers shall be permitted. The cost caps established herein shall be by individual program (*i.e.,* customer information platform, Locks Campus Microgrid, Smart Charging Pilot, hosting capacity analysis, and mainfeeder hardening), and shall be separate for capital and O&M costs.[97] Dominion did not oppose the imposition of cost caps on approved spending.[98]

Some, but not all, of the costs of certain components relate to other approved components of the Plan. For example, an unspecified amount of the cyber security component is necessary to provide security for the other approved Phase IB components. Based on the record, it is not possible to calculate an exact level of approved spending in these categories – cyber security, stakeholder engagement and customer education, and telecommunications. We only approve the requested investment in these components to the extent the costs are related to approved investments. We direct the Company to track that information as previously discussed. With respect to these investments, we also direct the Company to make a compliance filing within 45 days hereof that identifies, separately for each of the foregoing components of spending (cyber security, stakeholder engagement and customer education, and telecommunications), the amount of (i) capital and (ii) O&M costs approved herein. Such amounts shall also be costs caps with respect to these components.

Reporting Requirements

On or before March 31, 2021, and each year thereafter until further order of the Commission, the Company shall file an annual report on the approved elements of the Plan, both Phase IA and IB, consistent with the Company's proposed reporting metrics.[99]

In addition, with respect to approved Phase IB mainfeeder hardening, the report shall include mainfeeders and miles hardened, costs per mile, performance improvements measured by event count, duration, restoration and System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) impacts, and any other information mutually determined by Dominion and Staff to be useful in evaluating mainfeeder hardening. The Company shall also provide a comparison of the realized benefits of mainfeeder hardening compared to the projected benefits presented in Schedule 7 of Company witness Wright's direct testimony.[100]

Conclusion

Through this Final Order we address the Company's request for approval of additional investments over the first three years of its ten-year Plan, referred to as Phase IB. Today we approve costs of approximately $212 million and additional related costs involving cyber security, stakeholder engagement and customer education, and telecommunications, but deny approval of the remaining elements contained in Dominion's Petition and Plan.[101] This results in the denial of approximately $626 million in proposed costs that would be borne by customers in their monthly bills. We recognize the importance of the Plan's overall objectives. We have approved those elements in which the heavy costs to customers have been adequately justified by the overall benefits to customers, and we have denied approval to those elements whose heavy costs were not justified by the overall benefits to customers. As required by the statute, we have considered whether Dominion's "plan for such projects, and the projected costs associated therewith, are reasonable and prudent."[102] Accordingly, in exercising the Commission's discretion thereunder, we have denied those projects for which we have found that the plan, or the projected costs, are not reasonable and prudent.

---

[95] *See, e.g.,* Dominion's Post-Hearing Brief at 52-54.

[96] *See, e.g., id.* at 7.

[97] *See, e.g.,* Staff's Post-Hearing Brief at 10.

[98] Ex. 28 (Baine Rebuttal) at 18.

[99] *Id.* at Rebuttal Schedule 4.

[100] Ex. 9 (Wright Direct).

[101] Includes financing costs.

[102] Section A 6.

Accordingly, IT IS SO ORDERED, and this matter IS DISMISSED.

Commissioner Patricia L. West participated in this matter.

CASE NO. PUR-2019-00154
APRIL 15, 2020

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia, and for approval of an addition to the terms and conditions applicable to electric service

ORDER GRANTING RECONSIDERATION

On March 26, 2020, the State Corporation Commission ("Commission") issued a Final Order in this docket. On April 14, 2020, Virginia Electric and Power Company filed a Petition for Reconsideration and Clarification ("Petition for Reconsideration").

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration. The Final Order is hereby suspended pending the Commission's reconsideration.

Accordingly, IT IS ORDERED THAT:

(1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration.

(2) Pending the Commission's reconsideration, the Final Order is suspended.

(3) This matter is continued generally.

CASE NO. PUR-2019-00154
APRIL 27, 2020

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia, and for approval of an addition to the terms and conditions applicable to electric service

ORDER ON RECONSIDERATION

On September 30, 2019, Virginia Electric and Power Company ("Dominion" or "Company") filed a petition with the State Corporation Commission ("Commission") for approval of a plan for electric distribution grid transformation projects ("Petition") pursuant to § 56-585.1 A 6 ("Section A 6") of the Code of Virginia ("Code"). Specifically, the Company is requesting approval of additional investments over the first three years of its ten-year grid transformation plan ("Plan"). The Company refers to these additional proposed investments as "Phase IB" of the Plan.[1]

On March 26, 2020, the Commission issued a Final Order in this docket. On April 14, 2020, the Company filed a Petition for Reconsideration and Clarification ("Petition for Reconsideration"). On April 15, 2020, the Commission issued an Order Granting Reconsideration that continued the Commission's jurisdiction over this matter for the purpose of considering the Petition for Reconsideration, and that suspended the Final Order pending the Commission's reconsideration thereof.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Petition for Reconsideration is denied.

In this proceeding, the Commission exercised legislative discretion explicitly delegated to it by the General Assembly. The Commission exercised that discretion when it approved in part, and denied in part, Dominion's proposed Plan. The Commission possesses the authority – and the obligation – to apply its judgment in this case. Contrary to Dominion's characterizations of the evidence and the Final Order, there is support in the record for how the Commission exercised its judgment both when it agreed, and when it *disagreed*, with that of the Company.

Dominion has also not established that the Commission's denials were in any manner based on a mistake of law. The Company's accusations that the Commission improperly considered matters outside of the record in exercising its discretion are categorically incorrect; the Commission exercised its delegated discretion on the instant proposals based on the specific plans and costs presented in this proceeding. Further, the Company's suggestion that any denial by the Commission is necessarily contrary to legislative goals and mandates, and thus a mistake of law, is likewise incorrect; Dominion has not established that any of the Commission's denials herein violate any express limitation placed by the General Assembly on the Commission's discretion for purposes of the instant case.[2]

[1] Exhibit ("Ex.") 2 (Petition) at 5-6.

[2] Dominion also improperly cites to statutory law that is not yet effective; this Order on Reconsideration only speaks to the current law of the Commonwealth applicable to the instant case.

The remainder of this Order on Reconsideration addresses the specific requests in the Petition for Reconsideration.

Request for Reconsideration

The Petition for Reconsideration requests reconsideration of the Final Order as to (i) advanced metering infrastructure ("AMI"), and (ii) the self-healing grid, including related telecommunications.[3]

Advanced Metering Infrastructure

First, as to AMI, the Commission found that under Section A 6, Dominion's plan for this project, and the significant projected costs associated therewith (total 10-year cost: $752.5 million; Phase IB: $303.8 million),[4] are not reasonable and prudent. Such finding is permitted by statute and supported by the record. For example, the Company claims millions of dollars of benefits from programs that will be enabled by AMI (including time-of-use ("TOU") rates, peak time rebates and a prepay program), for which the Company is not even seeking approval in this proceeding.[5] The alleged benefits Dominion claims are not based on a specific program design for those programs, but on broad averages from experiences in other states.[6] Without more, the Commission found evidence of these benefit estimates speculative and uncertain. Similarly, while the Company wants approval to fully deploy and incur the costs of AMI now, and for the Commission to consider the purported future benefits of these programs, the Company does not plan to implement these programs for up to seven years, asking the Commission to rely on its generalized commitments.[7] The Commission will simply not commit customers to pay for such an expensive investment based on this type of speculative evidence of future benefits that will not begin to accrue for many years, if at all.

As set forth in detail in the Final Order, the Commission is also concerned about the lack of a fully developed TOU rate design proposal in connection with the Company's proposed deployment of AMI. The record shows that the Company conducted dynamic pricing pilots approximately ten years ago to gather needed information to develop such a comprehensive rate design.[8] The record further shows the Company recently sought approval of an additional experiment in December 2019, in response in part to recently enacted legislation by the General Assembly.[9] The record in this proceeding, however, is devoid of a compelling reason for the Company's delay in pursuing additional TOU experiments before now, if it believed those additional experiments were necessary to support full deployment of the type of comprehensive TOU rate design necessary to maximize the potential value of AMI from rate optionality.

Thus, contrary to the Company's allegations, the Commission did not find that Dominion failed to present evidence in support of its proposals, nor must the Commission have simply failed to consider such evidence in order to deny the Company's request. Rather, the Commission weighed the various (and at times conflicting)[10] evidence and arguments and, in exercising its discretion, found that the potential benefits were too speculative and uncertain for the Commission to choose to approve such a large expenditure at this time, the large costs of which impact Dominion's customers.[11] Again, contrary to Dominion's claims, this is not error; it is the Commission reaching a different conclusion than the Company on a matter that the General Assembly delegated to the Commission.

---

[3] Petition for Reconsideration at 1. The Company also seeks reconsideration of the proposed proactive replacement of service transformers program should the Commission grant reconsideration of its decision on AMI. *Id.* at 2, 27-28. The Company does not seek reconsideration of the other components of the Plan that the Commission denied in this proceeding, including advanced analytics, an enterprise asset management system, and proactive substation transformer replacement. *Id.* at 2.

[4] Ex. 27 (Myers) at Table 4 (Revised) (including financing costs).

[5] *See, e.g.,* Ex. 3 (Baine Direct) at 15.

[6] *See, e.g.,* Tr. 174 ("what we modeled was really [] minimum benefits for these types of [TOU] programs. *We didn't actually do the program design*.") (emphasis added); Tr. 180-181; Tr. 204 ("We made a forecast of what [the peak time rebate] *could* look like and what the expected benefits *might* be.") (emphasis added); Tr. 563-64 (For the projected TOU energy reduction, "we picked something right in the middle at about 2.5"); Ex. 30.

[7] Ex. 31. The peak time rebate and prepay program, for example, are not planned until year 7 (2026) of the Plan. Tr. 719. Company witness Frost testified, for example, that "we . . . expect to do the peak-time rebate." Tr. 617.

[8] *See, e.g.,* Tr. 263-266.

[9] *See, e.g.,* Petition for Reconsideration at 5-6.

[10] Indeed, Dominion's own assertions in the Petition for Reconsideration appear at times contradictory. For example, the Petition for Reconsideration repeatedly asserts that "system-wide" TOU rates are available today. *See, e.g.,* Petition for Reconsideration at 4, 6, 7, 10. Yet these older TOU schedules do not require, much less maximize the potential and justify the large costs of, a full roll-out of AMI meters, and there is no evidence in this record that these older schedules are part of any imminent and comprehensive plan to maximize the benefits of its very costly AMI proposal made herein. In fact, the Company now asks the Commission to take judicial notice of these older schedules, presumably because they have not previously been raised as part of this record. The Company's newfound reliance on these existing "system-wide" rates also stands in stark contrast to the Company's repeated assertions that a new TOU pilot is necessary to gather information essential to design a "modern-day system-wide TOU rate" that leverages AMI, and the Company's repeated statements that it "fully *intends* to offer TOU rates that leverage AMI." Petition for Reconsideration at 10, 15 (emphasis added). Further in this regard, the record reflects that the Company did not model TOU rates to begin enrollment system-wide until *2025*. Ex. 31.

[11] "The Commission is entitled to interpret the conflicting evidence and to decide the weight to afford it." *City of Alexandria v. State Corp. Comm'n,* 296 Va. 79, 102 (2018) (citing *Board of Supervisors of Loudoun County,* 292 Va. at 458) (internal quotation marks omitted)).

Furthermore, Dominion's allegation[12] that the Commission must have relied upon evidence outside this record in order to deny the Company's requested spending herein similarly mischaracterizes the Final Order. The Commission's reference to prior cases (including references to evidence and findings in prior orders related to grid modernization proposals), of background on grid modernization and what came before, is nothing more nor less than a recounting of pertinent case history on this topic. In the first grid modernization proposal proceeding, the Commission found that Dominion had failed to offer sufficient compelling evidence for the Commission to approve its requested AMI expenditures,[13] but, as Dominion recognizes in its Petition for Reconsideration,[14] the Commission made its rejection in the first proceeding without prejudice, thus giving Dominion the opportunity, in effect, to try again with a better second proposal for AMI. Dominion did offer a second proposal in the instant proceeding. Pointing out parallels between *this* proceeding and the *first* proceeding, leading to similar conclusions on AMI in *this* proceeding that we reached in the *first* proceeding, as well articulated by a witness in the first proceeding, is not, as Dominion alleges, equivalent to importing *evidence* from the first proceeding into this one and then relying on it improperly.[15] It is simply recognizing the pertinent history showing that, despite being invited to offer a second proposal, the Commission has concluded in *both* proceedings that the alleged benefits remain too speculative and uncertain for the Commission to choose to approve such a large expenditure at this time. The Commission's decision in this case is based on the instant record; the requested reconsideration of the Company's AMI proposal is denied.

Self-Healing Grid and Related Elements

Second, with respect to the self-healing grid proposal,[16] Dominion asserts that the Commission denied this proposed investment because it "is not targeted at customers with below average reliability."[17] This once again mischaracterizes the Commission's decision. As stated in the Final Order, the self-healing grid and related investments "would have a Phase IB lifetime revenue requirement of approximately $241.5 million and represent the largest component (almost 30 percent) of the Company's proposed Phase IB spending."[18] At this significant cost, the Company would install the self-healing grid on mainfeeders serving 88,000, or just 3.5% of the Company's 2.5 million Virginia customers.[19] Contrary to the Company's assertion, the Commission did not deny the self-healing grid proposal solely because it is not targeted at customers with below average reliability. Rather, the Commission weighed all the evidence, with respect to the self-healing grid proposal, including the significant cost, and determined that:

> The Company's self-healing grid proposal is expensive and sweeping. No respondent or Staff supported it. The Company's justification for this proposed investment is to improve customer reliability. Similarly, the Company's cost-benefit analysis shows that the primary benefit of this proposal is improved reliability. Unlike the Company's mainfeeder hardening proposal, however, the self-healing component is not targeted at customers with below average reliability. Rather, the Company states it is targeting mainfeeders with the largest number of customers. The Commission finds that the Company has not sufficiently established the need for this level of investment to improve overall system reliability, and we will not commit customers to pay for such an expensive investment based on this record. In sum, the Commission finds that the proposed self-healing grid and related investments are not reasonable and prudent.[20]

Based on all the evidence developed in this record, the Commission simply does not find that such an expensive investment is reasonable and prudent.

In connection with its Petition for Reconsideration, Dominion also asserts that the self-healing grid is specifically targeted at customers with below average reliability.[21] This assertion is inconsistent with the Company's previous assertions in this case. The record shows that the feeders selected for the self-healing grid proposal were targeted because they have the largest populations of customers, as stated by the Commission in the Final Order.[22] For example:

- Company witness Wright testified that with the self-healing grid, "[t]he Company is proposing to target feeders that have the largest number of customers and most critical services affected when mainfeeder outages occur."[23]

---

[12] *See, e.g.,* Petition for Reconsideration at 15-17.

[13] *See, e.g., Petition of Virginia Electric and Power Company, For approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2018-00100, Doc. Con. Cen. No. 190130074, Final Order at 7-9, 26 (Jan. 17, 2019).

[14] *See, e.g.,* Petition for Reconsideration at 15.

[15] *See, e.g., id.* at 15-17.

[16] The self-healing grid proposal is also referred to as fault location, isolation, and service restoration, or FLISR.

[17] Petition for Reconsideration at 21.

[18] Final Order at 21-22.

[19] *Id.* at 22. Over ten years, the lifetime revenue requirement of this group of investments would be approximately $2.1 billion, representing approximately 30 percent of the costs of the ten-year Plan. *Id.*

[20] *Id.* at 22-23 (internal footnotes omitted).

[21] Petition for Reconsideration at 21-22 (citing the Company's evidence that the customers who are expected to receive the self-healing grid during Phase IB currently experience 200 average outage minutes, which is more than the system average of 127 minutes).

[22] Final Order at 22.

[23] Ex. 9 (Wright Direct) at 8.

- When asked if the self-healing grid population has "higher-than-average outages," Company witness Wright responded "[s]o not FLISR, not the self-healing grid population. This is where we have large populations of customers . . . "[24]

- Company witness Baine testified that "the mainfeeder hardening projects focus on the worst of the worst with a new solution. And the self-healing grid targets large number[s] of customers and most critical services when outages do occur."[25]

Nor does the Petition for Reconsideration cite a single instance in the record where a Company witness stated that the self-healing grid proposal targets customers with below-average service reliability.

The Company's overall ten-year plan for the self-healing grid also supports the Commission's statement that self-healing grid does not target customers with below-average reliability. The record shows that over ten years, the Company plans to deploy the self-healing grid to over two million customers, which is approximately 75% of its customers.[26] Based on the Company's evidence, those over two million customers currently experience 126 minutes of outage each year on average, which is one minute less than the system average of 127 minutes.[27]

In sum, the Commission disagrees with the Company's characterization of its decision with respect to the self-healing grid. The Commission fully weighed all the evidence and determined that this proposed investment is not reasonable and prudent. Notwithstanding, the Commission's statement that the self-healing grid component is not targeted at customers with below average reliability is fully supported by the record in this case. The requested reconsideration of the Company's self-healing grid proposal and related investments is denied.

Request for Clarification

Footnote 20

The Company seeks clarification of footnote 20 to the Final Order.[28] Specifically, the Company sets forth its lengthy interpretation of several statutory provisions including Code §§ 56-234 A, 56-234 B, 56-585.1:1 and 56-585.1 and requests "clarity on Footnote 20 to the extent it conflicts with this interpretation."[29] The Commission is of the opinion that footnote 20 to the Final Order speaks for itself, that specific implementation of the statutes cited by Dominion should occur on a case-by-case basis in accordance with the particular circumstances attendant thereto, that footnote 20 does not include any findings of law or fact upon which the Commission's findings are dependent, and that, accordingly, no further clarification is required.

Promotional Allowance Rules

The Company also seeks clarification of the Final Order as it relates to the Commission's Promotional Allowance Rules.[30] The Company states that it noted in its Petition that "arguably, the rebates proposed as part of the [Smart Charging] Pilot Program meet the criteria set forth in the Promotional Allowance Rules."[31] "If deemed necessary by the Commission … the Company sought waiver of the Promotional Allowance Rules for the rebates provided through the Pilot Program under Rule 50 of the Promotional Allowance Rules."[32] The Commission is of the opinion and finds that the Final Order contains all necessary approvals for the Smart Charging Pilot Program, and that no further clarification is required.

---

[24] Tr. 250.

[25] Tr. 532-33.

[26] Ex. 9 (Wright Direct) at 7-8, Schedule 2.

[27] *Id.* at Schedule 2.

[28] Footnote 20 (Final Order at 8) states as follows:

> A comprehensive proposal to offer TOU and related rate designs to all of Dominion's customers - either as a voluntary (opt-in) or as the default (opt-out) tariff - could be accomplished in conjunction with a base rate case in which rate design issues can be comprehensively addressed. Under current statutes, however, it is unclear when Dominion would be required to submit to a full base rate case. An earnings review is scheduled for 2021; however, it is not known at this time whether that earnings review will require a full base rate case. There is also an opportunity during a Triennial Review for revenue neutral changes to rate design in the absence of a full base rate case, but such rate design would be limited to a revenue neutral TOU proposal. *See, e.g.,* Consumer Counsel's Post-Hearing Brief at 16; Staff's Post-Hearing Brief at 6-7.

[29] Petition for Reconsideration at 31.

[30] *Id.* at 31-33; 20 VAC 5-303-10 *et seq.*

[31] Petition for Reconsideration at 32.

[32] *Id.*; 20 VAC 5-303-50.

Accordingly, IT IS ORDERED THAT:

(1) The Petition for Reconsideration is denied.

(2) The Final Order is no longer suspended.

(3) This case is dismissed.

Commissioner Patricia L. West participated in this matter.

CASE NO. PUR-2019-00157
MARCH 5, 2020

APPLICATION OF
APPALACHIAN POWER COMPANY

To decrease its fuel factor pursuant to Va. Code § 56-249.6

ORDER ESTABLISHING 2019-2020 FUEL FACTOR

On September 27, 2019, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") an amended application ("Application") pursuant to § 56-249.6 of the Code of Virginia ("Code") seeking a decrease in its fuel factor.[1] The Company proposes to reduce the current factor of 2.547 cents per kilowatt-hour ("¢/kWh") to 2.300¢/kWh, effective for service rendered November 1, 2019, through October 31, 2020 ("Fuel Year").[2]

The Company's proposed fuel factor consists of both an in-period component and a prior-period component.[3] APCo's proposed in-period component is designed to recover its estimated Virginia jurisdictional fuel expenses during the Fuel Year of approximately $283.4 million, including purchased power expenses and a credit for 75% of projected off-system sales margins.[4] The Company proposes an in-period factor component of 2.039¢/kWh.[5]

The prior-period component is a true-up component designed to recover over the Fuel Year an estimated under-recovered deferred fuel balance as of October 31, 2019.[6] The Company divided the projected deferred fuel cost balance by the projected Virginia jurisdictional energy sales for the Fuel Year to obtain the prior period under-recovery component of 0.261¢/kWh.[7]

The net impact of the Company's proposed fuel factor over the Fuel Year is an annual revenue decrease of approximately $34 million.[8] APCo maintains that this proposal would decrease the monthly bill of a residential customer using 1,000 kWh of electricity by $2.81, or approximately 2.6%.[9]

On October 7, 2019, the Commission entered an Order Establishing 2019-2020 Fuel Factor Proceeding that, among other things, docketed the case; established a procedural schedule for this matter; required the Company to provide public notice of its Application; scheduled an evidentiary hearing on the Application; and placed into effect the Company's proposed fuel factor of 2.300¢/kWh on an interim basis for service rendered on and after November 1, 2019.

VML/VACo APCo Steering Committee and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed notices of participation in this proceeding. On January 16, 2020, the Commission's Staff ("Staff") filed the testimony of one witness. On January 30, 2020, counsel for APCo filed a letter indicating that the Company would not file rebuttal testimony.

---

[1] On September 13, 2019, APCo filed an application for approval to continue its current fuel factor originally approved in Case No. PUR-2018-00153. *See Application of Appalachian Power Company, To revise its fuel factor*, Case No. PUR-2018-00153, Doc. Con. Cen. No. 190350121, Order Establishing 2018-2019 Fuel Factor (Mar. 25, 2019). The Company modified this initial request to request a decrease in its Fuel Factor in its prefiled testimony submitted on September 17, 2019, and in its September 27, 2019 amended Application.

[2] Ex. 2 (Application) at 1.

[3] Ex. 3 (Keeton Direct) at 5-6.

[4] *Id*. The in-period component also includes recovery of non-incremental costs associated with APCo's wind contracts, PJM Interconnection, L.L.C. ("PJM") Load Serving Entity transmission losses, PJM congestion charges, 100% of incremental transmission line loss margins, Financial Transmission Right revenues, a credit for competitive service provider capacity sales, and Green Power revenue credits. *See id*.

[5] *Id.* at 6.

[6] *Id.*

[7] *Id.*

[8] *Id*. at 7. This results in an approximately 3.0% decrease to current revenues. *See id*.

[9] *Id*. at 7-8.

The evidentiary hearing was convened, as scheduled, on February 13, 2020. APCo, Consumer Counsel, and Staff participated at the hearing. No public witnesses appeared at the hearing.[10]

On February 20, 2020, the Report of Michael D. Thomas, Senior Hearing Examiner ("Report") was filed. The Hearing Examiner, in his Report, found that:

1. The record in this case supports approval of the Company's proposed fuel factor of 2.300¢/kWh effective for service rendered November 1, 2019, through October 31, 2020;

2. The Company's proposed in-period factor component of 2.039¢/kWh is reasonable; and

3. The Company's proposed prior-period under-recovery factor component of 0.261¢/kWh is reasonable.[11] The Hearing Examiner therefore recommended that the Commission issue an order that adopts the findings of the Report and approves the Company's proposed fuel factor of 2.300¢/kWh for service rendered during the Fuel Year.[12]

No participant filed comments objecting to the Hearing Examiner's findings and recommendations.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Hearing Examiner's findings and recommendations should be adopted and that APCo's fuel factor should be 2.300¢/kWh for service rendered on and after November 1, 2019.

Pursuant to § 56-249.6 of the Code, APCo is statutorily entitled to recover its prudently incurred fuel costs. Indeed, in describing this statutory provision over 25 years ago, the Commission explained that the fuel factor permits dollar for dollar recovery of prudently incurred fuel costs.[13] As also explained in prior fuel cases, approval of a fuel factor herein does not represent ultimate approval of the Company's actual fuel expenses. An audit and investigation of the Company's actual booked fuel expenses, among other things, is conducted by the Staff after the close of the Fuel Year. The Commission subsequently determines what are, in fact, reasonable, prudent and, therefore, allowable fuel expenses and credits, as well as the Company's recovery position as of the end of the audit period. For example, the Commission has previously described this review as follows:

> Should the Commission find in its Final Audit Order (1) that any component of the Company's actual fuel expenses or credits has been inappropriately included or excluded, or (2) that the Company has failed to make every reasonable effort to minimize fuel cost or has made decisions resulting in unreasonable fuel cost, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position of the Company's next fuel factor. We reiterate that no finding in this order is final, as this matter is continued generally, pending Staff's audit of actual fuel expenses.[14]

Likewise, while we find that the Company's proposed fuel factor shall be approved, no finding in this Order Establishing 2019-2020 Fuel Factor is final. This matter is otherwise continued generally, pending audit and investigation of the Company's actual fuel expenses.

Accordingly, IT IS ORDERED THAT:

(1) The Company's fuel factor shall be 2.300¢/kWh for service rendered on and after November 1, 2019.

(2) This case is continued generally.

---

[10] Tr. 4-5.

[11] Report at 5.

[12] *Id*.

[13] *Commonwealth of Virginia, ex rel. State Corp. Comm'n, Ex Parte: In the matter of establishing Commission policy regarding rate treatment of purchased power capacity charges by electric utilities and cooperatives*, Case No. PUE-1988-00052, 1988 S.C.C. Ann. Rept. 346, 347 (Nov. 10, 1988) (describing the "fuel factor" as "a statutory adjustment mechanism through which all prudently incurred energy costs are recovered, dollar for dollar"). *See also Application of Kentucky Utils. Co., t/a Old Dominion Power Co., To revise its fuel factor pursuant to Virginia Code § 56-249.6*, Case No. PUE-1994-00043, 1995 S.C.C. Ann. Rept. 309, 310 (Jan. 6, 1995) ("*Kentucky Utils.*") (explaining that the "fuel factor mechanism . . . gives the Company dollar for dollar recovery for allowable fuel expenses").

[14] *Kentucky Utils.*, 1995 S.C.C. Ann. Rept. at 311.

CASE NO. PUR-2019-00159
JULY 1, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider US-2, Scott, Whitehouse, and Woodland Solar Power Stations, for the Rate Year Commencing September 1, 2020

FINAL ORDER

On October 1, 2019, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission") an annual update with respect to the Company's rate adjustment clause, Rider US-2 ("Application"). Through its Application, the Company seeks to recover costs associated with (i) the Scott Solar Facility, a 17 megawatt ("MW") (nominal alternating current ("AC")) facility located in Powhatan County; (ii) Whitehouse Solar Facility, a 20 MW AC facility located in Louisa County; and (iii) Woodland Solar Facility, a 19 MW AC facility located in Isle of Wight County ("US-2 Solar Projects").[1]

On October 25, 2019, the Commission entered its Order for Notice and Hearing in which, among other things, the Commission docketed the Application, scheduled a public hearing, and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

On December 20, 2019, the Office of Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed its notice of participation.

On March 17, 2020, the Chief Hearing Examiner convened an evidentiary hearing on the Company's request. The Company, Consumer Counsel, and the Commission's Staff ("Staff") participated in the hearing. By the time of the hearing, the only area of disagreement between the parties related to the appropriate cost allocation methodology for Rider US-2.[2]

On April 1, 2020, the Hearing Examiner issued the Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner ("Report"). In his Report, the Chief Hearing Examiner found that, based on the Commission's Final Order in the Company's US-3 rate adjustment clause proceeding,[3] the Company's average and excess allocation methodology ("A&E Method Factor 1") should continue to be used in this proceeding and is supported by the record. The Chief Hearing Examiner further found that, based on the continued use of the Company's A&E Method Factor 1, the 2020 Rate Year revenue requirement of $9,551,000, with the Rate Year Projected Cost Recovery revenue requirement of $9,351,000, and the Rate Year Actual Cost True-Up Factor revenue requirement of $201,000, should be approved.[4]

On April 24, 2020, the Company, Consumer Counsel, and Staff filed comments on the Chief Hearing Examiner's Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that for the 2020 Rate Year, the Rider US-2 revenue requirement of $9,551,000 is approved.[5]

For purposes of the instant proceeding, the Commission approves the A&E Factor 1 cost allocation methodology used by Dominion, as the Commission recently approved in the Company's Rider US-3 proceeding involving utility-scale solar facilities.[6] We note that the case participants are in agreement that the cost allocation methodology approved in the Rider US-3 proceeding should be approved in this case.[7]

We further note that the revenue requirement we approve herein is projected to decrease, by $0.09 per month, the bill of a residential customer using 1,000 kilowatt hours per month compared to the Rider US-2 rate such a customer paid during the 2019 rate year.[8] The approved revenue requirement also reflects an additional $0.01 monthly decrease for a residential customer using 1,000 kilowatt hours per month, as compared to the bill impact of a $0.08 monthly decrease for such a customer as presented in the Company's application and direct testimony.[9]

Accordingly, IT IS ORDERED THAT:

(1) Rider US-2, as approved herein, shall become effective for usage on and after September 1, 2020.

---

[1] Ex. 2 (Application) at 1.

[2] Report at 1, 17-19.

[3] *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider US-3, Colonial Trail West and Spring Grove 1 Solar Projects, for the rate year commencing June 1, 2020*, Case No. PUR-2019-00104, Doc. Con. Cen. No. 200330085, Final Order (March 20, 2020) ("US-3 Final Order" or "Rider US-3").

[4] Report at 19-20.

[5] The Chief Hearing Examiner also discussed the issue of capacity factor performance guarantees for the US-2 Solar Projects. He found that, since no case participant recommended the Commission impose capacity performance guarantees on those facilities, no action was required on this issue. *Id*. at 20-21.

[6] US-3 Final Order at 3-4.

[7] Report at 15, 18-19.

[8] Report at 9, 13. *See also* Ex. 12 (Samuel) at 12. The 2019 rate year is the is the time period from September 1, 2019, to August 31, 2020.

[9] Report at 17. *See also* Ex. 2 (Application) at 7-8; Ex. 17 (Crouch Rebuttal) at 7.

(2) The Company forthwith shall file a revised Rider US-2 and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation, as is necessary to comply with the directives set forth in this Final Order.

(3) Pursuant to Code § 56-585.1 A 7, the Company may implement Rider US-2, as approved herein, for service rendered on and after 60 days from the date of this Final Order. Alternatively, as requested by the Company, Dominion may implement Rider US-2, as approved herein, for service rendered on and after September 1, 2020.

(4) The Company shall file its next annual Rider US-2 application between October 5, 2020, and November 30, 2020.

(5) This case is dismissed.

CASE NO. PUR-2019-00160
JUNE 23, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider BW, Brunswick County Power Station, for the Rate Year Commencing September 1, 2020

FINAL ORDER

On October 1, 2019, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code") and the State Corporation Commission's ("Commission") Final Order in Case No. PUR-2018-00166,[1] filed with the Commission an annual update with respect to the Company's rate adjustment clause, Rider BW ("Application"). Through its Application, the Company seeks to recover costs associated with the Brunswick County Power Station, a 1,358 megawatt (nominal) natural gas-fired, combined-cycle electric generating facility, as well as the related transmission interconnection facilities, in Brunswick County, Virginia ("Project").[2]

In Case No. PUE-2012-00128,[3] the Commission approved construction of the Project. In conjunction therewith, the Commission also approved a rate adjustment clause, designated Rider BW, which allowed Dominion to recover costs associated with the development of the Project.[4] The Company has updated its Rider BW rate adjustment clause annually.[5]

In this proceeding, Dominion has asked the Commission to approve Rider BW for the rate year beginning September 1, 2020, and ending August 31, 2021 ("2020 Rate Year").[6] The two key components of the proposed total revenue requirement for the 2020 Rate Year are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.[7] The Company is requesting a Projected Cost Recovery Factor revenue requirement of $132,695,000 and an Actual Cost True-Up Factor revenue requirement of ($12,955,000).[8] Thus, the Company is requesting a total revenue requirement of $119,740,000 for service rendered during the 2020 Rate Year.[9] Dominion requests a rate effective date for usage on and after the latter of September 1, 2020, or the first day of the month that is at least 15 days following the date of any Commission order approving Rider BW.[10]

On October 17, 2019, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on or participate in the proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission. One notice of participation was filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

---

[1] *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider BW, Brunswick County Power Station*, Case No. PUR-2018-00166, Doc. Con. Cen. No. 190710067, Final Order (July 3, 2019).

[2] Ex. 3 (Application) at 1.

[3] *Application of Virginia Electric and Power Company, For approval and certification of the proposed Brunswick County Power Station and related transmission facilities pursuant to §§ 56-580 D, 56-265.2, and 56-46.1 of the Code of Virginia, and for approval of a rate adjustment clause, designated Rider BW, pursuant to § 56-585.1 A 6 of the Code of Virginia,* Case No. PUE-2012-00128, 2013 S.C.C. Ann. Rept. 302, Final Order (Aug. 2, 2013).

[4] Ex. 3 (Application) at 2-3.

[5] *See* Case Nos. PUE-2013-00122, PUE-2014-00103, PUE-2015-00102, PUE-2016-00112, PUR-2017-00128, and PUR-2018-00166.

[6] Ex. 3 (Application) at 4.

[7] *Id*. at 7.

[8] *Id*. at 8; Ex. 5 (Givens Direct) at 9.

[9] Ex. 3 (Application) at 8.

[10] *Id.* at 9.

On February 28, 2020, the Staff of the Commission ("Staff") filed testimony. Staff testified that it did not consider it appropriate to include carbon dioxide fees related to Regional Greenhouse Gas Initiative ("RGGI") implementation in the Projected Factor in this case. Staff further testified that any actual costs related to RGGI implementation will be captured in a future True-Up Factor.[11]

On March 13, 2020, Dominion filed its rebuttal testimony. In its rebuttal testimony, the Company updated its revenue requirement to reflect several changes noted by Staff, including the deferral of anticipated costs associated with RGGI.[12]

On March 23, 2020, having been advised that there were no disputed issues in this proceeding and upon consideration of the Commission's Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency,[13] the Hearing Examiner, by ruling, cancelled the hearing scheduled for March 24, 2020, and directed that the parties and Staff file a stipulation providing for the admission of evidence relative to the Application.

On March 30, 2020, the Parties and Staff filed a proposed Stipulation regarding the evidence to be entered into the record in this case. The Stipulation also contained a clarification of the total updated revenue requirement requested by the Company for Rider BW.[14]

On March 31, 2020, the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report") was issued. In her Report, the Senior Hearing Examiner recommended that the Commission approve an updated Rider BW rate adjustment clause with a revenue requirement of $99.006 million, consisting of a Projected Cost Recovery Factor of $111.888 million, and an Actual Cost True-Up Factor of ($12.882) million.[15] In addition, the Senior Hearing Examiner found that the Rider BW rates should be designed to recover the approved revenue requirement based on the Company's class allocation and rate design methodology presented by Company witness Lawson.[16]

On April 1, 2020, and April 10, 2020, respectively, the Company and Staff filed comments on the Report agreeing with the findings and recommendations in the Report. On April 17, 2020, Consumer Counsel filed comments on the Report stating that Consumer Counsel does not object to the findings and recommendations contained in the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Rider BW revenue requirement is $99.006 million, based on a Projected Cost Recovery Factor revenue requirement of $111.888 million, and an Actual Cost True-Up Factor revenue requirement of ($12.882) million. We adopt the findings and recommendations set forth in the Report. We note that the revenue requirement we approve herein is projected to decrease, by $0.30 per month, the bill of a residential customer using 1,000 kilowatt-hours per month compared to the Rider BW rate such a customer is paying now.[17]

Accordingly, IT IS ORDERED THAT:

(1) Rider BW, as approved herein with an updated revenue requirement in the amount of $99.006 million, shall become effective for service rendered on and after September 1, 2020.

(2) The Company forthwith shall file a revised Rider BW and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: https://scc.virginia.gov/pages/Case-Information.

(3) Pursuant to Code § 56-585.1 A 7, the Company may implement Rider BW, as approved herein, for service rendered on and after 60 days from the date of this Final Order. Alternatively, as requested by the Company, Dominion may implement Rider BW, as approved herein, for service rendered on and after September 1, 2020.

(4) Between October 5, 2020, and November 30, 2020, the Company shall file an application to revise Rider BW effective September 1, 2021.

(5) This case is dismissed.

---

[11] Ex. 8 (Welsh Direct) at 4-5.

[12] Ex. 11 (Givens Rebuttal) at 2.

[13] *Commonwealth of Virginia, ex rel, State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Order Regarding the State Corporation Commission's Operating Procedures During COVID-19 Emergency (March 19, 2020).

[14] Ex. 1 (Stipulation) at 3.

[15] Report at 8.

[16] *Id.*

[17] Ex. 11 (Givens Rebuttal) at 3. The approved revenue requirement also reflects a $0.40 monthly decrease for a residential customer using 1,000 kilowatt-hours per month, when compared to the bill impact of a $0.10 monthly increase for such a customer, as presented in the Company's direct testimony. *Id. See also* Ex. 7 (Lawson Direct) at 5.

CASE NO. PUR-2019-00162
JANUARY 10, 2020

APPLICATION OF
ASPEN ENERGY CORPORATION

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On September 30, 2019, Aspen Energy Corporation ("Aspen" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia ("Application").[1] The Company seeks authority to market electricity and natural gas services to eligible commercial, industrial, and governmental customers throughout the Commonwealth of Virginia. Aspen attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services.[2] The Company paid the required registration fee of $250.[3]

The Commission's Staff ("Staff") reviewed Aspen's Application and deemed it to be complete.[4] On November 5, 2019, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on or before November 12, 2019, to each of the utilities listed in Attachment A of the Procedural Order. On November 19, 2019, Aspen filed proof of service.[5]

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before November 26, 2019. Virginia Electric and Power Company d/b/a Dominion Energy Virginia and Kentucky Utilities Company d/b/a Old Dominion Power Company filed comments by the deadline required by the Procedural Order.[6]

The Staff filed its Report on December 2, 2019, concerning Aspen's fitness to conduct business as an electric aggregator.[7] In its Report, the Staff summarized Aspen's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Aspen be granted a license to conduct business as an electric aggregator for commercial, industrial, and governmental customers throughout the Commonwealth of Virginia.

NOW UPON CONSIDERATION of the Application, comments, and the Staff Report, the Commission finds that Aspen's Application for a license to provide electric aggregation service should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Aspen is hereby granted license No. A-75 to provide competitive aggregation service of electricity to commercial, industrial, and governmental customers throughout the Commonwealth of Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] *Application of Aspen Energy Corporation to become a licensed aggregator of electricity in the State of Virginia*, PUR-2019-00162, Doc. Con. Cen. No. 190940269 (September 30, 2019).

[2] 20 VAC 5-312-10 *et seq*.

[3] 20 VAC 5-312-40 A 16.

[4] *Memorandum of Completeness/Incompleteness*, PUR-2019-00162, Doc. Con. Cen. No. 191010074 (October 3, 2019).

[5] *Proof of Service*, PUR-2019-00162, Doc. Con. Cen. No. 191120233 (November 18, 2019).

[6] *Comments of Virginia Electric and Power Company*, Case No. PUR-2019-00162, Doc. Con. Cen. No. 191140036 (November 26, 2019) and *Comments of Kentucky Utilities Company d/b/a Old Dominion Power*, Case No. PUR-2019-00162, Doc. Con. Cen. No. 191130173 (November 26, 2019).

[7] *Staff Report*, PUR-2019-00162, Doc. Con. Cen. No. 191210019 (December 2, 2019).

CASE NO. PUR-2019-00163
MARCH 12, 2020

APPLICATION OF
EMPOWER TELECOM, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On October 11, 2019, EMPOWER Telecom, Inc. ("EMPOWER Telecom"),[1] filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-265.4:4 of the Code of Virginia ("Code"), the Commission's Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"),[2] and the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules"),[3] for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia.[4] EMPOWER Telecom seeks authority to operate pursuant to the small investor-owned telephone company requirements in Code § 56-531 *et seq*.,[5] in the territory currently served by Buggs Island Telecom Co-operative d/b/a Buggs Island Telephone Cooperative ("BIT").[6] The petition for approval of the transfer of the telecommunications assets of BIT pursuant to the Utility Transfers Act, Code § 56-88 *et seq.,* is separately addressed in Case No. PUR-2019-00168.[7]

On October 25, 2019, the Commission issued an Order for Notice and Comment that, among other things, directed EMPOWER Telecom to provide notice to the public of its Application and directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report").

On December 20, 2019, Staff filed its Staff Report concluding that EMPOWER Telecom's Application is in compliance with the Commission's Local Rules and Interexchange Rules. Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to EMPOWER Telecom subject to the following conditions:[8]

- The Commission's approval granted in this case should be conditioned upon approval of Case Nos. PUR-2019-00168 and PUR-2019-00169.[9]
- EMPOWER Telecom should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. This requirement should be maintained until such time as the Commission determines it is no longer necessary.
- If EMPOWER Telecom becomes the successor company to BIT in the Mecklenburg and Brunswick County exchanges, it should abide by the carrier of last resort obligations and any other state or federal requirements applicable to the incumbent local exchange carrier for those exchanges (such as the Lifeline designated carrier).
- EMPOWER Telecom should provide tariffs that mirror the service offerings currently provided by BIT. This includes calling scopes, rates, charges, and terms and conditions of service. EMPOWER Telecom should not offer service until such tariffs have been reviewed and accepted by the Division of Public Utility Regulation.

---

[1] EMPOWER Telecom is a wholly owned subsidiary of Mecklenburg Electric Cooperative.

[2] 20 VAC 5-417-10 *et seq*.

[3] 20 VAC 5-411-10 *et seq*.

[4] Application at 1, 12.

[5] Chapter 19 of Title 56 of the Code, *Small Investor-Owned Telephone Utility Act*.

[6] Application at 1, 8, 11, 12.

[7] *See Petition of Mecklenburg Electric Cooperative, EMPOWER Broadband, Inc., Buggs Island Telephone Co-operative d/b/a Buggs Island Telephone Cooperative, and EMPOWER Telecom, Inc., For approval of the transfer of telecommunications assets of Buggs Island Telephone Co-operative*, Case No. PUR-2019-00168.

[8] Staff Report at 6-7.

[9] On January 7, 2020, the Commission issued an Order Granting Approval in Case No. PUR-2019-00169, conditioning approval of the affiliate arrangement reviewed therein upon receipt of the Certificates entered in this case, and approval of a transfer of control in Case No. PUR-2019-00168. *See Petition of Mecklenburg Electric Cooperative, EMPOWER Broadband, Inc. and EMPOWER Telecom, Inc., For approval of an amended and restated master services agreement and a new master services agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2019-00169, Doc. Con. Cen. No. 200110077, Order Granting Approval (Jan. 7, 2020).

On December 30, 2019, EMPOWER Telecom filed its response to the Staff Report. On February 26, 2020, the Company filed a Motion to Amend Application and Supplement to Application ("Amendment"), in which EMPOWER Telecom advised that the petitioners in Case No. PUR-2019-00168 have revised the proposed transfer so that the telecommunications assets of BIT will be transferred to EMPOWER Telecom rather than a separate subsidiary of Mecklenburg Electric Cooperative. The Amendment notes that Staff does not object to the revisions to the Application, nor does the Amendment alter Staff's recommendation that the Company be granted Certificates subject to certain conditions set out in the Staff Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant Certificates to EMPOWER Telecom. Having considered Code § 56-481.1, the Commission finds that EMPOWER Telecom may price its interexchange services competitively. Further, we find that upon completion of the transfer of control separately approved in Case No PUR-2019-00168, EMPOWER Telecom becomes the successor company to BIT in the Mecklenburg and Brunswick County exchanges, and shall abide by the carrier of last resort obligations and any other state or federal requirements applicable to the incumbent local exchange carrier for those exchanges. Finally, we find that EMPOWER Telecom shall provide tariffs to the Division of Public Utility Regulation that mirror the service offerings currently provided by BIT. These tariffs shall include calling scopes, rates, charges, and terms and conditions of service, and conform to all applicable Commission rules and regulations. EMPOWER Telecom shall not offer service until such tariffs have been reviewed and accepted by the Division of Public Utility Regulation.

Accordingly, IT IS ORDERED THAT:

(1) EMPOWER Telecom is hereby granted Certificate No. T-770 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order. Certificate No. T-770 shall be effective upon completion of the transfer of control approved in Case No. PUR-2019-00168.

(2) EMPOWER Telecom is hereby granted Certificate No. TT-310A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order. Certificate No. TT-310A shall be effective upon completion of the transfer of control approved in Case No. PUR-2019-00168.

(3) Pursuant to Code § 56-481.1, EMPOWER Telecom may price its interexchange telecommunications services competitively.

(4) EMPOWER Telecom shall provide tariffs to the Division of Public Utility Regulation that mirror the service offerings currently provided by BIT. These tariffs shall include calling scopes, rates, charges, and terms and conditions of service, and conform to all applicable Commission rules and regulations. EMPOWER Telecom shall not offer service until such tariffs have been reviewed and accepted by the Division of Public Utility Regulation.

(5) Upon completion of the transfer of control separately approved in Case No PUR-2019-00168, EMPOWER Telecom shall become the successor company to BIT in the Mecklenburg and Brunswick County exchanges. The Company shall abide by the carrier of last resort obligations and any other state or federal requirements applicable to the incumbent local exchange carrier for those exchanges.

(6) EMPOWER Telecom shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until the Commission determines it is no longer necessary.

(7) This case is dismissed.

CASE NO. PUR-2019-00166
FEBRUARY 20, 2020

APPLICATION OF
SHENANDOAH CABLE TELEVISION, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On October 7, 2019, Shenandoah Cable Television, LLC ("SCT" or "Company") filed an application with the State Corporation Commission ("Commission") for certificates of public convenience and necessity ("Certificates") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia ("Application"). The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia ("Code").

On October 25, 2019, the Commission issued an Order for Notice and Comment that, among other things, directed SCT to provide notice to the public of its Application and directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report").

On December 3, 2019, SCT filed a motion requesting that the Commission revise the procedural schedule and provide SCT additional time to provide the required notice and surety bond. On December 5, 2019, SCT filed notification of its election to be regulated as a competitive telephone company pursuant to Code § 56-54.2 *et seq.*[1]

On December 11, 2019, the Commission issued an Order on Motion granting the Company's request to revise the procedural schedule and for additional time to provide the required notice and surety bond. On January 9, 2020, SCT filed proof of service and proof of notice in accordance with the Order on Motion.

[1] Chapter 2.1 of Title 56 of the Code became effective on July 1, 2014. *See* 2014 Va. Acts ch. 340 and ch. 376.

On January 31, 2020, Staff filed its Staff Report concluding that SCT's Application is in compliance with the Commission's Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules")[2] and the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules").[3] Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to SCT subject to the following condition: SCT should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary. The Staff also advised that upon issuance of the Certificates, SCT will meet the definition of a competitive telephone company pursuant to § 56-54.2 of the Code and would be entitled to be regulated as such by operation of law.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant Certificates to SCT. Having considered Code § 56-481.1, the Commission finds that SCT may price its interexchange services competitively. Further, the Commission finds that pursuant to Code § 56-54.2, SCT is eligible to elect to be regulated as a competitive telephone company and that such election, pursuant to Code § 56-54.3, becomes effective on the date of this Final Order.

Accordingly, IT IS ORDERED THAT:

(1) SCT is hereby granted Certificate No. T-769 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) SCT is hereby granted Certificate No. TT-309A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) Pursuant to Code § 56-481.1, SCT may price its interexchange telecommunications services competitively.

(4) SCT shall be regulated as a competitive telephone company pursuant to the provisions of Code § 56-54.2 *et seq*.

(5) Prior to providing telecommunications services pursuant to the Certificates granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If SCT elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(6) SCT shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until the Commission determines it is no longer necessary.

(7) This case is dismissed.

[2] 20 VAC 5-417-10 *et seq*.

[3] 20 VAC 5-411-10 *et seq*.

CASE NO. PUR-2019-00168
MARCH 12, 2020

JOINT PETITION OF
MECKLENBURG ELECTRIC COOPERATIVE, EMPOWER BROADBAND, INC., BUGGS ISLAND TELEPHONE CO-OPERATIVE d/b/a BUGGS ISLAND TELEPHONE COOPERATIVE and EMPOWER TELECOM, INC.

For approval of the transfer of telecommunications assets of Buggs Island Telephone Co-operative

ORDER GRANTING APPROVAL

On October 11, 2019, Mecklenburg Electric Cooperative ("MEC"), EMPOWER Broadband, Inc. ("EMPOWER Broadband"), Buggs Island Telephone Co-operative d/b/a Buggs Island Telephone Cooperative ("BIT"), and EMPOWER Telecom, Inc. ("EMPOWER Telecom") (collectively, "Petitioners"), filed a joint petition with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code"), § 56-88 *et seq*. ("Utility Transfers Act"), for approval of the transfer of telecommunications assets of BIT ("Petition"). As initially filed, Petitioners requested authority for MEC's subsidiary, EMPOWER Broadband, to acquire all of the assets of BIT ("Assets") pursuant to an Asset Purchase Agreement entered into on August 30, 2019 ("Proposed Transfer").[1]

On January 16, 2020, the Petitioners amended the Proposed Transfer to request authority for the Assets to be transferred from BIT to EMPOWER Telecom ("Amended Proposed Transfer"),[2] the MEC subsidiary seeking certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia in order to operate pursuant to the small investor-owned telephone company requirements in Code § 56-531 *et seq*.,[3] in the territory currently served by BIT.[4]

[1] Petition at 4.

[2] Motion to Amend and Supplement Joint Petition at 3-4.

[3] Chapter 19 of Title 56 of the Code, *Small Investor-Owned Telephone Utility Act*.

[4] *See Application of EMPOWER Telecom, Inc., For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia,* Case No. PUR-2019-00163.

Petitioners represent that pursuant to an Asset Purchase Agreement, BIT's membership interests will be redeemed and BIT will cease to exist.[5] Petitioners further represent that EMPOWER Telecom, an affiliate of EMPOWER Broadband and subsidiary of MEC, will utilize BIT's existing telecommunications facilities to provide local exchange voice services to customers on copper and DSL connections and that EMPOWER Broadband plans to build a fiber-to-the-home network throughout BIT's system to provide a more reliable service with a wider array of telecommunications options to customers in BIT's service area.[6]

According to the Petitioners, EMPOWER Telecom will be operated by a highly qualified management team as EMPOWER Broadband will acquire the management personnel of BIT and operate BIT's telecommunications systems through a proposed master services agreement for EMPOWER Telecom.[7]

On October 31, 2019, the Commission issued an Order for Notice and Comment that, among other things, directed the Petitioners to provide notice to the public of the Petition, afforded interested parties an opportunity to request a hearing or comment on the Petition, and directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report"). No comments or requests for hearing were filed in this case.

On February 25, 2020, the Staff filed a Staff Report documenting the Staff's review of the Amended Proposed Transfer and Staff's finding that EMPOWER Telecom will have the financial, managerial, and technical resources necessary to provide local exchange telecommunications services as required by the Utility Transfers Act and, therefore, the Amended Proposed Transfer should be approved subject to certain specified requirements.[8] On February 27, 2020, the Petitioners filed comments to the Staff Report stating that Petitioners agree with and support Staff's recommendation and request that the Commission issue an Order that grants approval of the Amended Proposed Transfer on or before March 12, 2020.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows. According to Code § 56-88.1 A 2, when determining whether to grant approval of a transfer of control under the circumstances described in the Amended Proposed Transfer, "the Commission shall consider only the financial, managerial, and technical resources to render local exchange telecommunications services of the person acquiring control of or all of the assets of the telephone company." Having been advised by Staff and upon consideration of the applicable law and representations of the Petitioners, the Commission finds that the above-described Amended Proposed Transfer should be approved subject to the conditions set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT :

(1) Pursuant to §§ 56-88.1 and 56-90 of the Code, the Joint Petitioners hereby are granted approval of the Amended Proposed Transfer as described herein, subject to the requirements set forth in the Appendix attached hereto.

(2) This case is dismissed.

Appendix

(1) The Commission's approval of the Amended Proposed Transfer shall have no accounting or ratemaking implications.

(2) The quality of service in EMPOWER Telecom's service territory shall not deteriorate due to lack of maintenance or capital investment.

(3) EMPOWER Telecom shall file its proposed tariffs and terms and conditions of service with the Commission's Division of Public Utility Regulation. EMPOWER Telecom shall not offer service until such tariffs have been reviewed and accepted by the Division of Public Utility Regulation.

(4) Within thirty (30) days after the closing of the Amended Proposed Transfer, the Petitioners shall file a report of action that includes the date of the closing and BIT's and EMPOWER Telecom's accounting entries recording the Amended Proposed Transfer, which should be prepared in accordance with the Uniform System of Accounts.

---

[5] Petition at 4. BIT's request for cancellation of its certificates of public convenience and necessity to provide telecommunications services in the Commonwealth of Virginia upon the Commission's approval in this case and Case No. PUR-2019-00163 is separately addressed in Case No. PUR-2019-00181. *See Application of Buggs Island Telephone Co-operative d/b/a Buggs Island Telephone Cooperative, For cancellation of it certificates of public convenience and necessity to provide telecommunications services in the Commonwealth of Virginia,* Case No. PUR-2019-00181.

[6] Petition at 5-6.

[7] *Id.* at 6.

[8] Staff Report at 5 and Appendix.

CASE NO. PUR-2019-00169
JANUARY 7, 2020

JOINT PETITION OF
MECKLENBURG ELECTRIC COOPERATIVE, EMPOWER BROADBAND, INC. and EMPOWER TELECOM, INC.

For approval of a master services agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On October 11, 2019, Mecklenburg Electric Cooperative ("MEC"), EMPOWER Broadband Inc. ("Broadband"), and EMPOWER Telecom, Inc. ("Telecom") (collectively "Petitioners"), filed a Joint Petition ("Petition") with the State Corporation Commission ("Commission"). The Petitioners request approval of a master service agreement between Broadband and Telecom ("Broadband-Telecom MSA") to allow Broadband to provide certain services to Telecom pursuant to Chapter 4[1] of Title 56 of the Code of Virginia ("Code").

On August 30, 2019, Broadband entered into an Asset Purchase Agreement with Buggs Island Telecom Co-operative d/b/a Buggs Island Telephone Cooperative ("BIT") to acquire all the telecommunications assets of BIT and redeem BIT's membership interests ("Proposed Transfer"). The Petitioners have requested authority for the Proposed Transfer in Case No. PUR-2019-00168. Telecom has also requested approval of a certificate of public convenience and necessity to provide local exchange telephone service in BIT's service territory in Case No. PUR-2019-00163.

The Petitioners represent that the proposed Broadband-Telecom MSA, including its terms and conditions, is similar to the services that MEC provides Broadband under an MSA approved by the Commission in Case No. PUR-2018-00180 ("MEC-Broadband MSA") with additional services specific to local telephone exchange service. Broadband will provide its services to Telecom at the lower of cost or market.

The Petitioners represent that approval of the Broadband-Telecom MSA is in the public interest as it will: (i) allow Telecom to offer more reliable traditional telephone service in BIT's current service territory, and (ii) allow Broadband to provide reliable high-speed internet service to the customers in rural areas in southern Virginia who currently have limited access to such service. The Petitioners further represent that the Petition will not adversely affect electric rates or create material risk for MEC.

On November 21, 2019, the Commission entered an Order Extending Time for Review which extended the statutorily permitted review period to January 9, 2020, the furthest extension allowable under Code § 56-77 for review of a petition under the Affiliates Act.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff ("Staff") through Staff's action brief and having considered the Applicant's comments thereon, is of the opinion and finds that the proposed Broadband-Telecom MSA would be in the public interest only if the application and petition currently under review in Case No. PUR-2019-00163 and Case No. PUR-2019-00168 are approved, and subject to the additional requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Broadband-Telecom MSA is approved subject to the requirements listed in the Appendix attached to this Order. This approval is conditioned upon receipt of Commission approval in Case No. PUR-2019-00163 and Case No. PUR-2019-00168 and may not be acted upon until that time.

(2) This case is dismissed.

[1] Code § 56-76 *et seq*. ("Affiliates Act").

APPENDIX

1) Pursuant to the MEC-Broadband MSA[1] and the Broadband-Telecom MSA, the Petitioners shall provide a formal acknowledgement that the Commission regulates recovery of any Pass-Through Charges that pass from MEC through Broadband to Telecom, and therefore must be able to determine the appropriate amounts to include for such charges in MEC's and Telecom's cost of service.

2) For all Pass-Through Charges[2] that pass from MEC through Broadband to Telecom, Broadband shall obtain and maintain original cost records (invoices, etc.) of the charges and provide MEC and Telecom with a detailed annual report ("Report") that details the charges by: Service Provider/Recipient, month, Service category, general ledger account, and amount as the charges are recorded on MEC's and Telecom's books and shall be in Excel electronic media format, with formulas intact, so that Staff can tabulate and sort the data in future rate proceedings. Telecom shall file an Annual Report of Affiliate Transactions ("ARAT"), which shall include all transactions between Broadband and Telecom. The Report shall cover the January 1-December 31 calendar year and be submitted with MEC's and Telecom's ARAT to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") each year.

3) The Commission's approval of the Broadband-Telecom MSA shall extend from the date of the approving order through December 31, 2024. If the Petitioners wish to extend the MSA beyond that date, separate approval shall be required.

4) The Commission's approval shall have no accounting or ratemaking implications.

[1] The previously approved MEC-Broadband MSA is included herein pursuant to the Commission's continuing supervisory control over the terms and conditions of contracts as described in Code § 56-80.

[2] Pass-Through Charges represent charges for services provided by MEC to Broadband under the MEC-Broadband MSA, which are passed from MEC through Broadband to Telecom via the Broadband-Telecom MSA.

5) The Commission's approval shall be limited to the specific services identified and described in the Broadband-Telecom MSA. If the Telecom wishes to receive additional services not identified and described in the Broadband-Telecom MSA, separate approval shall be required.

6) The Commission reserves the right to examine the books and records of MEC, Broadband, Telecom, or any other affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

7) Telecom shall be required to maintain records demonstrating that the costs charged to Telecom are cost beneficial to Virginia ratepayers. For all costs charged to Telecom where a market may exist, Telecom shall investigate whether comparable market prices are available, and if they exist, Telecom shall compare the market price to cost and pay the lower of cost or market to Broadband. Record of such investigations and comparisons shall be available to Staff upon request. Telecom shall bear the burden of proving, in any rate proceeding, that all Empower costs charged to Telecom are priced at lower of cost or market where a market for such costs exist.

8) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

9) Separate Commission approval shall be required for any changes in the terms and conditions of the Broadband-Telecom MSA.

10) The Petitioners shall file an executed copy of the approved Broadband-Telecom MSA within 30 days after a final order has been entered in both Case No. PUR-2019-00163 and Case No. PUR-2019-00168. This requirement is subject to administrative extension by the UAF Director.

11) Telecom shall include all transactions associated with the approved Broadband-Telecom MSA in its ARAT submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director.

12) The approval granted in this case shall be subject to the approvals granted in Case Nos. PUR-2019-00163 and PUR-2019-00168.

CASE NO. PUR-2019-00173
JANUARY 10, 2020

APPLICATION OF
BTU DIRECT MARKETING, LLC

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On October 11, 2019, BTU Direct Marketing, LLC ("BTU" or "Company") filed an Application[1] with the State Corporation Commission ("Commission") for a license as a competitive service provider pursuant to the Commission's Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 *et seq*. ("Retail Access Rules"). In its Application, the Company seeks authority to market electricity and natural gas aggregation services to eligible commercial, industrial, and governmental customers throughout the Commonwealth of Virginia.[2] Pursuant to 20 VAC 5-312-40 B, BTU attests it would abide by all applicable regulations of the Commission's Retail Access Rules. The Company paid the required registration fee of $250.[3]

On November 6, 2019, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on or before November 12, 2019, to each of the utilities listed in Attachment A of the Procedural Order. On November 19, 2019, BTU filed proof of service.

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before November 26, 2019. Kentucky Utilities Company d/b/a Old Dominion Power Company filed comments by the deadline required by the Procedural Order.

The Staff filed its Report on December 2, 2019, concerning BTU's fitness to conduct business as an electric aggregator.[4] In its Report, the Staff summarized BTU's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that BTU be granted a license to conduct business as an electric aggregator for commercial, industrial, and governmental customers throughout the Commonwealth of Virginia.

NOW UPON CONSIDERATION of the Application and the Staff Report, the Commission finds that BTU's Application for a license to provide electric aggregation service should be granted, subject to the conditions set forth below.

---

[1] *Application of BTU Direct Marketing, LLC for a license to conduct business as a competitive service provider as an electricity broker and natural gas broker in the Commonwealth of Virginia,* PUR-2019-00173, Doc. Con. Cen. No. 191020041 (October 11, 2019).

[2] Pursuant to plans as required by § 56-235.8 A of the Code of Virginia ("Code"), retail choice for natural gas service exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Moreover, pursuant to Code § 56-577, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources set forth therein. Retail choice thereunder, exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia, Appalachian Power Company, and the electric cooperatives.

[3] 20 VAC 5-312-40 A 16.

[4] *Staff Report*, PUR-2019-00173, Doc. Con. Cen. No. 191210016 (December 2, 2019).

Accordingly, IT IS ORDERED THAT:

(1) BTU is hereby granted license No. A-76 to provide competitive aggregation service of electricity and natural gas to commercial, industrial, and governmental customers throughout the Commonwealth of Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUR-2019-00178
JANUARY 10, 2020

APPLICATION OF
SPARTAN RENEWABLE ENERGY, INC

For a license to do business as an electricity aggregator

ORDER GRANTING LICENSE

On October 22, 2019, Spartan Renewable Energy, Inc. ("Spartan" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to do business as an electricity aggregator in the Commonwealth of Virginia ("Application").[1] The Company seeks authority to market electricity services to eligible commercial, industrial, and governmental customers within the service territory of Virginia Electric and Power Company, d/b/a Dominion Energy Virginia ("DEV"). Spartan attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services.[2] The Company paid the required registration fee of $250.[3] Concurrent with the filing of its Application, the company filed a Motion for Entry of a Protective Order. On November 14, 2019, the Motion was granted. The Commission's Staff ("Staff") reviewed Spartan's Application and deemed it to be complete.

On November 5, 2019, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on or before November 12, 2019, to each of the utilities listed in Attachment A of the Procedural Order. On November 13, 2019, Spartan filed proof of service.

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before November 26, 2019. DEV filed comments by the deadline required by the Procedural Order.

The Staff filed its Report on December 2, 2019, concerning Spartan's fitness to conduct business as an electric aggregator. In its Report, the Staff summarized Spartan's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Spartan be granted a license to conduct business as an electric aggregator for commercial, industrial, and governmental customers in DEV's service territory.

NOW UPON CONSIDERATION of the Application and the Staff Report, the Commission finds that Spartan's application for a license to provide electric aggregation service should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Spartan is hereby granted license No. A-78 to provide competitive aggregation service of electricity to commercial, industrial, and governmental customers in DEV's service territory. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] *Application of Spartan Renewable Energy, Inc., For a license to conduct business as a competitive service provider of energy services in the Commonwealth of Virginia.* Case No. PUR-2019-00178, Doc. Con. Cen. No. 191020299 (October 22, 2019).

[2] 20 VAC 5-312-10 *et seq*.

[3] 20 VAC 5-312-40 A 16.

CASE NO. PUR-2019-00178
SEPTEMBER 23, 2020

APPLICATION OF
SPARTAN RENEWABLE ENERGY, INC.

For a license to conduct business as a competitive service provider of energy services

SUPPLEMENTAL ORDER GRANTING ADDITIONAL LICENSE

On October 22, 2019, Spartan Renewable Energy, Inc. ("Spartan" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to do business as an electric Competitive Service Provider ("CSP") and aggregator in the Commonwealth of Virginia ("Application").[1] The Company sought authority therein to market electricity services to eligible commercial, industrial, and governmental customers in the service territory of Virginia Electric and Power Company, d/b/a Dominion Energy Virginia ("DEV"). Spartan attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services.[2]

On November 5, 2019, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order as directed therein. Spartan filed proof of service of such Notice, on November 13, 2019.[3] Comments were timely filed on the Application by DEV[4] and considered by Staff when making its original recommendation for aggregator licensure to the Commission.[5]

On December 2, 2019, Staff filed its Staff Report and recommended the Commission grant Spartan a license to conduct business as an electricity aggregator to eligible commercial, industrial, and governmental customers in DEV's service territory.[6]

On January 10, 2020, the Commission issued its Order Granting License, authorizing Spartan to conduct business as an aggregator of electricity to eligible commercial, industrial, and governmental customers in DEV's service territory under License No. A-78.[7] Thereafter, the Commission became aware that its Order inadvertently had failed to address Spartan's request for CSP licensure.

On September 18, 2020, Staff filed its Supplemental Staff Report, which summarized the Application and evaluated the Company's technical fitness and financial condition as relates to its request for CSP licensure. Based on its review of the Application, Staff believes that Spartan meets the technical fitness requirement for CSP licensure.[8] Regarding financial fitness, Staff states that the Company appears to have an established history of operations as a licensed competitive supplier of energy services in another jurisdiction.[9]

For these reasons, Staff recommends that the Commission grant Spartan a license to conduct business as a CSP of electricity supply service to eligible commercial, industrial, and governmental customers in DEV's service territory contingent upon proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of $25,000. Staff also recommends Spartan establish an escrow account with a Virginia financial institution, to comply with the requirements in 20 VAC 5-312-90, for the protection of any customer deposits or prepayments. Finally, Staff recommends a periodic review of the level of financial security that is commensurate with Spartan's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction.[10]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Spartan's Application for a license to act as a supplier of electricity to eligible commercial, industrial, and governmental customers in DEV's service territory should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Spartan hereby is granted license No. E-47 to provide competitive supply service of electricity to eligible commercial, industrial, and governmental customers in the service territory of DEV contingent upon the Company providing proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of $25,000. This license to act as a supplier is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

---

[1] *Application of Spartan Renewable Energy, Inc., For a license to conduct business as a competitive service provider of energy services in the Commonwealth of Virginia*, Case No. PUR-2019-00178, Doc. Con. Cen. No. 191020299 (October 22, 2019). (*See especially*, at 4).

[2] 20 VAC 5-312-10 *et seq*. ("Retail Access Rules").

[3] Proof of Service, PUR-2019-00178, Doc. Con. Cen. No. 191120067 (November 13, 2019).

[4] *Comments of Virginia Electric and Power Company*, Case No. PUR-2019-00178, Doc. Con. Cen. No. 191140034 (November 26, 2019).

[5] Staff Report at 2.

[6] *Id*. at 4.

[7] *Spartan Renewable Energy, Inc. Application For a license to do business as an electricity aggregator*, Case No. PUR-2019-00178, Doc. Con. Cen. No. 200110210, Final Order (Jan. 10, 2020).

[8] Supplemental Staff Report at 3.

[9] *Id.* at 3-4.

[10] *Id*. at 4.

(2) License No. A-78, granted by the Commission to Spartan on January 10, 2020, shall remain valid and in full effect in accordance with the terms of that Order Granting License.

(3) Spartan shall establish an escrow account with a Virginia financial institution to comply with the requirements in Retail Access Rule 20 VAC 5-312-90 for the protection of any customer deposits or prepayments.

(4) Staff shall conduct a periodic review of the level of financial security that is commensurate with Spartan's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction.

(5) This license is not valid authority for the provision of any product or service not identified within the license itself.

(6) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUR-2019-00181
MARCH 12, 2020

APPLICATION OF
BUGGS ISLAND TELEPHONE CO-OPERATIVE d/b/a BUGGS ISLAND TELEPHONE COOPERATIVE

For cancellation of its certificates of public convenience and necessity to provide telecommunications services in the Commonwealth of Virginia

ORDER CANCELLING CERTIFICATES

On October 28, 2019, Buggs Island Telephone Co-operative d/b/a Buggs Island Telephone Cooperative ("BIT" or "Cooperative") filed an application with the State Corporation Commission ("Commission") requesting cancellation of its certificates of public convenience and necessity ("Certificates") to provide telecommunications services in the Commonwealth of Virginia ("Application").

In support of its Application, BIT states that as a Virginia local exchange telephone cooperative organized pursuant to the Telephone Cooperatives Act,[1] the Cooperative is authorized to provide telephone service as an incumbent in portions of the counties of Brunswick and Mecklenburg, Virginia, in accordance with Certificate Nos. T-227a (issued on September 2, 1970), and T-288c (issued on May 14, 1980).[2] BIT asks for cancellation of these Certificates in conjunction with the Commission's approval in two related cases – Case No. PUR-2019-00163, involving an application for Certificates authorizing Empower Telecom, Inc., to provide telecommunications services in BIT's incumbent territory, and Case No. PUR-2019-00168, involving a petition for approval of a proposed transfer of control pursuant to the Utility Transfers Act[3] of all of the Cooperative's telecommunications assets.[4] BIT states that upon the Commission's granting of the authority requested in Case Nos. PUR-2019-00163 and PUR-2019-00168, the Cooperative will no longer need to hold Certificates to provide service.

NOW THE COMMISSION, upon consideration of this matter, and having been advised by its Staff, is of the opinion and finds that Certificate Nos. T-227a and T-288c should be cancelled, with such cancellation to be effective upon the completion of the proposed transfer of control approved separately in Case No. PUR-2019-00168.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed as Case No. PUR-2019-00181.

(2) Certificate Nos. T-227a and T-288c shall be cancelled effective upon the completion of the transfer of control approved in Case No. PUR-2019-00168. Upon the filing of the report of action in Case No. PUR-2019-00168, no further action in this docket will be required.

(3) This case is dismissed.

---

[1] Section 56-485 *et seq.* of the Code of Virginia ("Code").

[2] *See* 1970 S.C.C. Ann. Rept. 283, 1980 S.C.C. Ann. Rept. 791, respectively.

[3] Code § 56-88 *et seq*.

[4] *See Application of EMPOWER Telecom, Inc., For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia,* Case No. PUR-2019-00163; *Petition of Mecklenburg Electric Cooperative, EMPOWER Broadband, Inc., Buggs Island Telephone Co-operative d/b/a Buggs Island Telephone Cooperative, and EMPOWER Telecom, Inc., For approval of the transfer of telecommunications assets of Buggs Island Telephone Co-operative*, Case No. PUR-2019-00168.

CASE NO. PUR-2019-00182
OCTOBER 22, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter concerning the implementation of a pilot program for municipal net energy metering

ORDER REVISING GUIDELINES

Chapters 746 and 747 of the 2019 Virginia Acts of Assembly (the "Act") amended the Code of Virginia by adding a new § 56-585.1:8 to provide for a pilot program for municipal net energy metering ("Pilot Program") in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") and Appalachian Power Company ("APCo").[1] The Act became effective July 1, 2019.

The Act instructed the State Corporation Commission ("Commission"), by December 1, 2019, to adopt such rules or establish such guidelines as may be necessary for its general administration of the Pilot Program. On November 1, 2019, the Commission issued an Order for Comments on Draft Guidelines, which included draft guidelines ("Proposed Guidelines") to govern the Pilot Program required by the Act and inviting comments from interested parties on or before November 15, 2019.

The Commission received comments from the Virginia Energy Purchasing Governmental Association ("VEPGA"), the VML/VACo APCo Steering Committee ("Steering Committee"), the Southern Environmental Law Center on behalf of Appalachian Voices ("Appalachian Voices"), and the City of Alexandria ("Alexandria"). Several of these parties proposed modifications to the Proposed Guidelines. In addition, VEPGA proposed that the Commission "provide municipalities impacted by the Proposed Guidelines with the opportunity to propose amendments to such Proposed Guidelines by determining that the guidelines adopted on December 1, 2019 will be subject to amendment after December 1, 2019 based on substantive comments submitted by municipalities or other similarly interested parties in this docket."

On November 25, 2019, the Commission entered an Order adopting the Proposed Guidelines ("Guidelines") and inviting additional comments from interested persons on proposed changes to the Guidelines, to be filed on or before January 15, 2020. The Commission received additional comments from the Steering Committee and Dominion.[2]

On May 18, 2020, the Commission entered an Order directing the Commission's Staff ("Staff") to file a Staff Report in this docket on or before July 31, 2020. Staff filed its Report as directed on July 31, 2020.

Term of the Pilot Program

Several parties suggest that the term of the Pilot Program, as set forth in the Guidelines, is incorrect, as the Guidelines set the term of the program as six years, while the Code states that the Commission may extend the term of the program beyond its initial term, and if the term is not extended, target accounts participating at the end of the initial term shall be permitted to continue to participate under the terms of the Pilot Program that existed during the initial term.[3] We agree and have revised the Guidelines accordingly.

Commencement Date

Appalachian Voices and the Steering Committee recommend that the commencement date of the Pilot Program be revised. Appalachian Voices states that the Guidelines "incorrectly base the commencement of the six year period on the Commission's order adopting the guidelines and not the commencement of the actual Pilot Program," while the Steering Committee recommends that the "Commencement Date for the Pilot Program be set on a date after the approval of the Pilot Program for each Utility, and that the Commission set a deadline for APCo to submit a proposed pilot program to the Commission."[4]

Staff and Dominion each note that the Guidelines themselves represent the Pilot Program proposals from Dominion and APCo as set forth in the statute, and thus recommend that the Guidelines be revised to state that the commencement date be determined by the final order adopting guidelines in this docket.[5] We agree with Staff and Dominion and have revised the Guidelines accordingly.

---

[1] The Commission was directed to establish rules or guidelines for this Pilot Program in the uncodified Second Enactments of these Acts of Assembly.

[2] The Dominion Comments included proposed changes to the adopted Guidelines. Where necessary, these proposals are referred to herein as the "Dominion Proposal."

[3] Alexandria Comments at 1; Appalachian Voices Comments at 4-5; Steering Committee Comments at 1; Staff Report at 2.

[4] Appalachian Voices Comments at 5-6; Steering Committee Comments at 2.

[5] Dominion Proposal at 5; Staff Report at 6.

Definition of "Renewable Fuel Generator"

Alexandria and the Steering Committee note that the Guidelines define "Renewable Fuel Generator" in a more restrictive manner than is specified by the enabling statute.[6] Dominion proposes that the Commission eliminate the definition of "Renewable Fuel Generator," as the Guidelines primarily use the term "Municipal Customer-Generator," which is defined in reference to the specific language of the Code.[7] Dominion proposes a modified definition of "Renewable Generating Facility" in Section III of the Guidelines that references Code § 56-576. Staff supports Dominion's proposed modifications.[8] We agree with Dominion and Staff. The guidelines adopted herein incorporate Dominion's proposed changes.

Definition of "Target School"

The Steering Committee states in its comments that the definition of "Target School" in the Guidelines excludes public schools that admit students from another school division.[9] Staff states that the Guidelines describe which public school technical centers may be *included*, not which should be *excluded*, but nevertheless supports modifying the Guidelines to ensure no public school technical center is excluded based upon the school division from which it accepts public school students.[10] We agree and will revise the Guidelines as recommended by Staff.

APCo Phase I Utility Agreement

Appalachian Voices requests clarity on whether APCo's Municipal Customer Generators are subject to the three megawatt ("MW") net metering cap for municipalities found in the terms of their "Phase I Utility Agreement," or the higher caps allowable under the Pilot Program. This agreement is a private contract between a utility and its non-jurisdictional customers, and the Commission does not have jurisdiction to modify it. Accordingly, we will not modify the parameters of the Pilot Program set forth in the Guidelines, which are consistent with the directive to the Commission in the Code.

Definition of "Net Metering Customer"

The Steering Committee argues against the Guidelines' adoption of the definition of "Net Metering Customer" from 20 VAC 5-315-20 of the Regulations Governing Net Energy Metering, 20 VAC 5-315-10 *et seq*., because those limit generation capacity to 1 MW for nonresidential customers, whereas the enabling statute for the Pilot Program defines a Municipal Customer-Generator as having a generation capacity up to 2 MW.[11]

Staff notes that the definition of Municipal Customer-Generator found within the Guidelines correctly establishes the necessary 2 MW capacity limit, and that the reference to Net Metering Customer in Section IV.A.1 of the Guidelines should be removed.[12] We note that the concern regarding an alleged conflict between 20 VAC 5-315-20 and the Pilot Program established by the Code is now moot, as the General Assembly has raised the capacity limit in Code § 56-594 B to 3 MW. We agree with Staff that Section IV.A.1 of the Guidelines should be deleted. We further agree with Staff that other provisions of the Commission's Net Metering Rules are applicable to the Pilot Program and will revise the Guidelines to make clear that 20 VAC 5-315 applies to the extent there is no conflict with the Guidelines.

Administrative Costs

The Steering Committee notes that the Guidelines are silent regarding when administrative costs are to be assessed.[13] Dominion proposes that the Guidelines be revised to require administrative costs be assessed annually, coincident with the Utility's application of bill credits for the Municipal Customer-Generator's Excess Generation.[14] We agree with Dominion and have revised the Guidelines accordingly.

Alexandria proposes that the Commission add a definition of "administrative costs" to the Guidelines, and requests that reasonable administrative costs be subject to Commission review.[15] As Staff notes, no party proposed a definition of administrative costs in this proceeding, and thus we do not have a record upon which to base such a definition. We will, however, modify Sections VI.A.1 and VI.B.l of the Guidelines to specify that administrative costs covered by the Guidelines be reasonable. We will not require that administrative costs be reviewed by the Commission.

---

[6] Alexandria Comments at 2; Steering Committee Comments at 2.

[7] *See generally*, Dominion Proposal §§ I and III.

[8] Staff Report at 7.

[9] Steering Committee Comments at 3.

[10] Staff Report at 7.

[11] Steering Committee Comments at 3.

[12] Staff Report at 10.

[13] Steering Committee Comments at 4.

[14] Dominion Proposal, Sections VI.A.1 and VI.B.l.

[15] Alexandria Comments at 2.

Metering Requirements

The Steering Committee and Appalachian Voices both request that the Guidelines be modified to clarify that Municipal Customer-Generators should not be made to pay twice for Advanced Metering Infrastructure ("AMI") meters.[16] We do not believe that modification of the Guidelines is necessary, as the existing language is clear that no customer should be required to pay for AMI meter upgrades more than once.

Renewable Energy Certificates

Alexandria recommends removal of Section VIII.B restricting a Municipal Customer-Generator's ability to sell RECs associated with the Renewable Generation Facility during the Pilot Program, stating that neither "Section § 56-585.1:8(C) of the Code of Virginia (1950) as amended, nor any other section of the Code of Virginia, imposes any restrictions or limitations on the ownership of Renewable Energy Certificates (RECs)."[17] Dominion opposes this request, stating that the Commission "has in its Final Order in Case No. PUR-2018-00039 recognized that when RECs are separated from the energy from which those RECs generated, that energy can no longer be considered renewable."[18]

The Commission continues to find, as we did in our approval of the public school net metering pilot program,[19] that it is reasonable to prohibit a REC from being separated from the energy that created that REC and, thus, to prohibit a municipal customer-generator's ability to sell such RECs. In addition, the Commission notes that no participant identified any provision of Code § 56-585.1:8 that limits the Commission's authority to exercise its discretion thereunder in this manner.

Virginia Tort Claims Act

The Steering Committee considers the last sentence of Section X to be unnecessary and recommends that it be deleted. That section currently states that "[t]o the extent permissible under the Virginia Tort Claims Act, the participating schools and school districts shall be responsible for any negligent acts or omissions of their board members, employees, contractors, agents, students, or other representatives associated with the Pilot Program."[20] We agree with the Steering Committee, as these Guidelines do not address liability.

Reporting Requirements

Section XI of the Guidelines states that "[t]he Utility shall submit a report to the General Assembly by December 1 of each year the Pilot Program is in effect, commencing in 2020, regarding the status of the Pilot Program's enrollment and any other information the Utility deems appropriate." Appalachian Voices believes this requirement does not accurately reflect the requirements of the Code, which requires that the "Commission shall review the pilot programs established pursuant to this section in 2021 and every two years thereafter for the duration of the pilot program."[21] Staff proposes that this section be revised to provide that each utility contemporaneously provide a copy of its General Assembly report to the Commission by December 1.[22]

The Guidelines we have promulgated cannot limit the reports required by the Code. We agree, however, with Staff that the utility reports to the General Assembly can inform the Commission's own reports to the General Assembly and will adopt the change to the Guidelines proposed by Staff.

NOW THE COMMISSION, upon consideration of the foregoing, finds that it is appropriate to modify the Guidelines as set forth herein.

Accordingly, IT IS ORDERED THAT:

(1) The Commission adopts the revised guidelines attached to this Order to govern the Pilot Program, as discussed herein.

(2) This matter is continued to accept the reports required by this Order.

NOTE: A copy of the attached "Guidelines for Municipal Excess Renewable Generation Pilot Program" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

---

[16] Steering Committee Comments at 4; Appalachian Voices Comments at 6.

[17] Alexandria Comments at 2.

[18] Dominion Comments at 6. *See also Appalachian Power Company v. Collegiate Clean Energy, LLC*, Case No. PUR-2018-00039, 2018 S.C.C. Ann. Rept. 382, Final Order (Sept. 21, 2018).

[19] *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: In the matter concerning the implementation by Virginia Electric and Power Company d/b/a Dominion Energy Virginia of a pilot aggregation program pursuant to House Bill 1451*, Case No. PUR-2018-00061, 2018 S.C.C. Ann. Rept. 413, Order Establishing Guidelines (Nov. 26, 2018). Section VIII.B of these guidelines reads, "During the [t]erm of the [p]ilot [p]rogram and continuing after the [t]ermination [d]ate of the [p]ilot [p]rogram, the [h]ost [s]chool agrees to waive any right (i) to sell to the [c]ompany or to any other party or (ii) to offer to market all Renewable Generation Facility RECs which are created and accumulated during the [t]erm of the [p]ilot [p]rogram."

[20] Steering Committee Comments at 4-5.

[21] Appalachian Voices Comments at 6.

[22] Staff Report at 15-16.

CASE NO. PUR-2019-00184
MAY 28, 2020

APPLICATION OF
ATMOS ENERGY CORPORATION

For Authority to Incur Short-Term Indebtedness Pursuant to Title 56, Chapter 3 of the Code of Virginia

ORDER GRANTING AUTHORITY

On May 11, 2020, Atmos Energy Corporation ("Atmos" or "Company") filed with the State Corporation Commission ("Commission") a Motion to Amend Authority ("Motion"), in which the Company requests to amend its existing authority granted by Commission Order dated December 18, 2019,[1] under Chapter 3[2] of Title 56 of the Code of Virginia ("Code"). Specifically, Atmos seeks to increase the limit of its authority to incur short-term indebtedness from not more than $2.45 billion to not more than $3.2 billion at any one time during the period January 1, 2020, to December 31, 2020, in response to the change in capital markets due to COVID-19. The requested amount of short-term indebtedness is in excess of twelve percent of total capitalization as defined in § 56-65.1 of the Code and thus requires prior Commission approval.

NOW THE COMMISSION, upon consideration of the Company's Motion and having been advised by its Staff through Staff's action brief, is of the opinion and finds that, subject to the requirements set forth below, approval of the amended authority requested will not be detrimental to the public interest.

In granting this amended authority, the Commission notes the COVID-19 public health crisis and Atmos' need for greater flexibility in its response options thereto. The Commission has further responded to this emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency.[3]

Accordingly, IT IS ORDERED THAT:

(1) Atmos is authorized to incur short-term indebtedness in excess of twelve percent of total capitalization, with a limit of $3.2 billion.

(2) All other requirements of the December Order remain in full force and effect.

(3) This matter remains under the continued review, audit, and appropriate directive of the Commission.

---

[1] *Application of Atmos Energy Corporation, For authority to incur short-term indebtedness pursuant to Title 56, Chapter 3 of the Code of Virginia*, Doc. Con. Cen. No. 191230004, Order Granting Authority (December 18, 2019 ("December Order").

[2] Code § 56-55 *et seq.*

[3] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), extended by Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020).

CASE NO. PUR-2019-00185
JUNE 25, 2020

APPLICATION OF
VIRGINIA AMERICAN WATER COMPANY

For approval of a WWISC Rider True-Up Factor

ORDER

On December 31, 2019, Virginia-American Water Company ("Virginia-American" or "Company") completed its filing, with the State Corporation Commission ("Commission"), of an application ("Application") for approval of a Water and Wastewater Infrastructure Service Charge ("WWISC") Rider reconciliation factor ("True-Up Factor").[1] Per Virginia-American's proposed tariff, customers receiving service under Rate Schedule 1 (Alexandria) are subject to the WWISC Rider.[2]

---

[1] As part of this Application, Virginia-American requested that the Commission waive its mandate that the Company provide an earnings test with its annual WWISC review. *See Application of Virginia-American Water Company, For approval to implement a Water and Wastewater Infrastructure Service Charge Plan and Rider*, Case No. PUR-2017-00149, 2018 S.C.C. Ann. Rept. 299, Final Order (March 13, 2018) (mandating an earnings test in this subsequent WWISC filing). On November 15, 2019, Commission Staff ("Staff") issued a Memorandum of Incompleteness, outlining all the information (including the required earnings tests for the Alexandria District) needed to complete the Company's Application. Thereafter, Virginia-American made multiple filings, which provided the information required in the Memorandum of Incompleteness. Staff deemed the Application complete and filed a Memorandum of Completeness on January 6, 2020, effective with the filing of the final required information on December 31, 2019.

[2] Ex. 3 (Application) at Exhibit D.

Virginia-American filed a base rate application on November 2, 2018, incorporating into base rates all WWISC-eligible investments undertaken from April 1, 2017, through December 31, 2018, and resetting the WWISC Projected Factor to zero.[3] Virginia-American also states, in its Application, that the Company does not intend to seek recovery in this case of any WWISC-eligible investments for the time period between December 31, 2018, through the end of the rate year in the Company's base rate case—April 30, 2020.[4] The Company is not seeking cost recovery of any new, projected WWISC-eligible investments through this Application.[5] Rather, Virginia-American only seeks approval of a True-Up Factor to reconcile its actual eligible infrastructure costs for WWISC-eligible investments through December 31, 2018, with the revenues already collected by the Company through the 2018 WWISC Rider.[6]

Specifically, Virginia-American seeks a WWISC True-Up Factor revenue requirement of $380,493, to be charged to customers through the WWISC Rider, for services rendered beginning May 1, 2020, through December 31, 2020.[7] Per the Company's proposed tariff, Virginia-American's requested Rate Schedule 1 (Alexandria) True-Up Factor would be $0.01165 (per 100 gallons of water usage)[8] (or 11.65¢ per 1000 gallons of water usage). Virginia-American sought an effective date for its proposed WWISC Rider of May 1, 2020.[9]

On January 23, 2020, the Commission issued an Order for Notice and Hearing ("Procedural Order") docketing this matter. Through the Procedural Order, the Commission assigned a Hearing Examiner to conduct all further proceedings in this case on behalf of the Commission. The Commission further directed the Company to provide notice of its Application; directed the Staff to investigate the Application, established a schedule for interested persons to participate in this case; and scheduled a public hearing on the Application for April 21, 2020. On March 13, 2020, the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation in this case.

On March 27, 2020, Staff filed its pre-filed testimony. Staff recommended the Commission, among other things, approve a WWISC revenue requirement of $466,075 to be recovered over a twelve-month period or until full recovery (whichever occurs first).[10] Staff recommended a WWISC True-Up Factor of $0.010025 per 100 gallons of usage.[11]

On April 10, 2020 and in in lieu of rebuttal testimony, Virginia-American filed a letter stating that it was working with Staff and Consumer Counsel to submit a stipulation resolving the issues in this case.

On April 13, 2020, the Hearing Examiner convened a prehearing conference by Skype for Business. The Company, Staff, and Consumer Counsel represented to the Hearing Examiner that they were close to resolving the issues in this case and anticipated submitting a stipulation. Based on these representations, the Hearing Examiner canceled the April 21, 2020 Hearing; directed the parties to file a stipulation or an update regarding settlement; and extended the public comment period.[12]

On April 22, 2020, the Company, Staff and Consumer Counsel ("Stipulating Parties") filed a Joint Motion to Accept Stipulation, to Accept Filing Out of Time, and to Order Additional Public Notice ("Joint Motion") with a stipulation ("Stipulation") attached. Through the Stipulation, the Stipulating Parties agreed, among other things, to Staff's calculated WWISC revenue requirement of $466,075, to be recovered by Virginia-American over twelve months, and further agreed to Staff's WWISC True-Up Factor of $0.010025 per 100 gallons of water usage.[13]

On April 27, 2020, the Hearing Examiner issued a ruling accepting the Joint Motion and the attached Stipulation. The Hearing Examiner authorized Virginia-American to implement the WWISC True-Up Factor agreed to in the Stipulation on an interim basis, beginning May 1, 2020.[14] The Hearing Examiner took the remaining aspects of the Stipulation under advisement until after the expiration of the public comment period (which the Hearing Examiner had previously extended to May 5, 2020).[15] No public comments were filed in this case.

---

[3] *Id*. at 1-2. *See Application of Virginia-American Water Company, for a general increase in rates*, Case No. PUR-2018-00175, 2018 Base Rate Application (filed Nov. 2, 2018).

[4] Ex. 3 (Application) at 2.

[5] *Id.* The Company maintains, however, that should the Commission approve modifications to the Company's WWISC Plan, the Company will seek approval of a Projected Factor for the recovery of any future WWISC-eligible costs through a separate application. *Id.* at 2, n.4.

[6] Ex. 3 (Application) at 2.

[7] *Id*.

[8] *Id.* at Schedule 2. *See also*, *id*. at Exhibit D.

[9] Ex. 3 (Application) at 4.

[10] Ex. 6 (Kaufmann Direct) at 9. Staff explained that it was recommending use of the higher True-up Factor over a slightly longer period to ensure that ratepayers were not subjected to additional true-up and costs. *Id*. at 12-14, 21.

[11] *Cf.* Ex. 8 (Tufaro Direct) at 6; Ex. 1 (Stipulation) at 2.

[12] April 14, 2020 Hearing Examiner's Ruling at 2.

[13] Ex. 1 (Stipulation) at 2-3.

[14] April 27, 2020 Hearing Examiner's Ruling at 2.

[15] *Id.*

On May 6, 2020, the Hearing Examiner issued the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report"). The Hearing Examiner concluded that the Stipulation should be approved by the Commission because it is "fair, reasonable, and in the public interest."[16] The Hearing Examiner recognized that the Stipulation contemplates the approval of a revenue requirement exceeding the amount initially noticed to the public but noted that "the interim nature of the WWISC True-Up Factor proposed for the Commission's initial approval in the Stipulation [as] well as the Stipulation's contemplation of additional public notice and participation, if requested, alleviates any concern regarding the adequacy of the initial public notice provided."[17] The Hearing Examiner recommended the Commission authorize Virginia-American to continue implementing a WWISC True-Up Factor of $0.010025 per 100 gallons of usage on an interim basis.[18] The Hearing Examiner further recommended that the Commission make Virginia-American's interim WWISC True-Up Factor final thirty days after Virginia-American provides the public notice described in Paragraphs 4 and 5 of the Stipulation, unless the Commission issues an Order directing additional proceedings.[19] Each of the Stipulating Parties subsequently filed comments in support of Hearing Examiner's Report.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Stipulation, attached to this Order as Exhibit A, is in the public interest and should be adopted. We therefore approve Virginia-American's Application subject to the terms of the attached Stipulation. We agree with Hearing Examiner that due to the unique circumstances of this case, including that the WWISC True-Up Factor proposed in the Stipulation is interim in nature and the Stipulation contemplates additional public notice and participation, concerns regarding the fact that the WWISC revenue requirement is higher than what Virginia-American proposed in the Application are alleviated.[20] We therefore approve a total WWISC revenue requirement of $466,075. We direct Virginia-American to continue implementing a WWISC True-Up Factor of $0.010025 per 100 gallons of usage, beginning May 1, 2020, for up to twelve (12) months or until full recovery, whichever occurs first. We direct Virginia-American to publish and issue notice as provided for in paragraphs 4 and 5 of the Stipulation as soon as practicable, but no later than July 31, 2020. We direct Virginia-American to file proof of such notice within ten (10) days of completing the notice. If no public comment or requests for hearing are received within thirty (30) days of direct notice to customers, Virginia-American's interim WWISC True-Up Factor in the amount of $0.010025 per 100 gallons of usage shall become the final rate. We further direct Virginia-American to comply with all remaining provisions of the Stipulation, including tracking recoveries from the WWISC True-Up Factor, providing a comprehensive calculation of accumulated deferred income taxes in the Company's next WWISC filing, and filing an earnings test as set forth in the attached Stipulation.

We note that implementation of the WWISC revenue requirement and True-Up Factor approved herein results in an increase to the monthly bills of customers in the Company's Alexandria District. Though we adopt the Staff's increase, which is slightly larger than that proposed by the Company, we are spreading this increase over twelve months, instead of eight months as proposed by the Company. The result is a monthly bill increase of 45¢ instead of 52¢ as proposed by Virginia-American in its Application.[21] We realize that the COVID-19 public health crisis has caused devastating economic effects that impact all utility customers. We have responded to this economic emergency by, among other actions, temporarily suspending service disconnections for customers of Virginia utilities during the pandemic emergency.[22] We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of fact supported by the evidence in the case record. That is what we have done herein.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application for approval of a WWISC Rider True-Up Factor is approved, subject to the directives provided herein and per the terms of the Stipulation.

(2) Virginia-American forthwith shall file revised tariffs with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as necessary to reflect the approvals granted herein.

(3) This case is continued generally.

NOTE: A copy of Exhibit A is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

---

[16] Hearing Examiner Report at 10.

[17] *Id.*

[18] *Id.* at 11.

[19] *Id.*

[20] *Id.* at 10.

[21] *Id.* at 9; Ex. 8 (Tufaro Direct) at 5-6.

[22] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020), *and* Doc. Con. Cen. No. 200630135, Order on Suspension of Service Disconnections (June 12, 2020).

CASE NO. PUR-2019-00185
SEPTEMBER 10, 2020

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For approval of a WWISC Rider True-Up Factor

FINAL ORDER

On December 31, 2019, Virginia-American Water Company ("Virginia-American" or "Company") completed its filing, with the State Corporation Commission ("Commission"), of an application ("Application") for approval of a Water and Wastewater Infrastructure Service Charge ("WWISC") Rider reconciliation factor ("True-Up Factor").[1] Per Virginia-American's proposed tariff, customers receiving service under Rate Schedule 1 (Alexandria) are subject to the WWISC Rider.[2]

On June 25, 2020, the Commission issued an Order, finding, among other things, that the stipulation ("Stipulation") entered into between the Company, the Attorney General's Office of Consumer Counsel and the Staff "is in the public interest and should be adopted."[3] The Commission approved Virginia-American's Application subject to the terms of the Stipulation attached to the June 25, 2020 Order.

Specifically, the Commission approved a total WWISC revenue requirement of $466,075 and directed Virginia-American to continue implementing a WWISC True-Up Factor of $0.010025 per 100 gallons of usage, beginning May 1, 2020, for up to twelve (12) months or until full recovery of the True-Up Factor, whichever occurs first.[4] The Commission expressly noted in its June 25, 2020 Order that though the Commission was adopting the Staff's proposed increase, which is slightly larger than that proposed by the Company, the terms of the Stipulation spread this increase over twelve months, instead of eight months as proposed by the Company. The result is a monthly bill increase of 45¢ instead of 52¢ as proposed by Virginia-American in its Application.[5]

The Commission directed Virginia-American to publish and issue notice of the WWISC rate increase as provided for in paragraphs 4 and 5 of the Stipulation as soon as practicable, but no later than July 31, 2020.[6] The Commission directed Virginia-American to file proof of such notice within ten (10) days of completing the notice.[7] If no public comment or requests for hearing were received within thirty (30) days of direct notice to customers, the Commission held that Virginia-American's interim WWISC True-Up Factor in the amount of $0.010025 per 100 gallons of water usage would become the final rate.[8] The Commission expressly found that "due to the unique circumstances of this case, including that the WWISC True-Up Factor proposed in the Stipulation is interim in nature and the Stipulation contemplates additional public notice and participation, concerns regarding the fact that the WWISC revenue requirement is higher than what Virginia-American proposed in the Application are alleviated."[9]

The Commission further directed Virginia-American to comply with all remaining provisions of the Stipulation, including tracking recoveries from the WWISC True-Up Factor, providing a comprehensive calculation of accumulated deferred income taxes in any future WWISC filing, and filing an earnings test as set forth in the attached Stipulation.[10]

On August 6, 2020, Virginia-American filed its proof-of-notice. In its proof of notice, Virginia-American indicated that it had noticed the WWISC rate increase both by publication and bill insert in compliance with the terms of the Stipulation and the Commission's June 25, 2020 Order. The Commission received no public comment addressing a concern with the WWISC revenue requirement approved being higher than what Virginia-American noticed initially.[11]

---

[1] As part of this Application, Virginia-American requested that the Commission waive its mandate that the Company provide an earnings test with its annual WWISC review. *See Application of Virginia-American Water Company, For approval to implement a Water and Wastewater Infrastructure Service Charge Plan and Rider*, Case No. PUR-2017-00149, 2018 S.C.C. Ann. Rept. 299, Final Order (March 13, 2018) (mandating an earnings test in this subsequent WWISC filing). On November 15, 2019, Commission Staff ("Staff") issued a Memorandum of Incompleteness, outlining all the information (including the required earnings tests for the Alexandria District) needed to complete the Company's Application. Thereafter, Virginia-American made multiple filings, which provided the information required in the Memorandum of Incompleteness. Staff deemed the Application complete and filed a Memorandum of Completeness on January 6, 2020, effective with the filing of the final required information on December 31, 2019.

[2] Ex. 3 (Application) at Exhibit D.

[3] June 25, 2020 Order at 5.

[4] *Id.* at 5-6.

[5] *Id.* at 6, citing the Hearing Examiner's Report at 9; Ex. 8 (Tufaro Direct) at 5-6.

[6] June 25, 2020 Order at 6.

[7] *Id.*

[8] *Id.*

[9] *Id.* at 5.

[10] *Id.* at 6.

[11] The public comment submitted July 29, 2020, addressed concerns with Virginia-American's WWISC Application generally.

NOW THE COMMISSION, upon consideration of this matter, finds that Virginia-American has complied with the notice requirements of the June 25, 2020 Order. The interim rate amount of $0.010025 per 100 gallons of usage shall become the final rate for Virginia-American's WWISC Rider. We remain mindful of the fact that the COVID-19 public health crisis has caused devastating economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. We note that the WWISC True-Up Factor being approved herein as final is not a further increase from what we already approved in our June 25, 2020 Order.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application for approval of a WWISC Rider True-Up Factor is approved, subject to the terms and directives herein, those of our June 25, 2020 Order, and those provided in the Stipulation.

(2) Virginia-American forthwith shall file revised tariffs with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as necessary to reflect the approvals granted herein.

(3) This case is dismissed.

CASE NO. PUR-2019-00188
FEBRUARY 3, 2020

APPLICATION OF
LINCOLN ENERGY GROUP, LLC

For a license to do business as an electricity aggregator

ORDER GRANTING LICENSE

On November 26, 2019, Lincoln Energy Group, LLC ("Lincoln" or "Company") completed the filing of an application with the State Corporation Commission ("Commission") for a license to do business as an electricity aggregator in the Commonwealth of Virginia ("Application").[1] The Company seeks authority to market electricity services to eligible commercial and industrial customers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV"). Lincoln attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[2] The Company paid the required registration fee of $250.[3]

On December 18, 2019, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on or before December 23, 2019, to DEV. On December 20, 2019, Lincoln filed proof of service. The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before January 6, 2020. DEV filed comments January 6, 2020.

The Staff filed its Report on January 15, 2020, concerning Lincoln's fitness to conduct business as an electric aggregator. In its Report, the Staff summarized Lincoln's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Lincoln be granted a license to conduct business as an electric aggregator for commercial and industrial customers in DEV's service territory.[4]

NOW THE COMMISSION, UPON CONSIDERATION of this matter, is of the opinion and finds that Lincoln's application for a license to provide electric aggregation service should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Lincoln is hereby granted License No. A-82 to provide competitive aggregation service of electricity to commercial and industrial customers in DEV's service territory open to retail competition. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] The Company filed its Application on November 7, 2019. The Commission Staff ("Staff") deemed the Application incomplete on November 20, 2019. The Company filed supplemental information on November 26, 2019, completing its Application.

[2] 20 VAC 5-312-10 *et seq*. Letter from Aaron Bernstien, Lincoln Energy Group, LLC, dated December 11, 2019.

[3] 20 VAC 5-312-40 A 16.

[4] Staff Report at 4.

CASE NO. PUR-2019-00189
JANUARY 30, 2020

APPLICATION OF
LEGACY ENERGY GROUP, LLC

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On November 8, 2019, Legacy Energy Group, LLC ("Legacy" or "Company") filed an application with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia ("Application").[1] The Company seeks authority to market aggregation services to eligible commercial, industrial, and governmental customers in the service territories in Virginia that are open to retail choice competition.[2] Legacy attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[3]

On December 11, 2019, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on the appropriate utilities and providing an opportunity for interested persons to comment on the Application. The Procedural Order also directed the Commission's Staff to investigate the Application and present its findings in a report ("Report"). By letter filed with the Commission on December 17, 2019, the Company certified that it had completed the service required by the Commission's Procedural Order. On December 30, 2019, Dominion and Kentucky Utilities Company d/b/a Old Dominion Power Company filed comments on the Company's Application.

The Staff filed its Report on January 8, 2020, which summarized Legacy's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Legacy be granted a license to conduct business as a competitive service provider of electric and natural gas services to eligible commercial, industrial, and governmental customers in the Virginia service territories that are open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, Staff's Report, and applicable law, finds that Legacy's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Legacy is hereby granted license No. A-80 to provide competitive aggregation service of electricity and natural gas to commercial, industrial, and governmental customers in the service territories in Virginia that are open to retail choice competition. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] On November 20, 2019, Legacy provided additional information amending its Application to include natural gas aggregation services.

[2] Retail choice for natural gas service only exists in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity currently exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[3] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2019-00190
FEBRUARY 18, 2020

APPLICATION OF
STATISTICAL ENERGY, LLC

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On November 8, 2019, Statistical Energy, LLC ("Statistical Energy" or "Company") filed an application with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia ("Application").[1] The Company seeks authority to market electricity and natural gas aggregation services to eligible commercial and industrial clients and prospects, including all aggregation groups, served by electric investor-owned utilities and/or jurisdictional natural gas utilities.[2] Statistical Energy attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services.[3]

On December 20, 2019, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on or before December 27, 2019, to each of the utilities listed in Attachment A of the Procedural Order. On January 2, 2020, Statistical Energy filed proof of service.

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before January 10, 2020. Kentucky Utilities Company, d/b/a Old Dominion Power Company ("KU") and DEV filed comments by the deadline required by the Procedural Order.

The Staff filed its Report on January 24, 2020, concerning Statistical Energy's fitness to conduct business as an electric and natural gas aggregator. In its Report, the Staff summarized Statistical Energy's proposal and evaluated its financial condition and technical fitness. Based on its review of the application, the Staff recommended that Statistical Energy be granted a license to conduct business as an electric and natural gas aggregator to eligible commercial and industrial customers throughout the Commonwealth of Virginia.

Statistical Energy did not file a response to the Staff Report or the comments filed by KU and DEV.

NOW UPON CONSIDERATION of this matter, the Commission finds that Statistical Energy's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Statistical Energy is hereby granted License No. A-83 to provide competitive retail aggregation services of electricity and natural gas to commercial and industrial customers throughout the Commonwealth of Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] The Company provided supplemental information on November 22, 2019.

[2] Pursuant to plans as required by § 56-235.8 A of the Code of Virginia ("Code"), retail choice for natural gas service exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Moreover, pursuant to Virginia Code § 56-577, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources set forth therein. Retail choice thereunder exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV"), Appalachian Power Company, and the electric cooperatives.

[3] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2019-00191
MAY 22, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric facilities: Evergreen Mills 230 kV Line Loops and Evergreen Mills Switching Station

FINAL ORDER

On December 2, 2019, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and for a certificate of public convenience and necessity ("Application") to construct and operate electric transmission facilities in Loudoun County, Virginia.[1] Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq*.

Dominion proposes to construct: (i) a new 230 kilovolt ("kV") switching station ("Evergreen Mills Switching Station") on land owned by a new data center customer; (ii) a new approximately 0.6-mile 230 kV double-circuit loop of the Company's existing 230 kV Brambleton-Yardley Ridge Line #2172 on new right-of-way ("ROW"), supported by seven structures, from a tap point along those lines (the "Evergreen Mills Junction") to Evergreen Mills Switching Station (the "#2172 Loop"); and (iii) a new approximately 0.6-mile 230 kV double-circuit loop of the Company's existing 230 kV Brambleton-Poland Road Line #2183 on new ROW, supported by nine structures, from Evergreen Mills Junction to Evergreen Mills Switching Station (the "#2183 Loop") (collectively, the "Project" or "Rebuild Project").[2]

The Company proposes to construct the Project in two parts. The Company proposes first to acquire the 160-foot ROW for the full Project, construct the Evergreen Mills Switching Station, and construct the #2172 Loop ("Part A"). The second part of the proposed Project will consist of the construction of the #2183 Loop and the installation of the remaining breakers at the Evergreen Mills Switching Station ("Part B").[3]

Dominion states that the proposed Project is to serve load growth of "Data Center Alley" in Loudoun County; maintain reliable service for the overall growth in the Project area; and to comply with mandatory North American Electric Reliability Corporation Reliability Standards.[4]

The Company states that the expected in-service date for the proposed Project is May 1, 2021, for Part A, and in 2025 for Part B.[5] The Company states that the estimated cost of Part A is approximately $21.2 million, including approximately $11.4 million for transmission-related work and approximately $9.8 million for substation-related work.[6] The Company states that the estimated cost of Part B is approximately $9.1 million, which includes $4.1 million for transmission-related work and $5.0 million for substation-related work.[7]

On June 15, 2019, the Commission entered an Order for Notice and Hearing ("Procedural Order"), which, among other things, directed the Company to provide notice of its Application to interested persons and the public; provided interested persons the opportunity to comment on the Application, or to participate as a respondent in this proceeding; directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits containing Staff's findings and recommendations; scheduled a hearing to receive public witness testimony and other evidence on the Application; and assigned a Hearing Examiner to conduct further proceedings in this matter.

No public comments, requests for hearing, or notices of participation were filed.

As noted in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Rebuild Project by the appropriate agencies and to provide a report on the review. On February 11, 2020, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following Summary of Findings and Recommendations regarding the proposed Project. According to the DEQ Report, the Company should:

(1) Conduct an on-site delineation of wetlands and streams within the Project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams;

(2) Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels;

(3) Investigate the nature and extent of the identified petroleum release site for potential impacts to the Project;

---

[1] On February 28, 2020, the Company filed minor corrections to the Appendix to the Application.

[2] Ex. 2 (Application) at 2.

[3] *Id.*

[4] *Id.* at 3; Ex. 2 (Application Appendix) at 1.

[5] Ex. 2 (Application) at 4.

[6] *Id.*

[7] *Id.*

(4) Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable;

(5) Coordinate with the Department of Conservation and Recreation regarding the development of an invasive species plan;

(6) Coordinate with the Department of Conservation and Recreation for updates to the Biotics Data System database during the final design stage of engineering and upon any major modifications of the Project construction to avoid and minimize impacts to natural heritage resources;

(7) Coordinate with the Department of Game and Inland Fisheries regarding its general recommendations to protect wildlife resources;

(8) Coordinate with the U.S. Fish and Wildlife Service regarding the Northern long-eared bat;

(9) Coordinate with the Virginia Outdoors Foundation should the Project change or if construction does not begin within 24 months of this response;

(10) Employ best management practices for the protection of water supply sources;

(11) Follow the principles and practices of pollution prevention to the extent practicable; and

(12) Limit the use of pesticides and herbicides to the extent practicable.[8]

On March 12, 2020, Staff filed its Motion for Expedited Treatment to Make Northern Virginia Electric Cooperative a Necessary Party and to Amend Procedural Schedule of the Virginia State Corporation Commission Staff ("Motion"). On March 13, 2020, Staff's Motion was granted by ruling of the Hearing Examiner, and Northern Virginia Electric Cooperative ("NOVEC") was made a party in this proceeding.

On March 27, 2020, Staff filed its testimony and attached Staff Report, which summarized the results of its investigation of Dominion's Application. Staff concluded that the Company has reasonably demonstrated the need for Part A of the Project and does not oppose the Commission issuing the necessary CPCN for Part A of the Project.[9] Staff further concluded that the Company had not reasonably demonstrated the need for Part B of the Project and that it was premature to approve a CPCN for Part B at this time. Additionally, Staff recommended that only the 100-foot ROW needed to support Part A of the Project be approved in this proceeding as opposed to the proposed 160-foot ROW for the entire Project.[10]

On April 7, 2020, Dominion filed its rebuttal testimony in which the Company does not oppose Staff's recommendation to refile Part B of the Project at a future date.[11] In its rebuttal testimony the Company requested that the Commission not prohibit the Company from voluntarily obtaining the full 160-foot ROW, with the understanding that the Company could not condemn for more than the 100 feet of ROW needed for Part A of the Project.[12]

On April 9, 2020, the Company, NOVEC, and Staff filed a joint stipulation ("Joint Stipulation") regarding the evidence to be entered into the record in this proceeding as well as additional agreements regarding the proposed Project and reporting thereon.

On April 10, 2020, the Hearing Examiner issued a ruling in this proceeding that, among other things, cancelled the public evidentiary hearing, accepted exhibits identified in the Joint Stipulation into the record, and closed the evidentiary record in this proceeding.

The Report of Michael Thomas, Senior Hearing Examiner ("Report") was entered on April 24, 2020. In his Report, the Senior Hearing Examiner found that:

(1) The Joint Stipulation reasonably resolves the outstanding issues in this case regarding Part A of the Project, and establishes a reasonable framework for the expedited approval of Part B of the Project when/if the need arises;

(2) The Company clearly demonstrated the need for Part A of the Project;

(3) The Joint Stipulation established a reasonable process for demonstrating the need for Part B of the Project;

(4) The Company's selection of Alternative Route 1 was reasonable because it requires the acquisition of the least amount of new ROW and has the fewest impacts on existing resources in the area;

(5) The Project would have a positive impact on economic development in Loudoun County and the surrounding area;

(6) The Project would not have a material adverse impact on scenic assets and historic districts;

(7) DEQ general recommendation numbers 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, and 12 are "desirable or necessary to minimize adverse environmental impact" associated with the Project;[13]

[8] Ex. 8 (DEQ Report) at 6-7.

[9] Ex. 9 (Joshipura Direct) Staff Report at 22.

[10] *Id.* at 14, 22-23.

[11] Ex. 10 (Potter Rebuttal) at 2-3.

[12] Ex. 11 (Studebaker Rebuttal) at 8.

[13] *See* Report at 19 for a numbered list of the DEQ recommendations.

(8) The recommendations by the Department of Game and Inland Fisheries ("DGIF") regarding tree removal during the songbird nesting season, the Virginia Department of Transportation regarding structure placement at Evergreen Mills Road, and Loudoun County regarding the Tree Conservation Area, have been reasonably addressed by the Company and there is no need to include those recommendation in any CPCN issued by the Commission;

(9) Alternative Routes 2N and 2S should not be considered viable routing alternatives because of their greater overall impact on resources;

(10) The Company's Integrated Vegetation Management Plan adequately addresses vegetation management within its ROW;

(11) Based on the DEQ Report, there are no adverse environmental impacts that would prevent the construction or operation of the Project;

(12) The Project does not represent a hazard to public health or safety; and

(13) The Company's decision to reject Alternative Routes 2N and 2S was reasonable.[14]

On May 4, 2020, Dominion filed comments on the Report. Dominion stated that it supports the findings and recommendations in the Report and requests that the Commission approve the Company's Application.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require that the Company construct Part A of the Project. That Commission finds that a CPCN authorizing Part A of the Project should be issued subject to certain findings and conditions contained herein. The Company may refile for Part B of the proposed Project in accordance with the terms of the Joint Stipulation.[15]

Approval

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides that "it shall be unlawful for any public utility to construct . . . facilities for use in public utility service . . . without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

> Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, . . . and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned."

Public Convenience and Necessity

The Commission finds that Part A of the Company's proposed Project is needed. Part A is needed to meet the electric service requirements of a new data center customer.[16]

Economic Development

The Commission finds that the evidence in this case demonstrates that Part A of the proposed Project will facilitate economic growth in Loudoun County and the surrounding areas by providing a reliable source of electricity for a new data center campus that would have a direct impact on employment in the area, tax revenues, and the provision of ancillary services.[17]

Rights-of-Way and Routing

Except for a small area of existing Company ROW, Part A of the Project will require new ROW. Alternative Route 1 requires the least amount of new ROW and has the fewest impacts on existing resources in the area.[18] We find the Company's selection of Alternative Route 1 to be reasonable.

---

[14] *Id*. at 22-23.

[15] *See* Ex. 12 (Joint Stipulation) at 5.

[16] Report at 15.

[17] *Id.* at 17.

[18] *Id.*

Regarding the ROW for Part A of the proposed Project, in accordance with the Joint Stipulation we find that 100 feet of new ROW is necessary for Part A of the proposed Project. The Company is not prohibited from acquiring the additional 60-feet of ROW needed for Part B of the proposed Project; however, the Company shall not exercise the right to condemnation for more than the 100 feet of ROW needed for Part A of the Project.[19]

Scenic Assets and Historic Districts

The Commission finds that use of the Company's preferred route will minimize adverse impacts on scenic assets and historic districts in the Commonwealth of Virginia as required by § 56-46.1 B of the Code.[20]

Environmental Impact

Pursuant to §§ 56-46.1 A and B of the Code, the Commission is required to consider the proposed Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides that the Commission shall receive, and give consideration to, all reports that relate to the proposed Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of Part A of the Project. The DEQ Report supports a finding that the Company's preferred route reasonably minimizes adverse environmental impacts provided that the Company complies with the recommendations set forth in the DEQ Report.[21] The Commission finds that as a condition of approval herein, the Company must comply with each of DEQ's recommendations as provided in the DEQ Report with the following exceptions.

With regard to the recommendation related to the development and implementation of an invasive species management plan, we note that the Company represents that it already has an invasive species management plan in place that addresses invasive plant species.[22] We therefore find the development and implementation of a separate invasive species plan to be unnecessary.

With regard to the recommendation by the DGIF related to significant tree removal or ground clearing activities outside of the songbird nesting season, the Company states that these activities would take place outside of the songbird nesting season.[23] The Company has agreed that should these activities continue into the nesting season, the Company will coordinate with the DGIF to create appropriate construction restrictions.[24] We find that the Company has reasonably addressed this issue and therefore find this recommendation is unnecessary.[25]

Regarding the Virginia Department of Transportation's recommendation related to structure placement at Evergreen Mills Road, the Company represents that it has coordinated the placement of the structures with Loudoun County's consulting engineer responsible for the Evergreen Mills Road widening project, who determined that the proposed structure locations do not present a conflict.[26] We therefore find that this recommendation is unnecessary.[27]

Regarding Loudoun County's recommendation related to the Tree Conservation Area, the Company has asserted that is not possible to realign the ROW to avoid the area.[28] The Company has represented that it coordinated with Loudoun County and intends to take the proper precautions to mitigate or avoid impacts to the Tree Conservation Area.[29] We, therefore, find this recommendation unnecessary, but order the Company to take all precautions to mitigate and avoid impacts to the Tree Conservation Area to the extent practicable.[30]

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate Part A of the proposed Project subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for a certificate of public convenience and necessity to construct and operate Part A of the proposed Project is granted as provided for herein, subject to the requirements set forth herein.

---

[19] *See id*. at 14; Ex. 12 (Joint Stipulation) at 4-5.

[20] *See* Report at 18.

[21] See *id*. at 20.

[22] *See id.* at 19-20.

[23] Ex. 11 (Studebaker Rebuttal) at 4-5.

[24] *Id.*

[25] *See* Report at 21.

[26] Ex. 11 (Studebaker Rebuttal) at 5.

[27] *See* Report at 21.

[28] Ex. 11 (Studebaker Rebuttal) at 7.

[29] *Id.*

[30] *See* Report at 21.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following certificate of public convenience and necessity to Dominion:

> Certificate No. ET-91ac, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Loudoun County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2019-00191, cancels Certificate No. ET-91ab, issued to Virginia Electric and Power Company in Case No. PUE-2015-00107 on June 23, 2017.

(4) Within thirty (30) days from the date of the Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation three (3) copies of an appropriate map that shows the routing of the transmission line approved herein, in addition to the facilities shown on the map cancelled for Certificate No. ET-91ab.

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company a copy of the certificates of public convenience and necessity issued in Ordering Paragraph (3) with the appropriate map attached.

(6) Part A of the proposed Project approved herein must be constructed and in service by May 1, 2021. No later than 90 days before the in-service date approved herein, except for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter hereby is dismissed.

CASE NO. PUR-2019-00192
APRIL 27, 2020

APPLICATION OF
VIVACITY NETWORKS, LLC

> For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On January 23, 2020, Vivacity Networks, LLC ("Vivacity" or "Company") completed the filing of an application with the State Corporation Commission ("Commission") for certificates of public convenience and necessity ("Certificates") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia ("Application"). The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia ("Code"). Vivacity also filed a Motion for a Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.[1]

On February 6, 2020, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed Vivacity to provide notice to the public of its Application, and directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report"). On March 6, 2020, Vivacity filed proof of service and proof of notice in accordance with the Scheduling Order.

On April 15, 2020, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq*., and the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules"), 20 VAC 5-411-10 *et seq*. Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to Vivacity subject to the following condition: Vivacity should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.

On April 16, 2020, Vivacity filed a letter stating that the Company waives the opportunity to file a response to the Staff Report; supports the Staff's findings in the Staff Report; and requests that the Commission grant the relief requested in its Application.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant Certificates to Vivacity. Having considered Code § 56-481.1, the Commission finds that Vivacity may price its interexchange services competitively. Further, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.[2]

Accordingly, IT IS ORDERED THAT:

(1) Vivacity is hereby granted Certificate No. T-771 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Vivacity is hereby granted Certificate No. TT-311A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) Pursuant to Code § 56-481.1, Vivacity may price its interexchange telecommunications services competitively.

---

[1] 5 VAC 5-20-10 *et seq*.

[2] The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) Prior to providing telecommunications services pursuant to the Certificates granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If Vivacity elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(5) Vivacity shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(6) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(7) This case is dismissed.

CASE NO. PUR-2019-00195
MARCH 10, 2020

APPLICATION OF
BROKER ONLINE EXCHANGE, LLC

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On November 18, 2019, Broker Online Exchange, LLC ("BOX" or "Company") filed an application with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia ("Application"). The Company seeks authority to market electricity and natural gas aggregation services to eligible commercial and residential customers throughout Virginia.[1] BOX attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services.[2]

On January 16, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on the appropriate utilities and providing an opportunity for interested persons to comment on the Application. By letter filed with the Commission on January 28, 2020, the Company certified that it had completed the service required by the Commission's Procedural Order. DEV filed comments on February 7, 2020.

The Procedural Order also directed the Commission's Staff ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on February 18, 2020, which summarized BOX's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that BOX be granted an aggregator's license to conduct business as a competitive service provider of electric and natural gas services to eligible commercial and residential customers in the Virginia service territories that are open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, the Report, and applicable law, finds that BOX's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) BOX is hereby granted license No. A-87 to provide competitive aggregation service of electricity and natural gas to commercial and residential customers throughout the Commonwealth of Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] Pursuant to Virginia Code ("Code") § 56-577, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources set forth therein. Retail choice thereunder exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV"), Appalachian Power Company, and the electric cooperatives. Retail choice for natural gas service exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s.

[2] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2019-00196
JANUARY 30, 2020

APPLICATION OF
ALBIREO ENERGY, LLC

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On November 19, 2019, Albireo Energy, LLC ("Albireo" or "Company") filed an Application with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia ("Application"). In its Application, the Company seeks authority to market electricity and natural gas aggregation services to eligible commercial, industrial, and governmental customers in the service territories in Virginia that are open to retail choice competition.[1] Albireo attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[2]

On December 11, 2019, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on the appropriate utilities and providing an opportunity for interested persons to comment on the Application. The Procedural Order also directed the Commission's Staff ("Staff") to investigate the Application and present its findings in a report ("Report"). By letter filed with the Commission on December 17, 2019, the Company certified that it had completed the service required by the Commission's Procedural Order. On December 30, 2019, Dominion and Kentucky Utilities Company d/b/a Old Dominion Power Company filed comments on the Company's Application.

The Staff filed its Report on January 8, 2020, which summarized Albireo's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Albireo be granted a license to conduct business as a competitive service provider of electric and natural gas services to eligible commercial, industrial, and governmental customers in the Virginia service territories that are open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, Staff's Report, and applicable law, finds that Albireo's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Albireo is hereby granted license No. A-81 to provide competitive retail aggregation services of electricity and natural gas to commercial, industrial, and governmental customers in the service territories in Virginia that are open to retail choice competition. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] Retail choice for natural gas service currently exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[2] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2019-00197
FEBRUARY 7, 2020

APPLICATION OF
UTILITY RATE ANALYSTS, INC.

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On November 19, 2019, URA, Inc. a/k/a Utility Rates Analysts, Inc. ("URA" or "Company") filed an application with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia ("Application").[1] The Company seeks authority to market electricity and natural gas aggregation services to eligible commercial and industrial customers throughout Virginia.[2] URA attests that it will abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[3]

On December 20, 2019, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on the appropriate utilities and providing an opportunity for interested persons to comment on the Application. By letter filed with the Commission on December 27, 2019, the Company certified that it had completed the service required by the Commission's Procedural Order. Kentucky Utilities Company d/b/a Old Dominion Power Company filed comments on the Company's Application on January 8, 2020, and Dominion filed comments January 10, 2020.

The Procedural Order also directed the Commission's Staff to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on January 24, 2020, which summarized URA's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that URA be granted a license to conduct business as a competitive service provider of electric and natural gas services to eligible commercial and industrial customers in the Virginia service territories that are open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, the Report, and applicable law, finds that URA's Application for a license to provide electric and natural gas aggregation services should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) URA is hereby granted license No. A-85 to provide competitive aggregation service of electricity and natural gas to commercial and industrial customers throughout the Commonwealth of Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] The Commission's Staff ("Staff") deemed URA's Application incomplete as initially filed. The Company filed supplemental information on December 16, 2019, completing its Application.

[2] Retail choice for natural gas service presently exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[3] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2019-00198
FEBRUARY 7, 2020

APPLICATION OF
RELIABLE POWER ALTERNATIVES CORPORATION

For a license to do business as an electricity aggregator

ORDER GRANTING LICENSE

On November 21, 2019, Reliable Power Alternatives Corporation ("RPAC" or "Company") filed an application with the State Corporation Commission ("Commission") for a license to do business as an electricity aggregator in the Commonwealth of Virginia ("Application").[1] The Company seeks authority to market electricity aggregation services to eligible commercial and industrial customers in certain service territories in Virginia.[2] RPAC attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services.[3]

On December 17, 2019, the Commission entered an Order for Notice and Comment ("Procedural Order") that, in part, required the Company to serve a copy of the Procedural Order on the electric utilities identified in Attachment A to the Procedural Order and directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report"). The Company filed its proof of service on December 31, 2019.

Comments were filed by Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU") on January 8, 2020, and by Dominion on January 15, 2020.

On January 22, 2020, Staff filed its Report, which summarized RPAC's Application and evaluated its financial and technical fitness. Staff recommended that a license be granted to RPAC to conduct business as an aggregator of electricity to eligible commercial and industrial customers in the service territories of Dominion, Rappahannock Electric Cooperative and APCo.

RPAC did not file a response to the Staff Report or the comments filed by KU and Dominion.

NOW THE COMMISSION, upon consideration of the Application, the Staff Report, and applicable law, finds that RPAC should be granted a license to conduct business as an aggregator of electricity to eligible commercial and industrial customers in the service territories of Dominion, Rappahannock Electric Cooperative and APCo, subject to all conditions in this Order.

Accordingly, IT IS ORDERED THAT:

(1) RPAC is hereby granted License No. A-84 to provide competitive aggregation service for electricity to eligible commercial and industrial customers throughout the service territories open to competition in Virginia. This license to act as an aggregator is subject to the provisions of the Retail Access Rules, this Order, and other applicable law.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to the license granted herein.

---

[1] The Company subsequently amended its Application with additional information on December 9, 2019, and December 13, 2019.

[2] The Company's Application specified the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Rappahannock Electric Cooperative, Allegheny Power, Connectiv and Appalachian Power Company ("APCo"). Pursuant to Virginia Code § 56-577, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources set forth therein. Retail choice thereunder exists only in the service territories of Dominion, APCo, and the electric cooperatives.

[3] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2019-00199
APRIL 9, 2020

APPLICATION OF
DOVETAIL ENERGY SERVICES LLC

For a license as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On February 19, 2020, Dovetail Energy Services LLC ("Dovetail" or "Company") completed the filing of an application with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia ("Application"). The Company seeks authority to offer electricity and natural gas aggregation services to eligible commercial, industrial, and governmental customers throughout Virginia.[1] Dovetail attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[2]

On March 2, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on the appropriate utilities and providing an opportunity for interested persons to comment on the Application. By letter filed with the Commission on March 20, 2020, the Company certified that it had completed the service required by the Commission's Procedural Order. Comments were received from Dominion and Kentucky Utilities Company d/b/a Old Dominion Power Company.

The Procedural Order also directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on March 30, 2020, which summarized Dovetail's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Dovetail be granted an aggregator's license to conduct business as a competitive service provider of electricity and natural gas services to eligible commercial, industrial, and governmental customers in the Virginia service territories that are open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, the record in this case, and applicable law, finds that Dovetail's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Dovetail is hereby granted license No. A-94 to provide competitive aggregation service of electricity and natural gas to commercial, industrial, and governmental customers throughout the service territories open to competition in Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] Retail choice for natural gas service presently exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[2] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2019-00200
FEBRUARY 12, 2020

APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

For approval of the proposed amended and restated 2019 Cost Allocation Manual

ORDER GRANTING APPROVAL

On November 22, 2019, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Applicant") filed an application with the State Corporation Commission ("Commission") seeking authority to engage in affiliate transactions pursuant to Chapter 4[1] of Title 56 of the Code of Virginia ("Code") with: (1) LG&E and KU Services Company ("LKS"); (2) LG&E and KU Energy LLC ("LKE"); (3) Louisville Gas & Electric Company ("LG&E"); (4) PPL Corporation ("PPL"); (5) PPL Service Corporation ("PPL Services"); (6) PPL EU Services Corporation ("PPLEU Services"); (7) PPL Capital Funding, Inc. ("PPL Capital Funding"); and (8) PPL Power Insurance Ltd. ("PPL Insurance") (collectively, "PPL Companies"),[2] under LKS' proposed, amended and restated 2019 Cost Allocation Manual ("2019 CAM").

On December 11, 2019, the Commission entered an Order Granting Interim Approval which authorized implementation of the 2019 CAM effective January 1, 2020, subject to the review of the Staff of the Commission ("Staff") and a Final Order in this proceeding. On January 7, 2020, the Commission extended the statutory review period an additional 30 days.

LKS is a centralized service company[3] that provides administrative, technical, management, engineering, legal, accounting, and other services ("Services") primarily to LKE, KU/ODP, and LG&E under a services agreement ("Services Agreement") approved by the Commission.[4] LKS provides the Services at cost. The 2019 CAM documents the methods, policies, and procedures that LKS will follow in providing the Services to its client affiliate companies. KU/ODP represents that the proposed changes contained in the 2019 CAM are limited in nature.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff ("Staff") through Staff's action brief and having considered the Applicant's comments thereon, is of the opinion and finds that the proposed 2019 CAM is in the public interest and is approved subject to certain requirements listed in the Appendix attached to this order.

For Pass-Through Cost Services where costs are passed from a rate-regulated affiliate through LKS to KU/ODP, we find that such goods and services should be priced at cost. All other Pass-Through Cost Services should be priced at the lower of cost or market. We make this finding under the specific circumstances of this case and will require KU/ODP to provide Staff with complete access to the records supporting these Pass-Through Cost Services transactions and cooperate fully with Staff to facilitate effective and efficient audits of such costs. We note that KU/ODP bears the burden of proving, in any rate proceeding, that all LKS Services costs charged to KU/ODP are reasonable, reasonably allocated, and are cost beneficial to Virginia ratepayers.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the 2019 CAM is approved subject to the requirements listed in the Appendix attached to this order.

(2) This case is dismissed.

APPENDIX

1) Pursuant to the Services Agreement and the 2019 CAM, KU/ODP shall provide a formal acknowledgement that the Commission regulates recovery of any Pass-Through Costs that pass from the Service Affiliates through LKS to KU/ODP, and therefore must be able to determine the amount of such costs that are includible in KU/ODP's cost of service.

2) For all Pass-Through Costs that pass from the Service Affiliates through LKS to KU/ODP, upon request, LKS shall obtain and provide original cost records (invoices, etc.) of the costs and provide KU/ODP with a Report that details the costs by: Service Affiliate, month, service category, FERC account, and amount as the costs are recorded on KU/ODP's books and shall be in Excel electronic media format, with formulas intact, so that Staff can tabulate and sort the data for analysis in future rate proceedings. The Report shall cover the January 1-December 31 calendar year and be submitted with KU/ODP's Annual report of Affiliate Transactions ("ARAT") to the Commission's UAF Director each year.

3) The Commission's approval of the 2019 CAM shall extend from January 1, 2020, through December 31, 2024. If KU/ODP wishes to extend the 2019 CAM beyond that date, separate approval shall be required.

---

[1] Code § 56-76 *et seq*. ("Affiliates Act").

[2] PPL is the senior parent company for the PPL Companies. PPL Services, PPLEU Services, and LKS are service companies. LKE, a direct subsidiary of PPL, is the intermediate parent of KU/ODP, a regulated electric utility, and LG&E, a regulated electric and natural gas utility. PPL Capital Funding is a captive finance company. PPL Insurance is a captive insurance company.

[3] LKS is registered under the 2005 Public Utility Holding Company Act, and its books, accounts, and records are maintained in accordance with the Federal Energy Regulatory Commission's ("FERC('s)") Uniform System of Accounts.

[4] *See Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For authority to engage in affiliate transactions*, Case No. PUE-2015-00126, 2016 S.C.C. Ann. Rpt. 318, Order Granting Authority (Feb. 24, 2016). The Services Agreement's approval expires February 23, 2021.

4) The Commission's approval shall have no accounting or ratemaking implications.

5) The Commission's approval shall be limited to the specific Services identified and described in the 2019 CAM. If KU/ODP wishes to receive Services not specifically identified and described in the 2019 CAM, separate approval shall be required.

6) Separate Commission approval shall be required for KU/ODP to receive Services from affiliated third parties (other than LKS) under the 2019 CAM.

7) For Pass-Through Cost Services where costs are passed from a rate-regulated affiliate through LKS to KU/ODP, we find that such goods and services should be priced at cost. All other Pass-Through Cost Services should be priced at the lower of cost or market.

8) For all other LKS Services charged to KU/ODP, KU/ODP should be required to maintain records demonstrating that the Services costs charged to KU/ODP are cost beneficial to Virginia ratepayers. For such LKS Services costs charged to KU/ODP where a market may exist, KU/ODP should investigate whether comparable market prices are available, and if they exist, KU/ODP should compare the market price to cost and pay the lower of cost or market to LKS. Records of such investigations and comparisons should be available to Staff upon request. KU/ODP should bear the burden of proving, in any rate proceeding, that such LKS Services costs charged to KU/ODP are priced at the lower of cost or market where a market for such Services exists.

9) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

10) Separate Commission approval shall be required for any changes in the terms and conditions of the 2019 CAM.

11) The Commission shall reserve the right to examine the books and records of KU/ODP and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

12) KU/ODP shall file an executed copy of the approved 2019 CAM within 30 days after the effective date of the order granting approval in this case, subject to administrative extension by the UAF Director.

13) KU/ODP shall include all transactions associated with the 2019 CAM in its ARAT submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director.

CASE NO. PUR-2019-00201
JULY 30, 2020

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of its 2019 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia

FINAL ORDER

On December 3, 2019, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 5 of the Code of Virginia ("Code"), the Rules Governing Utility Rate Applications and Annual Informational Filings[1] of the State Corporation Commission ("Commission"), the Commission's Rules Governing Utility Promotional Allowances,[2] the Commission's Rules Governing Cost/Benefit Measures Required for Demand-Side Management Programs,[3] the Commission's Rules Governing the Evaluation, Measurement and Verification of the Effects of Utility-Sponsored Demand-Side Management Programs,[4] and the directive contained in Ordering Paragraph (4) of the Commission's May 2, 2019 Order in Case No. PUR-2018-00168,[5] as amended by the Commission's September 17, 2019 Order Granting Motion to Extend,[6] filed with the Commission its petition requesting (1) approval to implement new demand-side management ("DSM") programs, (2) to extend the Company's existing Air Conditioner ("AC") Cycling Program; (3) expedited approval to launch three of the Phase VII DSM programs approved in the May 2, 2019 Order with updated parameters and cost/benefit results; (4) approval of revised measures in two existing Phase VII DSM Programs approved in the May 2, 2019 Order; and (5) approval of three updated rate adjustment clauses, Riders C1A, C2A and C3A ("Petition").[7]

[1] 20 VAC 5-201-10 *et seq*.

[2] 20 VAC 5-303-10 *et seq*.

[3] 20 VAC 5-304-10 *et seq*.

[4] 20 VAC 5-318-10 *et seq*.

[5] *Petition of Virginia Electric and Power Company, For approval to implement demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2018-00168, Doc. Con. Cen. No. 190510056, Order Approving Programs and Rate Adjustment Clauses (May 2, 2019) ("May 2, 2019 Order"). The Company refers to the programs approved in the May 2, 2019 Order as "Phase VII."

[6] *Petition of Virginia Electric and Power Company, For approval to implement demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2018-00168, Doc. Con. Cen. No. 190930301, Order Granting Motion to Extend (Sept. 17, 2019).

[7] Supporting testimony and other documents also were filed with the Petition. On March 9, 2020, the Company filed corrected schedules to the direct testimony of Deanna R. Kesler and a corrected Filing Schedule 46B, Statements 1-3.

In its Petition, the Company requests approval to implement 11 new DSM programs as the Company's "Phase VIII" programs, ten of which are "energy efficiency" ("EE") DSM programs and one of which is a "demand response" ("DR") DSM program, as those terms are defined by Code § 56-576.[8] With the exception of the proposed House Bill ("HB") 2789 program,[9] the Company requests that the Commission permit the Company to operate the following proposed DSM programs for the five-year period of January 1, 2021, through December 31, 2025, subject to future extensions as requested by the Company and granted by the Commission:

- Residential Electric Vehicle (EE and DR)
- Residential Electric Vehicle (Peak Shaving)
- Residential Energy Efficiency Kits (EE)
- Residential Home Retrofit (EE)
- Residential Manufactured Housing (EE)
- Residential New Construction (EE)
- Residential/Non-residential Multifamily (EE)
- Non-residential Midstream Energy Efficient Products (EE)
- Non-residential New Construction (EE)
- Small Business Improvement Enhanced (EE)
- HB 2789 (Heating and Cooling/Health and Safety) (EE)[10]

The Company also requested expedited approval, by March 31, 2020, to launch three of the Phase VII programs approved in the May 2, 2019 Order, with updated parameters and cost/benefit results ("Re-Proposed Phase VII programs"). The Company states that, following issuance of the Commission's May 2, 2019 Order, the Company discovered issues involving the costs for the Residential Customer Engagement Program and the projected participation levels for the Residential Thermostat (EE) Program and the Residential Thermostat (DR) Program. Accordingly, the Company did not launch those programs and requests expedited authorization of the programs in this proceeding with the revised parameters.[11] The Company is also requesting approval of a revised five-year cost cap for the Phase VII Residential Customer Engagement Program.[12]

The Company proposes an aggregate total cost cap for the Phase VIII and Re-Proposed Phase VII programs in the amount of $186 million.[13] Additionally, the Company requests the ability to exceed the spending cap by no more than 5%.[14] The Company further "seeks authorization to spend directly for [the Phase VIII] programs for a reasonable amount of time before and after [the proposed] five-year period . . . so that the programs can run for a full five years and then have additional time built in for launch and wind-down activities."[15] The Company further asserts that the total proposed costs of the energy efficiency programs proposed in the Petition will be counted toward the requirement in the 2018 Grid Transformation and Security Act ("GTSA")[16] that the Company develop a proposed program of energy efficiency measures with projected costs of no less than an aggregate amount of $870 million between July 1, 2018, and July 1, 2028, including any existing approved energy efficiency programs.[17]

---

[8] Ex. 2 (Petition) at 7.

[9] In 2019, the General Assembly passed HB 2789, which requires the Company to submit a petition for approval to design, implement, and operate a three-year program of energy conservation measures providing incentives to low income, elderly, and disabled individuals. Consistent with that legislation, the Company is proposing a three-year term for that program. *See* Ex. 2 (Petition) at 6-8.

[10] *Id.* at 7.

[11] Ex. 2 (Petition) at 9; Ex. 5 (Hubbard Direct) at 11-13.

[12] *See* Ex. 2 (Petition) at 9; Ex. 5 (Hubbard Direct) at 11; Ex. 8 (Bates Direct) at 11.

[13] Ex. 2 (Petition) at 8; Ex. 8 (Bates Direct) at 9-11; Ex. 24 (Morgan) at 5-6. The Company estimates a total five-year cost cap of $235 million if lost revenues are included. Ex. 2 (Petition) at 8.

[14] Ex. 2 (Petition) at 8.

[15] *Id.*

[16] 2018 Va. Acts Ch. 296.

[17] Ex. 8 (Bates Direct) at 11-12. *See* Code § 56-596.2.

The Company also seeks approval to adjust measures in the Phase VII Residential Efficient Marketplace and Residential Home Energy Assessment Programs. Due to recent changes in Federal legislation that allow incandescent light bulbs to be sold beyond 2019, Dominion requests that it be allowed to continue offering incentives for A-line LED bulbs in these Phase VII programs instead of discontinuing this incentive as of January 1, 2020.[18] The Company is not seeking approval of a revised cost cap for those programs.[19]

Additionally, the Company seeks approval of a two-year extension of the existing AC Cycling Program, which is currently set to expire as of March 31, 2021.[20] The Company proposes to cap participation in the program at levels that exist at the end of 2020 and to reduce the incentive from $40 to $35 beginning with the 2021 cooling season.[21]

Lastly, the Company requests approval of an annual update to continue three rate adjustment clauses, Riders C1A, C2A and C3A, for a Rate Year of September 1, 2020, through August 31, 2021 ("2020 Rate Year") for recovery of: (i) 2020 Rate Year costs associated with Phase VII programs and programs previously approved by the Commission in Case No. PUE-2011-00093 ("Phase II programs"),[22] Case No. PUE-2014-00071 ("Phase IV programs"),[23] Case No. PUE-2015-00089 ("Phase V program"),[24] and Case No. PUE-2016-00111 ("Phase VI program");[25] (ii) calendar year 2018 true-up of costs associated with the Company's approved Phase II, Phase III, Phase IV, Phase V and Phase VI programs; (iii) calendar year 2018 true-up of costs associated with the Company's Electric Vehicle Pilot Program, which was approved by the Commission in Case No. PUE-2011-00014;[26] and (iv) 2020 Rate Year costs associated with the Company's proposed Phase VIII programs.[27]

The two key components of the proposed Riders C1A , C2A and C3A are the projected revenue requirement, which includes operating expenses that are projected to be incurred during the 2020 Rate Year, and a monthly true-up adjustment, which compares actual costs for the 2018 calendar year to the actual revenues collected during the same period.[28] For Rider C1A, Dominion requests a total revenue requirement of $2,835,423, due to a 2020 Rate Year projected revenue requirement in the amount of $3,163,477, and a monthly true-up adjustment credit of $328,054.[29] For Rider C2A, Dominion requests a total revenue requirement of $8,388,330, which consists of a 2020 Rate Year projected revenue requirement of $15,343,575, and a monthly true-up adjustment credit of $6,955,245.[30] For Rider C3A, Dominion requests a projected revenue requirement of $48,461,666; there is no monthly true-up adjustment.[31] The proposed total revenue requirement for Riders C1A, C2A and C3A for the 2020 Rate Year is $59,685,418.[32]

---

[18] Ex. 2 (Petition) at 9-10*; see also* Ex. 5 (Hubbard Direct) at 13-14.

[19] *Id.* at 10.

[20] *Id.*; Ex. 5 (Hubbard Direct) at 6-10.

[21] Ex. 5 (Hubbard Direct) at 9.

[22] *Application of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia,* Case No. PUE-2011-00093, 2012 S.C.C. Ann. Rept. 298, Order (Apr. 30, 2012).

[23] *Petition of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2014-00071, 2015 S.C.C. Ann. Rept. 230, Final Order (Apr. 24, 2015).

[24] *Petition of Virginia Electric and Power Company, For approval to implement new demand-side management programs, for approval to continue a demand-side management program, and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2015-00089, 2016 S.C.C. Ann. Rept. 275, Final Order (Apr. 19, 2016).

[25] *Petition of Virginia Electric and Power Company, For approval to implement new, and to extend existing, demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2016-00111, 2017 S.C.C. Ann. Rept. 384, Final Order (June 1, 2017).

[26] *Application of Virginia Electric and Power Company, For approval to establish an electric vehicle pilot program pursuant to § 56-234 of the Code of Virginia*, Case No. PUE-2011-00014, 2011 S.C.C. Ann. Rept. 436, Order Granting Approval (July 11, 2011).

[27] Ex. 2 (Petition) at 12; Ex. 8 (Bates Direct) at 7; Ex. 10 (Lecky Direct) at 2-4.

[28] Ex. 2 (Petition) at 11.

[29] *Id.* at 13.

[30] *Id.*

[31] *Id.*

[32] *Id*.

For purposes of calculating the 2020 Rate Year projected revenue requirement and 2018 calendar year monthly true-up adjustment, the Company utilizes a general rate of return on common equity ("ROE") of 9.2%, which was approved by the Commission in Case Nos. PUR-2017-00038[33] and PUR-2019-00050.[34]

According to the Company, compared to the rates currently in effect, the proposed revenue requirement represents an overall combined increase of approximately $11,076,861 for Riders C1A, C2A and C3A.[35] Dominion states that it is not seeking recovery of lost revenues related to energy efficiency programs at this time; however, the Company further states that it is not waiving any right to seek such lost revenues in future proceedings for the 2020 Rate Year.[36]

Dominion proposes that the revised Riders C1A, C2A and C3A be applicable for billing purposes on the latter of September 1, 2020, or the first day of the month that is at least 15 days following the issuance of an order by the Commission approving Riders C1A, C2A and C3A.[37] If the proposed Riders C1A, C2A and C3A for the 2020 Rate Year are approved, the impact on customer bills would depend on the customer's rate schedule and usage. According to the Company, implementation of the proposed Riders C1A, C2A and C3A would increase the monthly bill of a residential customer using 1,000 kilowatt hours per month by $0.34.[38] The Company has calculated the proposed Riders C1A, C2A and C3A rates in accordance with the same methodology approved in the May 2, 2019 Order.[39]

On December 19, 2019, the Commission issued an Order for Notice and Hearing ("Notice Order") that, among other things: docketed the Petition; required Dominion to publish notice of the Petition; gave interested persons the opportunity to comment on, or participate in, the proceeding; and scheduled a public hearing on the Petition. In addition, the Commission's Notice Order denied the Company's request for expedited review and approval of the Re-Proposed Phase VII programs and stated those programs would be addressed in the final order issued herein. The Commission also assigned a Hearing Examiner to conduct further proceedings in this matter on behalf of the Commission, including filing a final report containing the Hearing Examiner's findings and recommendations.

On April 10, 2020, Alexander F. Skirpan, Jr., Chief Hearing Examiner, issued a ruling stating that, due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels, as well as the declarations of emergency issued by the Supreme Court of Virginia,[40] the hearing in this matter, scheduled to begin on April 29, 2020, would instead be conducted via Skype for Business ("Skype"), with no one present in the Commission's courtroom. On April 21, 2020, the Chief Hearing Examiner issued a ruling that established additional procedures for the hearing on April 29, 2020; scheduled a separate hearing session to receive public witness testimony on April 30, 2020; and extended the deadline for filing written comments from April 22, 2020, to May 7, 2020.

The following parties filed notices of participation in this proceeding: the Virginia Energy Efficiency Council ("VAEEC"); Appalachian Voices and Natural Resources Defense Council ("Environmental Respondents"); Walmart Inc. ("Walmart"); the Virginia Poverty Law Center ("VPLC"); and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On March 20, 2020, Respondents Walmart, VAEEC, and Environmental Respondents filed the testimony and exhibits of their witnesses. On March 27, 2020, the Commission's Staff ("Staff") filed its testimony and exhibits. The Company filed its rebuttal testimony on April 10, 2020.

The evidentiary hearing was held by Skype on April 29, 2020, in which all parties and Staff participated. The hearing continued on April 30, 2020, via Skype, to receive testimony from the public. One public witness appeared to testify.[41]

On May 22, 2020, the Company, Staff and all Respondents filed post-hearing briefs, pursuant to the Chief Hearing Examiner's directive issued at the conclusion of the evidentiary hearing.

On June 16, 2020, the Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner, was issued ("Report"). In his Report, the Chief Hearing Examiner summarized the record and made the following findings and recommendations:[42]

---

[33] *Id.* at 12-13. *See Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2017-00038, 2017 S.C.C. Ann. Rept. 475, Final Order (Nov. 29, 2017).

[34] Ex. 2 (Petition) at 12. *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, Doc. Con. Cen. No. 191130006, Final Order (Nov. 21, 2019).

[35] Ex. 10 (Lecky Direct) at 11.

[36] Ex. 2 (Petition) at 11-12.

[37] *Id*. at 13.

[38] *Id*. at 14.

[39] *Id.* at 11.

[40] *See, e.g.*, Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Governor Ralph S. Northam. *See also* Executive Order No. 53, Temporary Restrictions on Restaurants, Recreational, Entertainment, Gatherings, Non-Essential Retail Businesses, and Closure of K-12 Schools Due to Novel Coronavirus (COVID-19), issued March 23, 2020, by Governor Ralph S. Northam, and Executive Order No. 55, Temporary Stay at Home Order Due to Novel Coronavirus (COVID-19), issued March 30, 2020, by Governor Ralph S. Northam.

[41] In addition, one individual public comment was filed, and comments were filed on behalf of the Sierra Club; the Commonwealth of Virginia Department of Mines, Minerals and Energy; and Community Housing Partners Energy Solutions.

[42] Report at 75-77.

1. The Commission should approve the Company's proposed Phase VIII DSM Programs;

2. For the Residential New Construction Program, the alternative to pass 50% of the incentives to customers should be adopted;[43]

3. For the Residential New Construction Program, Staff's recommendation to set the baseline to the standard of the typical home that the builder already constructs without the ENERGY STAR® upgrades should be adopted;[44]

4. For the Non-residential New Construction Program, Staff's recommendation that the Commission require the Company/DNV GL[45] to conduct a baseline study to determine whether minimum building code energy efficiency requirements are an appropriate baseline for new nonresidential buildings, rather than relying on minimum building codes, should be adopted;[46]

5. For the Non-residential Midstream Energy Efficient Products Program, Staff's recommendation that the participating distributor or retailer be required to include, at a minimum, the customer address and contact information in its monthly point-of-sales data should be adopted;[47]

6. For the Evaluation, Measurement and Verification ("EM&V") for the Non-residential Midstream Energy Efficient Products Program, Staff's recommendation to require the performance of an analysis comparing market penetration of energy-efficient products achieved by non-participating retailers and/or a market lift study should not be adopted in this proceeding, but further developed for consideration in future DSM proceedings;[48]

7. The Commission should direct further study of the baseline assumptions used for the Small Business Improvement Enhancement Program;[49]

8. The Commission should approve the Company's proposed extension of its AC Cycling Program;

9. The Commission should approve the re-launch of the following Phase VII DSM Programs: (i) Residential Customer Engagement Program, (ii) Residential Thermostat Program (EE), and (iii) Residential Thermostat Program (DR);

10. The Rate Year projected revenue requirement for Rider C1A is $3,163,477, for Rider C2A is $15,343,575, and for Rider C3A is $48,461,666;

11. The Monthly True-Up Adjustment for Rider C1A is $(328,054), for Rider C2A is $(6,955,245), and for Rider C3A is $0;

12. The total Rate Year revenue requirement for Rider C1A is $2,835,423, for Rider C2A is $8,388,330, and for Rider C3A is $48,461,666, for an overall total Rate Year revenue requirement for Riders C1A, C2A, and C3A of $59,685,418;

13. The Company's requested cost allocation methodology and rate design should be approved by the Commission;

14. The terms and conditions indemnity provision for the Phase VI Non-residential Prescriptive Program should be revised as proposed by Walmart;[50] and

15. Staff should be directed to work with the Company and others to develop more rigorous and accurate EM&V data.[51]

On June 30, 2020, the Company, Staff and Respondents filed comments in response to the Report.

NOW THE COMMISSION, upon consideration of this matter, adopts the Chief Hearing Examiner's findings and recommendations, except as otherwise modified, and to the extent further explained, below.[52]

---

[43] *See* Report at 67.

[44] *See* Report at 67-68; Ex. 20 (Boehnlein) at 23-24; Staff Post-Hearing Brief at 13-14.

[45] DNV GL is Dominion's third-party vendor for evaluation, measurement and verification of program savings. *See, e.g.*, Report at 6.

[46] *See* Report at 68; Ex. 22 (Dalton) at 44; Staff Post-Hearing Brief at 23.

[47] *See* Report at 68; Ex. 20 (Boehnlein) at 28; Staff Post-Hearing Brief at 14; Company Post-Hearing Brief at 10.

[48] *See* Report at 68-69; Ex. 22 (Dalton) at 39-40; Staff Post-Hearing Brief at 22.

[49] *See* Report at 69-70; Ex. 22 (Dalton) at 45; Staff Post-Hearing Brief at 23.

[50] *See* Report at 70-71; Ex. 16 (Perry) at 3-5; Walmart Post-Hearing Brief at 5-8.

[51] *See* Report at 73-75.

[52] In making our findings and determining the directives ordered – and not ordered – in this matter (including those discussed and those not discussed herein), the Commission has considered all the evidence and arguments in the record. *See also Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

Phase VIII Programs

The Commission approves the proposed Phase VIII programs, subject to the modifications directed herein. The 2018 GTSA amended Code § 56-576 to mandate that any energy efficiency program passing three of four specific cost-benefit tests must be found to be "in the public interest" and approved by this Commission.[53] With the exception of the HB 2789 program, which we discuss below, Dominion's proposed Phase VIII programs pass three of the four tests;[54] therefore, the law has pre-determined that these programs are in the public interest and that they shall be approved.[55] Accordingly, the programs are approved for the five-year period of January 1, 2021, through December 31, 2025, subject to future extensions as requested by the Company and granted by the Commission.

Next, HB 2789, passed during the 2019 General Assembly Session,[56] requires the Company to

> submit a petition for approval to design, implement, and operate a three-year program of energy conservation measures providing[] [i]ncentives to low income, elderly and disabled individuals in an amount not to exceed $25 million in the aggregate for the installation of measures that reduce residential heating and cooling costs and enhance the health and safety of residents, including repairs and improvements to home heating and cooling systems and installation of energy-saving measures in the house, such as insulation and air sealing.

The Company's proposed HB 2789 Program offers incentives for the installation of measures that reduce residential heating and cooling costs and enhance the health and safety of low-income, elderly, and disabled residential customers, including repairs and improvements to home, heating, and cooling systems and installation of energy-saving measures in the house, such as insulation and air sealing.[57] As noted above, this program does not meet three of the four cost-benefit tests under Code § 56-576. The Company, however, is required by HB 2789 to design, implement and operate a three-year program that provides incentives in an amount not exceeding $25 million for measures like those proposed in this program. Accordingly, we approve the HB 2789 Program for a period of three years from January 1, 2021, through December 31, 2023.[58]

Finally in this regard, the Commission also notes that in response to a request from VAEEC, the Company expressed its willingness to continue working on standardizing the process for qualifying low-income projects and post-construction reporting requirements across its regulated and non-regulated low-income programs.[59] The Commission encourages Dominion to continue its efforts in this matter (with VAEEC and others) and requests that the Company provide an update on such efforts in its next DSM filing.

Residential New Construction Program

The Commission finds that the builder should not split the incentive with the homebuyer under the Residential New Construction Program. Based on the record in this case, we agree with the concerns cited by the Environmental Respondents regarding problems with splitting the incentive – specifically, that this could reduce the overall energy savings by adding an administrative burden and reducing the likelihood that builders participate in this program in the first place.[60]

Proposed Residential Electric Vehicle Programs

The Chief Hearing Examiner addressed Staff's recommendation to combine the proposed Residential Electric Vehicle EE and DR Programs with the proposed Residential Electric Vehicle Peak Shaving Program.[61] The Chief Hearing Examiner "[found] nothing in the record to suggest how combining the two programs could increase benefits to customers or help customers to realize additional energy savings" and agreed with the Company that the programs should remain separate.[62] We agree with the Chief Hearing Examiner, and we approve the Residential Electric Vehicle EE and DR Programs and Residential Electric Vehicle Peak Shaving Program as proposed by the Company.

---

[53] "In the public interest" is defined in Code § 56-576 as "describ[ing] an energy efficiency program . . . [that passes] not less than any three of the following four tests . . . . Such determination shall include an analysis of all four tests, and a program or portfolio of programs shall be approved if the net present value of the benefits exceeds the net present value of the costs as determined by not less than any three of the four tests."

[54] *See* Ex. 6 (Kesler Direct) at Schedule 4 (as corrected).

[55] In addition, we find that there is evidence to support approving the programs for an initial five-year period as requested by the Company. *See, e.g.,* Ex. 5 (Hubbard Direct) at 15-16.

[56] 2019 Va. Acts Ch. 748.

[57] *See, e.g.*, Ex. 5 (Hubbard Direct) at 21, 23.

[58] Respondents VAEEC and VPLC propose that the Company revise its low-income eligibility criteria to match federal criteria for participation in low-income weatherization programs (*See, e.g.,* Tr. 58; VPLC Post-Hearing Brief at 4-5). As recommended by the Chief Hearing Examiner, the Commission will not require such change at this time; however, this finding does not preclude changes in the Company's low-income criteria in future proceedings.

[59] *See, e.g.*, Ex. 29 (Hubbard Rebuttal) at 19.

[60] *See, e.g.,* Environmental Respondents Comments at 5-6.

[61] *See* Report at 66-67; Ex. 20 (Boehnlein) at 17.

[62] Report at 67. *See also* Ex. 29 (Hubbard Rebuttal) at 7-8.

Phase VII Programs

We agree with the Chief Hearing Examiner's Finding/Recommendation No. 9 and approve the re-launch of the following Phase VII Programs with the updated parameters and cost cap (as applicable): (i) Residential Customer Engagement Program; (ii) Residential Thermostat (EE) Program; and (iii) Residential Thermostat (DR) Program. The Company is permitted to launch these Phase VII programs immediately upon approval, and they are approved for the period ending June 30, 2024, to coincide with the remaining Phase VII programs approved in Case No. PUR-2018-00168.

The Company also requested approval to adjust certain measures in the Phase VII Residential Efficient Marketplace and Residential Home Energy Assessment Programs. Due to recent changes in Federal legislation that allow incandescent light bulbs to be sold beyond 2019, Dominion requests that it be allowed to continue offering incentives for A-line LED bulbs in these Phase VII programs.[63] We approve the Company's request, and we adopt Staff's recommendation that Dominion continue to monitor federal lighting standards and cease offering the A-line LED bulb incentive if the law changes.[64]

Phase VI Non-Residential Prescriptive Program

The Commission rejects Walmart's proposed changes to the indemnification provision contained in the Terms and Conditions ("T&C indemnity provision") for this program. Rather, the Commission finds that the T&C indemnity provision, which is similar to the terms and conditions that the Company has previously used for its non-residential programs, is reasonable for this purpose.[65]

Cost Caps

The Commission approves the spending amounts for the Phase VIII programs and the revised spending amount for the Phase VII Residential Customer Engagement Program as proposed in Dominion's Petition, with the requested 5% spending variance. We do not impose any cost cap for any individual program other than the amount of program-specific spending Dominion proposed in its Petition.[66] Dominion is not seeking lost revenues in this proceeding, and therefore the amounts for each program approved herein should be spent exclusively on programmatic costs, with no portion for any amount of lost revenues.[67]

We also approve the Company's request to spend directly for the Phase VIII programs for a reasonable amount of time before and after the proposed effective periods of those programs,[68] on the assumption that any such costs are included in the overall cost caps for each program.

Code § 56-596.2

Code § 56-596.2 C requires Dominion to design, implement, and operate energy efficiency programs and portfolios of programs with projected costs of no less than an aggregate amount of $870 million for the period beginning July 1, 2018, and ending July 1, 2028, including any existing approved energy efficiency programs. We find that the projected costs of $173.5 million (not including lost revenues) associated with the energy efficiency programs proposed in the Company's Petition should count toward the $870 million target established for the Company in Code § 56-596.2 C.[69]

Revenue Requirement

We agree with the Hearing Examiner that the record in this case supports a total 2020 Rate Year revenue requirement of $59,685,418 for Riders C1A, C2A and C3A.[70] In approving this request for an increase in Riders C1A, C2A and C3A that was filed on December 3, 2019, the Commission notes its

[63] Ex. 2 (Petition) at 9-10; *see also* Ex. 5 (Hubbard Direct) at 13-14.

[64] *See* Ex. 20 (Boehnlein) at 34. The Company did not oppose Staff's recommendation. *See* Ex. 29 (Hubbard Rebuttal) at 14.

[65] *See, e.g.,* Ex. 29 (Hubbard Rebuttal) at 22 ("The Company has used similar terms and conditions for its non-residential programs for a number of years and has not, to its knowledge, received any complaint regarding this provision [in the past] . . . . The Company further believes that the cited condition is not dissimilar from other program terms and conditions used by other utilities, including Duke Energy and Green Mountain Power."); Company Post-Hearing Brief at 27.

[66] The Commission does not approve a "portfolio" spending amount; the Company may only spend the specific amount approved for each individual program.

[67] The Company also has stated to this Commission in prior cases that it will not seek lost revenues for the years 2018 and before. See Tr. 38 ("So right now 2018 and prior are not going to be subject to any lost revenue request, so it's just the question of whether in a future proceeding we would come forward with a request.") in Case No. PUR-2018-00168, *supra* n. 5.

[68] Ex. 2 (Petition) at 8.

[69] *See* Ex. 8 (Bates Direct) at 11-12. This amount does not include costs for the Residential Electric Vehicle (Peak Shaving) Program or the Re-Proposed Phase VII Residential Thermostat (DR) Program, which are not energy efficiency programs.

[70] Rider C1A is designed to recover costs of the Company's peak shaving programs. Rider C2A is designed to recover costs for the Company's Pre-Phase VII energy efficiency programs. Due to changes in law concerning which customers are exempt from paying for energy efficiency programs, Rider C3A was designed to recover costs of the Company's Phase VII and Phase VIII energy efficiency programs. See Ex. 24 (Morgan Direct) at 3, 4; 2018 Va. Acts ch. 296. This law changed again with the enactment of the Virginia Clean Economy Act, 2020 Va. Acts ch. 1193 and 1194; this law did not indicate that these changes are to apply retroactively. Accordingly, we will apply to this case the law as it was written at the time the Petition was filed. *See Washington v. Commonwealth of Virginia*, 216 Va. 185, 193, 217 S.E.2d 815, 823 (1975) ("[W]hen a statute is amended while an action is pending, the rights of the parties are to be decided in accordance with the law in effect when the action was begun, unless the amended statute shows a clear intention to vary such rights."); *see also Application of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 c of the Code of Virginia*, Case No. PUE-2011-00093, 2012 S.C.C. Ann. Rept. 298, 299 (Apr. 30, 2012).

awareness of the ongoing COVID-19 public health crisis, which has had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

EM&V

As we have previously stated, the purpose of DSM programs is to reduce energy usage, either at peak times (demand response and peak shaving) or year-round (energy efficiency). Thus, the true test of any DSM program is whether, *in actual practice*, it is the proximate cause of a verifiable reduction in energy usage. This evidence will be, by definition, retrospective in nature.[71] In previous cases, we have directed the Company to include in its annual EM&V report its evidence of the actual energy savings achieved as a result of each specific program along with revised cost-benefit test results that incorporate actual Virginia energy savings and cost data. In addition, we note that Environmental Respondents and VAEEC also recommend that Dominion be required to present energy investment and savings in a standardized form such as a "dashboard" in future DSM filings.[72]

In the present case, we agree that the record shows more rigorous evaluation, measurement, and verification is necessary to ensure that the programs are, in *actual practice,* the proximate cause of a verifiable reduction in energy usage. The parties are not, however, in agreement as to the required level of rigor, and at what cost.[73] Further in this regard, the Commission agrees with Environmental Respondents and VAEEC that the creation of a standardized "dashboard" will assist in the efficacy of the EM&V efforts undertaken for these programs. We also find, however, that these issues should be addressed in a separate proceeding to support detailed and complete consideration and determination thereof.

Accordingly, the Commission will subsequently initiate a new proceeding, specific to Dominion, to consider issues related to, among other things, the determination of baselines, the measurement of savings for Dominion's current DSM programs, and the creation of a standardized "dashboard" for reporting energy investments and savings.[74] The Commission will issue a separate order establishing a new docket for such proceeding.[75]

Future DSM Filings

Finally, although the new proceeding discussed above will not be completed prior to the Company's next DSM filing, we continue to direct Dominion to file, in every future rate adjustment clause proceeding under Code § 56-585.1 A 5, evidence of the *actual* energy savings achieved as a result of each specific program for which cost recovery is sought, along with revised cost-benefit tests that incorporate actual Virginia energy savings and cost data. We further direct Staff to investigate each such filing, to analyze the program-specific evidence on actual energy savings and the proximate cause thereof, and to report on its findings. As we stated in Case No. PUR-2018-00168, this evidence will be relevant to at least two foreseeable issues: (i) identifying the true cost-effectiveness of DSM programs, which will enable the Commission to determine which programs should be expanded in scope and budget so as to maximize the reductions in energy usage, which ones are least effective and should have their budgets shifted to more effective programs, and which ones are not cost-effective and should be discontinued; and (ii) evaluating any claim by Dominion to cost recovery for lost revenues.

Accordingly, IT IS ORDERED THAT:

(1) The Petition is granted as modified herein.

(2) The Company forthwith shall file revised tariffs, designed to recover $59,685,418, for Riders C1A, C2A, and C3A, and terms and conditions of service and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as necessary to comply with the directives set forth herein.

(3) Riders C1A, C2A, and C3A as approved herein shall become effective for usage on and after September 1, 2020.

(4) Consistent with Code § 56-585.1 A 5, the Company shall file its application to continue Riders C1A, C2A, and C3A no later than December 3, 2020.

(5) Consistent with the Commission's directives in prior cases, the Company shall continue to submit: (a) annual evaluation, measurement and verification reports; and (b) as part of every DSM filing, an exhibit similar to Exhibit 5 in Case No. PUE-2013-00072.

(6) In every future rate adjustment clause proceeding under Code § 56-585.1 A 5, Dominion shall submit evidence of the actual energy savings achieved by each program for which cost recovery is sought.

(7) This matter is continued.

---

[71] *See, e.g.,* May 2, 2019 Order at 8.

[72] *See, e.g.*, Ex. 18 (Grevatt) at 20-21; Environmental Respondents Post-Hearing Brief at 12-13; VAEEC Post-Hearing Brief at 7-8.

[73] *See, e.g.,* Staff Post-Hearing Brief at 21-30; Company Post-Hearing Brief at 22-24.

[74] In other words, the separate proceeding will be limited to consideration of current programs from the Company's Phase VIII and earlier. As requested by Consumer Counsel, the Commission expressly finds that approval of any DSM program does not prejudice and bind future determinations with respect to verifiable future reductions in energy usage attributable to any DSM program. *See, e.g.,* Consumer Counsel Comments at 2.

[75] As a result of our determination to initiate a separate proceeding for this purpose, the Commission makes no specific findings herein attendant to the Chief Hearing Examiner's Finding/Recommendation Nos. 4, 6, 7, and 15. Report at 76-77. These issues will be subsumed as part of such new proceeding.

CASE NO. PUR-2019-00202
JANUARY 29, 2020

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to implement a universal shelf registration for senior debt securities and common stock

ORDER GRANTING AUTHORITY

On November 26, 2019, Atmos Energy Corporation ("Atmos" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia requesting authority to implement a $4.0 billion universal shelf registration ("New Shelf") with the Securities and Exchange Commission ("SEC") to issue senior debt securities and common stock. On December 12, 2019, the Company modified its Application to request authority to enter into financial derivative instruments in connection with the future issuance of securities ("Hedging Transactions"). The New Shelf would be effective for three years from the date of registration with the SEC. The authority granted in Case No. PUE-2018-00137 for the Company's existing shelf registration and hedging instruments would terminate on the registration date of the New Shelf. Although existing authority with the SEC does not expire until November of 2021, Atmos states that there will not be sufficient capacity remaining to meet its capital needs.

Net proceeds from the issuances may be used for the following purposes: to refund debt as market conditions permit; to purchase, acquire and/or construct additional properties and facilities as well as for improvements to the Company's existing utility plant; and for general corporate purposes. Interest rates and debt maturities will be determined based upon market conditions at the time of issuance.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application, as modified, and subject to the requirements set forth in the Appendix to this Order, will not be detrimental to the public interest. We further find that the authority granted in Case No. PUE-2018-00137 shall terminate on the effective date of the registration of the New Shelf and be superseded by the authority granted herein.

Accordingly, IT IS ORDERED THAT:

(1) Atmos is hereby authorized to issue securities and enter into Hedging Transactions as described in its Application, as modified, subject to the requirements set forth in the Appendix attached to this Order.

(2) This matter is continued for further orders of the Commission.

APPENDIX

1) Atmos is authorized to issue senior debt securities and/or common stock up to a maximum of $4.0 billion from the effective date of the New Shelf with the SEC and ending three years from the effective date under the terms and conditions and for the purposes set forth in the Application.

2) Atmos is authorized to enter into Hedging Transactions from the effective date of the New Shelf under the terms and conditions and for the purposes set forth in the Application, as modified.

3) Atmos shall notify the Commission's Division of Utility Accounting and Finance within ten (10) days of the effective date of the New Shelf.

4) Atmos shall submit a report of action directly to the Commission's Division of Utility Accounting and Finance within ten (10) days after the issuance of any securities pursuant to this Order, including as applicable: the date issued, type of security, gross amount of debt or stock issued, interest rate, maturity date, yield on a United States Treasury security of comparable maturity, market price and number of shares sold, net proceeds received by Atmos, and purpose of the issuance.

5) Atmos shall submit a report of action directly to the Commission's Division of Utility Accounting and Finance within ten (10) days after the execution of Hedging Transactions including: the date, type of transaction, notional amount of the securities hedged, interest rate or index selected, and anticipated maturity date of the Hedging Transactions.

6) On or before February 28, 2021, February 28, 2022, and February 28, 2023, Atmos shall file with the Commission a detailed report of action with respect to all securities issued and Hedging Transactions entered into during the previous calendar year including as applicable: issuance date, type of security or hedge, face or notional amount, interest rate, date of maturity, gross amount of stock sold including market price and number of shares sold, underwriters' names, underwriters' fees, other issuance expenses realized to date, net proceeds to Atmos, gain/loss on transaction, cumulative principal amount of securities issued under the authority granted herein, and amount remaining to be issued.

7) Atmos shall file a final report of action within 60 days of the expiration of the New Shelf, including all information required in Paragraph (6), a detailed account of all actual expenses and fees paid to date for each type issuance, and a summary schedule for each hedging transaction executed or settled during the authorization period of this case.

8) The authority granted in this case shall have no accounting or ratemaking implications.

9) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUR-2019-00203
JUNE 22, 2020

APPLICATION OF
INSIGHT SOURCING GROUP LLC

For a license as an electricity aggregator

ORDER GRANTING LICENSE

On April 21, 2020, Insight Sourcing Group LLC ("Insight" or "Company"), completed the filing of an application with the State Corporation Commission ("Commission") for a license to act as an aggregator for electricity and natural gas service ("Application"). Insight seeks authority to provide electricity and natural gas aggregation services throughout Virginia to eligible commercial and industrial customers.[1] In its Application, Insight attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[2]

On May 5, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically on or before May 15, 2020, to each of the companies on Attachment A of the Procedural Order, and to file proof of service on or before May 22, 2020. On May 6, 2020, Insight filed its proof of service.

The Procedural Order also directed any comments in the matter to be filed with the Clerk of the Commission on or before May 29, 2020. Dominion timely filed comments on the Application.

The Procedural Order directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on June 3, 2020,[3] which summarized Insight's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, the Staff recommended that Insight be granted "licenses to act as an aggregator for electricity service and natural gas service to eligible commercial and industrial customers throughout Virginia."[4]

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Insight's Application for a license to provide electricity and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Insight hereby is granted license No. A-102 to provide competitive aggregation service of electricity and natural gas to commercial and industrial customers throughout the service territories open to competition in Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] Pursuant to § 56-577 of the Code of Virginia, retail choice for electricity is only permitted pursuant to the customer classes, load parameters, and renewable energy sources set forth therein, and exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Retail choice for natural gas service exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s.

[2] 20 VAC 5-312-10 *et seq*.

[3] *Staff Report*, Case No. PUR-2019-00203, Doc. Con. Cen. No. 200610084 (Jun. 3, 2020).

[4] Staff Report at 5.

CASE NO. PUR-2019-00204
MARCH 16, 2020

APPLICATION OF
ZENTILITY, INC.

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On January 13, 2020, Zentility, Inc. ("Zentility" or "Company") completed an application with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia ("Application").[1] The Company seeks authority to market electricity and natural gas aggregation services to eligible commercial, industrial, and residential customers throughout Virginia.[2] Zentility attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[3]

On January 15, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") that, in part, required the Company to serve a copy of the Procedural Order on or before January 24, 2020, to each of the utilities listed in Attachment A of the Procedural Order and to provide proof of service by January 31, 2020. The Procedural Order further directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Staff Report").

On February 13, 2020, the Company filed a letter indicating that it served the Procedural Order on February 3, 2020, and requesting that the Commission accept the proof of service out of time. To allow each of the utilities listed in Attachment A of the Procedural Order additional time to file written comments on the Application, Staff filed a Motion for Modification of Procedural Schedule ("Motion") on February 13, 2020.

On February 18, 2020, the Commission issued an Order Granting Motion accepting the Company's late-filed proof of service and service of notice out of time and extending the dates to file written comments, the Staff Report, and comments on the Staff Report to February 25, 2020, March 2, 2020, and March 9, 2020, respectively.

Dominion filed comments on February 24, 2020.

On March 2, 2020, Staff filed its report, which summarized Zentility's Application and evaluated its financial and technical fitness. Staff recommended that Zentility be granted a license to provide electric and natural gas aggregation services to eligible commercial, industrial, and residential customers in the Virginia service territories that are open to retail competition.

Zentility did not file a response to the Staff Report or the comments filed by Dominion.

NOW THE COMMISSION, upon consideration of the Application, the Staff Report, and applicable law, finds that Zentility's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Zentility is hereby granted license No. A-90 to provide competitive aggregation service of electricity and natural gas to commercial, industrial, and residential customers throughout the service territories open to competition in the Commonwealth of Virginia. This license to act as an aggregator is subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] The Company filed its initial Application on December 2, 2019. The Company filed additional information on January 13, 2020, after which it was deemed complete.

[2] Pursuant to § 56-577 of the Code of Virginia ("Code"), retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources set forth therein. Retail choice thereunder, exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Pursuant to plans as required by Code § 56-235.8 A, retail choice for natural gas service exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s.

[3] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2019-00206
MARCH 31, 2020

APPLICATION OF
DEMORIAN LINTON, LLC

For a license to do business as an electricity and natural gas aggregator

FINAL ORDER

On December 4, 2019, Demorian Linton, LLC ("Demorian Linton" or "Company") filed an application with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator the Commonwealth of Virginia ("Application"). The Company seeks authority to market electricity and natural gas aggregation services to eligible commercial, industrial, and governmental customers throughout Virginia.[1] Demorian Linton attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services.[2]

On January 16, 2020, the Commission entered an Order for Notice and Comment, which, among other things, docketed the case; required the Company to serve a copy of the Order for Notice and Comment upon appropriate persons and file proof of such service with the Clerk of the Commission on or before January 31, 2020 ("Proof of Service"); provided for the receipt of comments from the public; required the Commission's Staff ("Staff") to analyze the reasonableness of the Application and present its findings and recommendations in a report ("Staff Report"); and provided an opportunity for participants to file a response to the Staff Report.

The Proof of Service was filed on January 27, 2020. Comments and a Notice of Participation were filed by Virginia Electric and Power Company on February 7, 2020.

Subsequently, the Staff filed its Staff Report, which summarized the Company's Application and evaluated its financial and technical fitness. The Staff recommended that the Commission deny Demorian Linton's Application for an aggregator's license due to the Company's failure to provide the Staff with the information necessary to perform a financial fitness review of the Company,

NOW THE COMMISSION, upon consideration of the Application, the comments filed, the Staff Report, and applicable law, finds that Demorian Linton's Application for a license to conduct electricity and natural gas aggregation services to eligible commercial, industrial, and governmental customers throughout Virginia should be denied without prejudice.

Accordingly, IT IS SO ORDERED.

---

[1] Retail choice for natural gas service only exists in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia, Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[2] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2019-00209
JUNE 1, 2020

APPLICATION OF
AQUA VIRGINIA, INC.

For Approval of a Water and Wastewater Infrastructure Service Charge Plan and for Authority to Implement Water and Wastewater WWISC Riders

FINAL ORDER

On December 6, 2019, Aqua Virginia, Inc. ("Aqua Virginia" or "Company"), filed with the State Corporation Commission ("Commission"), an application for approval of a Water and Wastewater Infrastructure Service Charge ("WWISC") Plan and for authority to implement Water and Wastewater WWISC Riders ("Application").

In its Application, Aqua Virginia asserts that, in its last base rate case ("2018 Base Rate Case"),[1] the Commission authorized the Company to implement separate water and wastewater WWISCs over a three-year pilot period to enable the Company to make accelerated investments to replace mains and other aging infrastructure that have reached the end of their useful lives.[2] Aqua Virginia further states that the Commission approved $3,750,000 in WWISC projects over the three-year pilot period, specifically limiting same to $1.765 million for accelerated water main replacement projects and $1.99 million for inflow and infiltration ("I&I") reduction projects.[3] As noted by the Company, such approval was wholly subject to the specific safeguards recommended by the Hearing Examiner and adopted in their entirety by the Commission in its October 2018 Final Order.[4]

The October 2018 Final Order authorized the Company to begin deferring the costs of WWISC-eligible investment placed in service on and after March 1, 2019.[5] Aqua Virginia requests that the Commission approve the roster of WWISC-eligible investments that the Company proposes to complete as part of its first WWISC Plan period beginning March 1, 2019, and ending December 31, 2020.[6] The Company further requests approval of its proposed WWISC Tariff, including a (1) Water WWISC Rider with a revenue requirement of approximately $137,000, associated with approximately $1,576,000 in water main replacement projects; and (2) Wastewater WWISC Rider with a revenue requirement of approximately $150,000, associated with approximately $1,382,000 in wastewater I&I projects.[7] Aqua Virginia proposes a rate of $0.1317 for each 1000 gallons of water used and $0.5778 for each 1000 gallons of wastewater billed.[8] If the WWISC Plan and Riders are approved, the impact on customer bills would depend on usage. The Company estimates that implementation of its proposed Riders would increase the monthly bill of a residential water customer using 4,000 gallons per month by $0.53, and would increase the monthly bill of an average residential sewer customer by $2.31.[9] The Company proposes a beginning date of April 6, 2020, for the first WWISC Rider Rate Year.[10]

On December 27, 2019, the Commission entered an Order for Notice and Hearing ("Procedural Order") that, among other things, docketed the Application; required Aqua Virginia to provide notice of its Application through both direct mail and newspaper publication in accordance with § 56-237.1 of the Code of Virginia; gave interested persons the opportunity to comment on, or participate in, the proceeding; scheduled a public hearing on the Application; and assigned a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission, concluding with the issuance of a report containing the Hearing Examiner's findings and recommendations. The Commission further permitted the Company to begin charging customers for its WWISC-related expenses for billings made on or after April 6, 2020 ($0.1317 for each 1000 gallons of water used and $0.5778 for each 1000 gallons of wastewater billed), subject to true-up and the Hearing Examiner's protections adopted by the Commission in its October 2018 Final Order.[11]

On March 12, 2020, the Company filed an Unopposed Motion to Amend ("Motion to Amend"), requesting permission to amend its Application and, to the extent necessary, the Direct Testimony of John J. Aulbach, II, P.E.[12]

On March 13, 2020, the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed its Motion for Leave to File Notice of Participation Out of Time ("Motion for Leave") and its Notice of Participation.

On March 16, 2020, the Hearing Examiner granted the Company's unopposed Motion to Amend and Consumer Counsel's unopposed Motion for Leave ("March 16, 2020 Ruling").

On March 13, 2020, the Commission's Staff ("Staff") filed the testimony of Sean M. Welsh and Marc A. Tufaro.

On March 26, 2020, as permitted by the March 16, 2020 Ruling, the Company filed its Amended Application and the Amended Direct Testimony Mr. Aulbach.[13] Thereafter, the Company filed its rebuttal testimony on March 27, 2020.

---

[1] *Application of Aqua Virginia for an Increase in Rates*, Case No. PUR-2017-00082, 2018 S.C.C. Ann. Rept. 244, Final Order (Oct. 19, 2018) ("October 2018 Final Order").

[2] Ex. 4 (Amended Application) at 2-4. *See also* October 2018 Final Order at 246-47.

[3] Ex. 4 (Amended Application) at 5. *See also* October 2018 Final Order at 246-47.

[4] Ex. 4 (Amended Application) at 6-7. *See also* October 2018 Final Order at 246-47.

[5] *See* Ex. 4 (Amended Application) at 6; October 2018 Final Order at 247.

[6] Ex. 4 (Amended Application) at 9; Ex. 8 (Hingley Direct) at 6-14, Exhibit DMH-1.

[7] Ex. 4 (Amended Application) at 6, 9.

[8] Ex. 7 (Hale Direct), Exhibit RFH-1 at 1.

[9] Ex. 7 (Hale Direct) at 8.

[10] *Id.* at 6.

[11] Procedural Order at 4-5.

[12] The Motion to Amend specifically requested that the Company be allowed to withdraw, without prejudice, its request to amend the Rules and Regulations of its Tariff to (1) add a new section pertaining to control of substances disposed of into wastewater systems, and (2) eliminate sewer volumetric allowances for portable handheld irrigation deduction meters. *See* Motion to Amend at 3.

[13] Also, on March 26, 2020, the Company filed a letter notifying the Commission that, as of February 3, 2020, its parent company is operating under a new name: Essential Utilities, Inc.

On April 6, 2020, after being advised by the parties and Staff that only one disputed issue remained in this case, and upon consideration of the Commission's March 19, 2020 Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency,[14] the Hearing Examiner issued a ruling (1) cancelling the April 14, 2020 hearing; (2) directing the parties and Staff to file a partial stipulation ("Partial Stipulation") providing for the admission of evidence relative to the Application, without the necessity of the April 14, 2020 hearing; (3) permitting the filing of briefs on the disputed issue; and (4) extending the public comment period through April 28, 2020.

The remaining disputed issue concerns the WWISC-eligibility of a portion of the James River Estates project, which includes a water main replacement project identified in Aqua Virginia's five-year Capital Plan and included in a list of potential WWISC-eligible water projects submitted in the 2018 Base Rate Case. Although Staff did not take a position whether the James River Estates project in its entirety is appropriate for recovery under the WWISC, Staff questions whether the first $150,000 of replacements comprising the James River Estates project should be excluded from the WWISC on the ground that this amount constitutes a previously planned capital expenditure that is not contemplated by the October 2018 Final Order, which authorized recovery of "accelerated water main replacements" via the WWISC.[15]

Related to the James River Estates project is the issue regarding whether the definition of WWISC-eligible water projects in the proposed WWISC tariff should be modified to include "in-kind replacement of transmission and distribution system mains that were not previously planned capital expenditures" if the Commission excludes the portion of the James River Estates project at issue.[16]

On April 10, 2020, the Partial Stipulation was filed. The Partial Stipulation included the following agreements among the Company, Staff and Consumer Counsel:

- Staff's proposed adjustments to the Water and Wastewater WWISC revenue requirement described in Staff witness Welsh's pre-filed testimony are reasonable and appropriate.[17]
- Staff's proposed Wastewater WWISC revenue requirement of $140,721,[18] is reasonable and should be adopted;
- Staff's proposed Water WWISC revenue requirement of $143,525, before considering adjustment regarding the James River Estates project,[19] if any, is reasonable;
- The Current Service Charge component of the Wastewater WWISC Rider, determined to be $0.5347 based on wastewater billable gallon usage of 263,165,[20] is reasonable and should be adopted;
- The Current Service Charge component of the Water WWISC Rider, determined by Staff to be $0.1387 per 1,000 gallons of usage before considering adjustment regarding the James River Estates project,[21] if any, is reasonable;
- Should the Commission exclude recovery of $150,000 of the James River Estates project via the WWISC, the Water WWISC revenue requirement would decrease by $11,481,[22] requiring a corresponding reduction of the Current Service Charge component of the Water WWISC Rider. Should the Commission not exclude recovery of $150,000 of the James River Estates project via the WWISC, the Water WWISC rates implemented as of April 6, 2020, will be based on the Water WWISC revenue requirement proposed in the Application and included in the public notice, in the amount of $136,674. Any difference between Water WWISC recoveries and actual costs during the rate year will be trued-up in a future reconciliation factor; and
- The language in the proposed WWISC tariff defining WWISC-eligible water utility projects to include "main extensions to eliminate dead ends and to implement solutions to regional water supply in order to comply with primary and secondary drinking water standards" should be removed from the WWISC tariff approved in this case.[23]

On April 14, 2020, the Hearing Examiner issued a ruling accepting the Partial Stipulation into the record and marking, numbering, and admitting into the record the proposed exhibits listed therein.

---

[14] *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (March 19, 2020).

[15] *See* Ex. 9 (Welsh) at 9-10; Brief of the State Corporation Commission Staff at 2-4.

[16] *See* Ex. 10 (Tufaro) at 5; Ex. 1 (Partial Stipulation) at 5.

[17] *See* Ex. 9 (Welsh) at 7-9.

[18] *See id.* at 4.

[19] *See id.* at 4, 9-10.

[20] *See* Ex. 12 (Hale Rebuttal) at 2-3, Exhibit RFH-R1.

[21] *See* Ex. 10 (Tufaro) at 8.

[22] *See* Ex. 9 (Welsh) at 10.

[23] *See* Ex. 1 (Partial Stipulation) at 5; Ex. 10 (Tufaro) at 4-5.

On April 17, 2020, the Company and Staff filed briefs. Also on this date, Consumer Counsel filed a letter notifying the Commission that it would not be filing a brief on the disputed issue in this case.

The Commission received three written comments in opposition to the Application.

The Report of Mary Beth Adams, Hearing Examiner ("Report"), was issued on May 8, 2020, in which the Hearing Examiner found that the "unopposed Partial Stipulation balances the interests of consumers and the Company and is fair, reasonable and in the public interest."[24] As to the remaining single disputed issued, the Hearing Examiner[25]

> agree[d] with Staff that the [October 2018 Final Order] authorized only accelerated water main replacement projects for Water WWISC recovery. Accordingly, [the Hearing Examiner] recommend[ed] that the previously planned capital expenditures in the amount of $150,000 for the James River Estates project be excluded from the WWISC. As noted by Staff, excluding this portion of the James River Estates project would decrease the water revenue requirement in this case by $11,481.

The Hearing Examiner recommended that the Commission approve a Water WWISC Rider revenue requirement of $132,044, and a Wastewater WWISC Rider revenue requirement of $140,721.[26]

Based on the above findings, the Hearing Examiner also found that the Company's WWISC tariff definition of WWISC-eligible water projects "...should be modified to include 'in-kind replacement of transmission and distribution system mains that were not previously planned capital expenditures.'"[27]

Staff, Consumer Counsel and the Company timely filed comments to the Report. Consumer Counsel does not oppose the findings and recommendations in the Report and asks the Commission to adopt the Partial Stipulation. Similarly, Staff asks the Commission to adopt the Report's findings and recommendations. In Aqua Virginia's Response ("Company Response"), the Company supports the Hearing Examiner's recommendation that the Commission adopt the Partial Stipulation and accepts the Hearing Examiner's findings and recommendations regarding the James River Estates project.[28] The Company, however, requests a modification to the proposed definition of WWISC-eligible water projects in the tariff, to state that WWISC-eligible water projects include "only in-kind replacement of transmission and distribution system mains that are capital expenditures which were not previously planned to occur prior to or during the applicable WWISC period."[29]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Partial Stipulation should be approved and that the findings and recommendations set forth in the Hearing Examiner's Report should be adopted, with the exception of the recommended modification to the definition of WWISC-eligible projects in the WWISC tariff. We approve the modification to the definition of WWISC-eligible projects, requested by the Company in its comments to the Hearing Examiner's Report, to include "only in-kind replacement of transmission and distribution system mains that are capital expenditures which were not previously planned to occur prior to or during the applicable WWISC period."

For clarification, we note that the WWISC Plan approved herein reflects the increase to customer bills that we approved on December 27, 2019, for the Company to begin charging on billings made on or after April 6, 2020.[30] Thus, no additional increase to rates is being approved beyond that which already has been implemented. We realize that the current COVID-19 public health crisis has caused devastating economic effects that impact all utility customers. We have responded to this economic emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency.[31] We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of fact supported by evidence in the record. That is what we have done herein.

Accordingly, IT IS ORDERED THAT:

(1) The Company's WWISC Plan, as modified by the Partial Stipulation, Hearing Examiner's Report, and this Order, is approved.

(2) The Company forthwith shall file revised tariffs, designed to recover $132,044 for the Water WWISC Rider and $140,721 for the Wastewater WWISC Rider, and terms and conditions of service and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as necessary to comply with the directives set forth herein.

(3) This case is dismissed.

---

[24] Report at 15.

[25] *Id*. at 16.

[26] *Id.* at 17.

[27] *Id.* at 16 and 17.

[28] Company Response at 3-4.

[29] *Id.* at 4.

[30] Procedural Order at 3-4, 5.

[31] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020).

CASE NO. PUR-2019-00210
MARCH 17, 2020

APPLICATION OF
ENERCONNEX, LLC

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On December 9, 2019, EnerConnex, LLC ("EnerConnex" or "Company") filed an application with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia ("Application"). The Company seeks authority to market electricity and natural gas aggregation services to eligible commercial, industrial, and governmental customers throughout Virginia.[1] EnerConnex attested that it would abide by all applicable regulations of the Commission, as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services.[2] EnerConnex filed a supplement to its Application on December 20, 2019.

On January 30, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring, among other things, the Company to serve a copy of the Procedural Order on or before February 5, 2020, to each of the utilities listed in Attachment A of the Procedural Order. On February 13, 2020, the Company filed proof of the service required by the Procedural Order.

The Procedural Order also invited interested persons to file comments with the Clerk of the Commission on or before February 14, 2020. DEV and Kentucky Utilities Company d/b/a Old Dominion Power Company filed comments on February 14, 2020.

The Procedural Order also directed the Commission's Staff to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on February 24, 2020, which summarized EnerConnex's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that EnerConnex be granted an aggregator's license to conduct business as a competitive service provider of electric and natural gas services to eligible commercial, industrial, and governmental customers in the Virginia service territories that are open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, comments, Staff's Report, and applicable law, finds that EnerConnex's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Enerconnex is hereby granted license No. A-88 to provide competitive aggregation service of electricity and natural gas to commercial, industrial, and governmental customers throughout the Commonwealth of Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

[1] Pursuant to Code § 56-577, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources set forth therein. Retail choice thereunder exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV"), Appalachian Power Company, and the electric cooperatives. Retail choice for natural gas service only exists in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s.

[2] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2019-00211
MARCH 31, 2020

APPLICATION OF
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY, ANGD, LLC, UTILITY PIPELINE HOLDING COMPANY, LLC, and UTILITY PIPELINE, LTD.

For authority under Chapters 3 and 4 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On January 9, 2020, Appalachian Natural Gas Distribution Company ("Distribution" or the "Company"); ANGD, LLC; Utility Pipeline, Ltd., ("UPL"); and Utility Pipeline Holding Company, LLC ("UPLHC") (collectively, "Applicants"), completed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapters 3 and 4 of Title 56 of the Code of Virginia ("Code"),[1] requesting authority for Distribution to participate as a co-guarantor in its parent company's proposed financing arrangements, which will involve replacing existing credit facilities through a

[1] Code §§ 56-55 *et seq.* and 56-76 *et seq.*

refinancing with a third-party lender.[2] This borrowing will be secured through a pledge of stock by UPLHC as well as a guarantee by each of its direct and indirect subsidiaries.[3] Together with the Application, Applicants filed a Motion For Entry of a Protective Order ("Motion"), pursuant to Rules 110 and 170 of the Commission's Rules of Practice and Procedure.[4] On January 15, 2020, the Commission issued an Extension Order, which extended the time for consideration of the Application through April 8, 2020.

The Applicants request authority for Distribution to be a co-guarantor of a five-year Credit and Security Agreement ("CSA") designed to recapitalize UPL and its subsidiaries, which the Applicants represent will rebalance the UPL capital structure, provide UPL and its subsidiaries with greater operational and financial flexibility relative to their existing credit facilities, pay off existing debt obligations, and provide funds for a distribution to the equity holders of UPLHC.[5]

In its Action Brief, Staff expressed concerns with Distribution being an individual guarantor for the *entire* CSA. The Commission has traditionally denied this type of arrangement, in which the regulated utility would be jointly and severally liable for the entirety of the parent company's debt.[6] The Company, in consultation with all other parties to the CSA, stated in response to an interrogatory that it would be acceptable to create a unique guarantor agreement for Distribution that would limit its potential liability to its pro-rata share of the CSA.[7] Staff recommended approving Distribution's limited guarantor agreement for the CSA subject to certain requirements listed in the Action Brief's Appendix A. Distribution agreed to Staff's recommendations.[8]

NOW THE COMMISSION, upon consideration of the Application, and having been advised by its Staff, is of the opinion and finds that approval of the Application, as modified herein to limit Distribution's potential liability as co-guarantor of the CSA to Distribution's pro-rata share of the CSA, is reasonable and not inconsistent with the public interest. The Commission also finds that the Applicants' Motion is no longer necessary; therefore, the Motion should be denied.[9]

Accordingly, IT IS ORDERED THAT:

(1) The Application is approved as modified herein, subject to the requirements listed in the Appendix attached hereto.

(2) This matter remains under the continued review, audit, and appropriate directive of the Commission.

APPENDIX

1. Distribution's guarantee of the CSA is limited to its pro-rata share of the total proposed credit facilities. In Distribution's Annual Report of Affiliate Transactions filed with the Director of the Division of Utility Accounting and Finance, Distribution shall report its pro-rata share of the CSA for each year that the CSA is in effect.

2. Separate Commission approval shall be required for any changes in the terms and conditions of the CSA.

3. The Commission's approval shall have no accounting or ratemaking implications.

4. The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of Code § 56-76 *et seq.*, hereafter.

5. The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

6. The Company shall file with the Commission a signed and executed copy of the CSA within ninety (90) days of the effective date of the Order in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance.

---

[2] The Company filed its initial Application on December 9, 2019. The Company filed additional information on January 9, 2020, after which it was deemed complete.

[3] UPLHC's other subsidiaries are Eastern Natural Gas Company, Pike Natural Gas Company, K.I.D.N. Marketing LTD, Southeastern Natural Gas Company, J.P. Pipe & Supply LTD, and Northern Industrial Energy Development Inc.

[4] 5 VAC 5-20-10 *et. seq.*

[5] Application at 5.

[6] *See, e.g., Application of Peoples Mutual Telephone Company d/b/a FairPoint Communications; FairPoint Communications, Inc.; Consolidated Communications Holdings, Inc.; and Consolidated Communications, Inc., For authority to enter into financing arrangements under Chapters 3 and 4 of Title 56 of the Code of Virginia,* Case No. PUR-2017-00016, 2017 S.C.C. Ann. Rept. 445, Final Order (May 2, 2017). In this case, Peoples Mutual Telephone Company d/b/a FairPoint Communications, Inc. ("Peoples Mutual") requested authority to guarantee the entire debt of the parent. The Commission denied the application, citing that it was not in the public interest to allow Peoples Mutual to be jointly and severally liable, along with its other subsidiaries, for the level of debt proposed.

[7] *See* Action Brief at 4, Appendix C.

[8] *See* Action Brief at 4.

[9] The Commission held the Applicants' Motion in abeyance and has not received a request for leave to review the confidential information contained in the Joint Application in this proceeding. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information, to which the Motion pertains, under seal.

CASE NO. PUR-2019-00211
AUGUST 18, 2020

APPLICATION OF
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY, ANGD, LLC,
UTILITY PIPELINE HOLDING COMPANY, LLC, and UTILITY PIPELINE, LTD.

For authority under Chapters 3 and 4 of Title 56 of the Code of Virginia

ORDER GRANTING MOTION TO VACATE

On January 9, 2020, Appalachian Natural Gas Distribution Company ("Distribution" or the "Company"); ANGD LLC; Utility Pipeline, Ltd.; and Utility Pipeline Holding Company, LLC ("UPLHC") (collectively, "Applicants") completed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapters 3 and 4 of Title 56 of the Code of Virginia ("Code"),[1] requesting authority for Distribution to participate as a co-guarantor in its parent company's proposed financing arrangements, which were to involve replacing existing credit facilities through a refinancing with a third-party lender. The Applicants had proposed to secure this borrowing through a pledge of stock by UPLHC as well as a guarantee by each of its direct and indirect subsidiaries.[2]

On March 31, 2020, the Commission issued an Order Granting Authority ("Order"), approving the Application subject to modifications to limit Distribution's potential liability as co-guarantor of the proposed Credit and Security Agreement ("CSA") to Distribution's pro-rata share of the CSA. The Order further directed the Company to file with the Commission a signed and executed copy of the CSA within 90 days of the effective date of the Order, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance.

On June 26, 2020, counsel for the Applicants filed a letter notifying the Commission that

> due to changes in market conditions during the past several months, the transaction approved in this proceeding has been revisited. The [A]pplicants are working towards a transaction that will be materially different from the approved transaction and for which separate Commission approval will be required.

On August 3, 2020, the Applicants filed a Motion to Vacate Order and Withdraw Application ("Motion"). The Motion states that the transaction approved in the March 31, 2020 Order will not close, and "the Applicants continue to discuss alternatives to the approved transaction and will request Commission approval of any new arrangement when it is appropriate to do so."[3] The Motion further requests that the Applicants be allowed to withdraw the Application in this matter and that the Order be vacated. The Applicants state in the Motion that they are authorized to represent that the Staff of the Commission does not oppose the Motion.

NOW THE COMMISSION, upon consideration of the Motion, is of the opinion and finds that the Motion should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The Applicants' Motion to Vacate Order and Withdraw Application is granted.

(2) This matter is dismissed.

[1] Code §§ 56-55 *et seq.* and 56-76 *et seq.*

[2] UPLHC's other subsidiaries are Eastern Natural Gas Company, Pike Natural Gas Company, K.I.D.N. Marketing LTD, Southeastern Natural Gas Company, J.P. Pipe & Supply LTD, and Northern Industrial Energy Development Inc.

[3] Motion to Vacate at 2.

CASE NO. PUR-2019-00212
JANUARY 29, 2020

APPLICATION OF
BARC ELECTRIC COOPERATIVE

For authority to incur debt

ORDER GRANTING AUTHORITY

On December 10, 2019, BARC Electric Cooperative ("BARC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia[1] for approval of a loan from the Federal Financing Bank ("FFB"). BARC has paid the requisite filing fee of $250.

[1] Va. Code § 56-55 *et seq.*

BARC is seeking authority to incur $3.351 million in debt from the FFB. The Cooperative states that the loan will be used to finance new construction as detailed in their RUS Form 740c. The Application states that the term of the loan will be for 35 years and the interest rate will be determined at the time of each advance.

NOW THE COMMISSION, upon consideration of the Application and having been advised by Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) BARC is authorized to receive a loan of $3.351 million from the FFB, all in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) Within thirty (30) days of the date of any advance of funds from the FFB, the Cooperative shall file with the Commission's Division of Utility Accounting and Finance a Report of Action, which shall include the amount of the advance and interest rate.

(3) The authority granted herein shall have no ratemaking implications for ratemaking purposes.

(4) This case is dismissed.

CASE NO. PUR-2019-00213
MARCH 30, 2020

JOINT PETITION OF
JAMES HARDIE BUILDING PRODUCTS INC. and APPALACHIAN POWER COMPANY

For a declaratory judgment or, in the alternative, for an exemption pursuant to § 56-577 A 3 c of the Code of Virginia

FINAL ORDER

On January 22, 2020, James Hardie Building Products Inc. ("James Hardie") and Appalachian Power Company ("APCo") (collectively, "Petitioners") filed a joint petition ("Joint Petition") with the State Corporation Commission ("Commission") under Rule 100 of the Commission's Rules of Practice and Procedure.[1] The Petitioners seek a declaratory judgment that James Hardie may purchase electric energy from APCo without providing five years' advance written notice to APCo and without requesting an exemption of that notice pursuant § 56-577 A 3 c of the Code of Virginia ("Code"). In the alternative, the Petitioners request an exemption under Code § 56-577 A 3 c ("Section A 3 c").

Before December 1, 2017, James Hardie purchased electric energy from APCo, the incumbent electric utility in Pulaski, Virginia.[2] Beginning on December 1, 2017, however, James Hardie began purchasing electric energy from a competitive service provider ("CSP") in accordance with Code § 56-577 A 3 ("Section A 3").[3] After the conclusion of an initial twelve-month contract term, James Hardie entered into a six-month agreement with the CSP that would be extended on a month-by-month basis.[4]

James Hardie now wishes to return to its incumbent provider, APCo, and APCo wishes to provide service to James Hardie.[5] Moreover, the Petitioners seek to do so without providing and receiving the five years' advance written notice required by Section A 3 c.[6] The Petitioners thus request a declaratory judgment that, under the specific facts of this case, James Hardie may take service from APCo without providing the five years' notice.[7]

On February 7, 2020, the Commission issued an Order ("Procedural Order") in this proceeding that, among other things, docketed this matter; allowed interested persons and the Staff of the Commission ("Staff") to respond to the Joint Petition; and provided an opportunity for the Petitioners to reply to any responses filed.[8] On February 25, 2020, Staff filed a response ("Staff Response") to the Joint Petition. The Petitioners did not file a reply to the Staff Response.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

---

[1] 5 VAC 5-20-10 *et seq*.

[2] Joint Petition at 6.

[3] *Id.*

[4] *Id.*

[5] *Id.* at 7.

[6] *Id.*

[7] *Id.* at 24. If the Commission finds that five years' notice is required, then the Petitioners request that the Commission grant an exemption to James Hardie under Section A 3 c. *Id.* at 13-17.

[8] The Procedural Order also required the Petitioners to serve a copy of the Procedural Order on the CSP who currently provides service to James Hardie. Procedural Order at 2. On February 20, 2020, the Petitioners filed proof of service. The CSP did not file a response to the Joint Petition.

The Petitioners request a declaratory judgment that James Hardie may purchase electric energy from APCo without providing notice and without requesting an exemption of that notice as provided by Section A 3.[9] The Petitioners alternatively request that the Commission grant an exemption to James Hardie under Section A 3 c if the Commission finds that five years' notice is required.[10] The Petitioners and Staff both interpret Section A 3 c not to require five years' advance written notice under the facts of this case.[11]

When called upon to construe a statute, as here, the Supreme Court of Virginia has explained that "[the] primary objective is to ascertain and give effect to legislative intent, as expressed by the language used in the statute."[12] The Court added, "When the language of a statute is unambiguous, we are bound by the plain meaning of that language."[13] The language at issue in this case is found in Section A 3.

The relevant provisions of Section A 3 provide (emphases added):

> Subject to the provisions of subdivisions 4 and 5, only individual retail customers of electric energy within the Commonwealth, regardless of customer class, whose demand during the most recent calendar year exceeded five megawatts but did not exceed one percent of the customer's incumbent electric utility's peak load during the most recent calendar year unless such customer had noncoincident peak demand in excess of 90 megawatts in calendar year 2006 or any year thereafter, shall be permitted to purchase electric energy from any supplier of electric energy licensed to sell retail electric energy within the Commonwealth, except for any incumbent electric utility other than the incumbent electric utility serving the exclusive service territory in which such a customer is located, subject to the following conditions:
>
> . . . .
>
> c. If such customer does purchase electric energy from licensed suppliers after the expiration or termination of capped rates, it *shall not thereafter be entitled to purchase electric energy from the incumbent electric utility without giving five years' advance written notice of such intention to such utility*, except where such customer demonstrates to the Commission, after notice and opportunity for hearing, through clear and convincing evidence that its supplier has failed to perform, or has anticipatorily breached its duty to perform, or otherwise is about to fail to perform, through no fault of the customer, and that such customer is unable to obtain service at reasonable rates from an alternative supplier. If, as a result of such proceeding, the Commission finds it in the public interest to grant an exemption from the five-year notice requirement, such customer may thereafter purchase electric energy at the costs of such utility, as determined by the Commission pursuant to subdivision 3 d hereof, for the remainder of the five-year notice period, after which point the customer may purchase electric energy from the utility under rates, terms and conditions determined pursuant to § 56-585.1. However, such customer shall be allowed to individually purchase electric energy from the utility under rates, terms, and conditions determined pursuant to § 56-585.1 if, upon application by such customer, the Commission finds that neither such customer's incumbent electric utility nor retail customers of such utility that do not choose to obtain electric energy from alternate suppliers will be adversely affected in a manner contrary to the public interest by granting such petition. In making such determination, the Commission shall take into consideration, without limitation, the impact and effect of any and all other previously approved petitions of like type with respect to such incumbent electric utility. Any customer that returns to purchase electric energy from its incumbent electric utility, before or after expiration of the five-year notice period, shall be subject to minimum stay periods equal to those prescribed by the Commission pursuant to subdivision C 1.

For purposes of the Joint Petition, the Commission narrows its review to the italicized phrase above, which states that the customer "shall not thereafter be entitled to purchase electric energy from the incumbent electric utility without giving five years' advance written notice of such intention to such utility…." The statute does not define "entitled." Thus, in pertinent part, the plain meaning of "entitle" is "2: to give a right or legal title to : qualify (one) for something : furnish with proper grounds for seeking or claiming something."[14] The Petitioners similarly assert that Merriam Webster defines "entitled" as "having a right to certain benefits or privileges."[15] Staff further points out that in Black's Law Dictionary "entitle" means "to grant a legal right to or qualify for."[16] Thus, the Commission concludes that in the context of Section A 3 c, "entitled" refers to a legal right that can be claimed by the customer.

James Hardie, however, is not attempting to claim such right. Thus, the requirements attached thereto do not apply in the instant matter. Accordingly, James Hardie can purchase electric energy from APCo at this time under the facts presented herein.

Accordingly, IT IS SO ORDERED, and this matter is dismissed.

---

[9] Joint Petition at 24.

[10] *Id.* at 13-17.

[11] *See, e.g.*, Joint Petition at 8; Staff Response at 1-2, 6.

[12] *Cuccinelli v. Rector & Visitors of the Univ. of Va.,* 283 Va. 420, 425-26, 722 S.E.2d 626, 629-30 (2012) (internal quotation marks and citations omitted).

[13] *Id.*

[14] Webster's Third New International Dictionary 758 (2002).

[15] Joint Petition at 10.

[16] Staff Response at 3-4 (citing Black's Law Dictionary 649 (Bryan A. Garner, 10th ed. 2014)).

CASE NO. PUR-2019-00214
MAY 20, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to establish an experimental residential rate schedule, designated Time-Of-Use Rate Schedule 1G (Experimental)

FINAL ORDER APPROVING EXPERIMENT

On December 12, 2019, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval to establish a new experimental and voluntary residential time-of-use ("TOU") rate schedule, designated Time-Of-Use Rate Schedule 1G (Experimental) ("TOU Schedule 1G"), pursuant to § 56-234 B of the Code of Virginia ("Code").[1] Pursuant to Code § 56-234 B, the Commission is required to issue its final order on the Application "the earlier of not more than six months after the filing of the petition or not more than three months after the date of any evidentiary hearing concerning such petition."

On December 23, 2019, the Commission issued an Order for Notice and Hearing that, among other things: established a procedural schedule; set an evidentiary hearing date; directed Dominion to provide public notice of its Application; and provided interested persons an opportunity to file comments on the Application or to participate in the case as a respondent by filing a notice of participation.

On February 14, 2020, Dominion filed a Motion for Leave to Supplement Application and Direct Testimony requesting to add an optional solar incentive rebate ("Solar Incentive Program") to proposed TOU Schedule 1G. On February 21, 2020, the Commission issued an Order Granting Motion and Directing Supplemental Notice, which, among other things, permitted the Company to supplement its Petition to include the Solar Incentive Program.

Notices of participation were filed by Appalachian Voices ("Environmental Respondents") and the Virginia Office of the Attorney General, Division of Consumer Counsel. The Company, Environmental Respondents, and Commission Staff ("Staff") pre-filed testimony in this matter.

On May 5, 2020, the Commission convened a hearing on the Company's Application. The Commission received testimony and exhibits from Dominion, respondents, and Staff. On May 6, 2020, the Commission convened a separate hearing to receive the testimony of public witnesses.[2]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and concludes that the record herein supports the following findings.

(1) Subject to the requirements ordered herein, experimental rate TOU Schedule 1G, including the Solar Incentive Program, is "necessary in order to acquire information which is or may be in furtherance of the public interest" under Code § 56-234 B and should be approved for implementation on an experimental basis on and after January 1, 2021. On or before November 1, 2020, Dominion shall file a revised TOU Schedule 1G consistent with the findings in this order.

(2) Dominion plans for this experiment to lay the groundwork for a systemwide rollout of TOU rates.[3] In this regard, the Commission finds that implementing TOU Schedule 1G at this time will serve only as an initial step toward the potential development of a systemwide rate design for TOU rates. Specifically, having found the Company's proposal meets the minimum requirements of the statute, the Commission further finds – and emphasizes – that much more data and detail will be necessary to determine the type and structure of a TOU rate design that will serve the public interest on a significantly wider scale. Accordingly, as information regarding the actual implementation of this experiment becomes available, the Company shall file proposed modifications thereto designed to strengthen the robustness and efficacy of this experimental program.

(3) On or before November 1, 2020, Dominion shall file in this docket detailed plans for (a) evaluation, measurement, and verification ("EM&V"), and (b) customer education ("Outreach & Communication") associated with TOU Schedule 1G.

(4) As proposed by the Company, TOU Schedule 1G shall be limited to 10,000 participants, and the Solar Incentive Program shall be limited to 500 participants as a subset of the 10,000 participants in TOU Schedule 1G.

(5) Residential customers who are subject to a separate demand charge (*i.e.*, net metering customers subject to a standby charge) shall be eligible to take service under TOU Schedule 1G.

(6) Residential customers enrolled in demand response and peak shaving programs sponsored by the Company or the PJM Interconnection, L.L.C., regional transmission organization shall not be eligible to take service under TOU Schedule 1G at this time.

(7) The Company shall include in its marketing materials and post online the all-in rate (in cents per kilowatt hour) to residential customers participating in TOU Schedule 1G, including all applicable riders, during on-peak, off-peak, and super off-peak times.[4]

(8) The Company shall file an annual report in this docket on or before December 31 (during each year this experiment remains in effect) on the specific EM&V results of TOU Schedule 1G through July 31 of such year. The first such report shall be filed on or before December 31, 2021.

---

[1] The Company also filed the Application in compliance with Senate Bill 1769 enacted by the 2019 Virginia General Assembly. *See* 2019 Va. Acts of Assembly, ch. 763.

[2] No public witnesses appeared to testify. Tr. 203.

[3] *See, e.g.,* Tr. 139-140.

[4] The Company shall also include potential demand charges (*i.e.,* the standby charge applicable to certain net metering customers) in dollars per kilowatt.

(9) The Company utilized a stakeholder process in developing the TOU Schedule 1G rates proposed herein. The Company shall also utilize a reasonable stakeholder process during the implementation of this experiment that includes, but is not necessarily limited to, the preparation of detailed EM&V and Outreach & Communication plans, as well as developing proposed modifications to the instant experiment to increase the robustness and efficacy thereof. The stakeholder process shall also consider the use of shadow billing in connection with customer Outreach & Communication.

Accordingly, IT IS SO ORDERED, and this docket shall remain OPEN.

CASE NO. PUR-2019-00214
JUNE 9, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to establish an experimental residential rate schedule, designated Time-Of-Use Rate Schedule 1G (Experimental)

CLARIFYING ORDER

On May 20, 2020, the State Corporation Commission ("Commission") issued a Final Order Approving Experiment ("Final Order") in this docket. The Final Order approved, for Virginia Electric and Power Company ("Dominion" or "Company"), a new experimental and voluntary residential time-of-use ("TOU") rate schedule, designated Time-Of-Use Rate Schedule 1G (Experimental) ("TOU Schedule 1G"), pursuant to the requirements of Code § 56-234 B.

On June 5, 2020, Appalachian Voices ("Environmental Respondent") filed a Petition for Reconsideration and Clarification ("Petition"), which concludes as follows:

> Experimental rates under § 56-234 B require notice and hearing. The [evaluation, measurement, and verification ("EM&V")] plan and the customer Outreach & Communication plan are essential to program success, but there has been no hearing on the substance of those plans. For these reasons, Environmental Respondent respectfully requests the Commission clarify that the Final Order allows parties to file comments in this docket on Dominion's EM&V and Outreach & Communication plans after they are filed. In the alternative, Environmental Respondents respectfully request the Commission amend the Final Order to provide such an opportunity.[1]

NOW THE COMMISSION, upon consideration hereof, clarifies the Final Order as follows.

First, the Commission found that, subject to the requirements in the Final Order, approval of experimental rate TOU Schedule 1G (including the Solar Incentive Program) satisfies the requirements of Code § 56-234 B.[2] The Petition does not seek reconsideration of that finding.

Second, as discussed in the Petition, the Final Order directs the Company to utilize a "reasonable stakeholder process during the implementation of this experiment that includes, but is not necessarily limited to, the preparation of detailed EM&V and Outreach & Communication plans, as well as developing proposed modifications to the instant experiment to increase the robustness and efficacy thereof."[3] To the extent necessary,[4] the Commission clarifies that the above applies to the EM&V and Outreach & Communication plans that the Final Order directs Dominion to file on or before November 1, 2020, as well as to subsequent proposals designed to increase the robustness and efficacy of the experiment.

Finally, the Commission kept the instant docket open to receive, among other things, subsequent filings directed by the Final Order. As requested by the Petition, the Commission hereby further clarifies that the Final Order does not prohibit the parties from likewise filing "comments in this docket on Dominion's EM&V and Outreach & Communication plans after they are filed."[5]

Accordingly, IT IS SO ORDERED, and this docket shall remain OPEN.

---

[1] Petition at 5-6.

[2] Final Order at 2.

[3] *Id*. at 4.

[4] *See* Petition at 5.

[5] *Id*.

CASE NO. PUR-2019-00214
OCTOBER 9, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to establish an experimental residential rate schedule, designated Time-Of-Use Rate Schedule 1G (Experimental)

ORDER GRANTING WAIVER

On May 20, 2020, the State Corporation Commission ("Commission") issued a Final Order Approving Experiment ("Final Order") in this docket. The Final Order approved, for Virginia Electric and Power Company ("Dominion" or "Company"), a new experimental and voluntary residential time-of-use ("TOU") rate schedule, designated Time-Of-Use Rate Schedule 1G (Experimental) ("TOU Schedule 1G"), pursuant to the requirements of Code § 56-234 B.

On June 9, 2020, the Commission issued a Clarifying Order in response to a Petition for Reconsideration filed by respondent Appalachian Voices. Therein, the Commission noted that it "kept the instant docket open to receive, among other things, subsequent filings directed by the Final Order."[1]

On September 18, 2020, Dominion filed a Motion for Limited Waiver ("Motion") requesting limited waiver of Rule 50 of the Commission's Rules Governing Net Energy Metering ("Net Metering Regulations")[2] in order to offer TOU Rate Schedule 1G. In support of the Motion, Dominion states that Senate Bill 1769, Enactment Clause 3, requires TOU Schedule 1G to include, among other things, at least one TOU rate designed on an energy-only basis and that net metering customers must be eligible to participate in the TOU rate.[3] Dominion further states the Commission's Final Order directed the Company to allow all net metering customers to participate in TOU Schedule 1G, unless otherwise prohibited.[4] The Company states that Rule 50 of the Commission's Net Metering Regulations precludes a net metering customer having no demand charge from being served under a TOU schedule.[5] In order to provide TOU Schedule 1G to all net metering customers, the Motion requests the Commission grant a limited waiver from Rule 50 of the Net Metering Regulations as permitted by Rule 80 of the Net Metering Regulations.[6]

The Company further states that granting the Motion would appear to be consistent with the Commission's Final Order in this proceeding.[7] The Company also represents that Commission Staff and Appalachian Voices do not oppose the relief requested.[8] No responses to the Motion were filed.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Motion should be granted and that the request for limited waiver of Rule 50 of the Net Metering Regulations should be approved.

Accordingly, IT IS SO ORDERED, and this matter is CONTINUED.

---

[1] Clarifying Order at 2.

[2] 20 VAC 5-315-10 *et seq*.

[3] Motion at 3-4; 2019 Va. Acts of Assembly, ch. 763.

[4] Motion at 3; Final Order at 3.

[5] Motion at 5; 20 VAC 5-315-50 ("time-of-use metering under an electricity supply service tariff having no demand charges is not permitted.").

[6] Motion at 5; 20 VAC 5-315-80.

[7] Motion at 5-6.

[8] *Id.* at 6.

CASE NO. PUR-2019-00215
OCTOBER 1, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric Transmission facilities: Lockridge 230 kV Line Loop and Lockridge Substation

FINAL ORDER

On December 17, 2019, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and for a certificate of public convenience and necessity ("CPCN") to construct and operate electric transmission facility lines in Loudoun County, Virginia ("Application"). Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq*. The Application sought approval to construct a new: (a) approximately 0.6 mile long 230 kilovolt ("kV") double circuit transmission line loop, supported by eight double circuit, single shaft galvanized steel poles from a tap point located on the existing 230 kV Roundtable Shellhorn Line #2188 between the proposed Lockridge Substation and a proposed junction located northeast of the Shellhorn Substation ("Lockridge Loop"), and (b) 230-34.5 kV substation located on land owned by a customer requesting service along Lockridge Road in Loudoun County, Virginia ("Lockridge Substation") (collectively, "Project").[1] The Project would be constructed on new right-of-way ("ROW") in Loudoun County. The Application initially included five routes ("Originally Proposed Routes") for the Commission's consideration. The Originally Proposed Routes consisted of Routes 1A, 1B, and 1C and Routes 2A and 2B.

On February 11, 2020, the Company filed an Unopposed Motion of Virginia Electric and Power Company for Leave to Withdraw Routes from Notice and to Submit Updated Notice ("Motion"). In its Motion, the Company stated that four of the five routes initially proposed in the Application cross lands managed by the United States Postal Service ("USPS") and that, despite initial positive indications in its communications with USPS, the Company was informed by USPS on January 3, 2020, that it opposed proposed routes requiring the placement of structures on USPS property.[2] The Company further stated that, without the ability to use condemnation as an assurance to securing the necessary ROW, and based on USPS's opposition to Routes 1A, 1B, 1C, and 2A, those routes are no longer viable for the Project.[3] Therefore, the Company requested leave to withdraw the non-viable routes. This request left only one of the Originally Proposed Routes, Route 2B, for the Commission's consideration. Additionally, the Company requested leave to submit a revised notice and overview map, which it attached to the Motion.[4]

The Commission's Staff ("Staff") requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Project by the appropriate agencies and to provide a report on the review. On March 4, 2020, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following Summary of Findings and Recommendations regarding the Project. According to the DEQ Report, the Company should:

- Conduct an on-site delineation of wetlands and streams within the project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams;
- Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable;
- Coordinate with the Department of Conservation and Recreation regarding the development of an invasive species plan;
- Coordinate with the Department of Conservation and Recreation for updates to the Biotics Data System database during the final design stage of engineering and upon any major modifications of the project construction to avoid and minimize impacts to natural heritage resources;
- Coordinate with the Department of Game and Inland Fisheries regarding its general recommendations to protect aquatic resources;
- Coordinate with the Department of Game and Inland Fisheries regarding its general recommendations to protect wildlife resources;
- Coordinate with the Virginia Outdoors Foundation should the project change or if construction does not begin within 24 months of DEQ's response;
- Employ best management practices for the protection of water supply sources;

[1] *See e.g.*., Ex. 2 (Application) at 2; Ex. 9 (Supplemental Direct of Jon M. Berkin) at Schedule 2 at 1; Tr. at 5.

[2] Motion at 2.

[3] *Id.* at 3.

[4] *Id.*

- Follow the principles and practices of pollution prevention to the extent practicable; and
- Limit the use of pesticides and herbicides to the extent practicable.[5]

On March 5, 2020, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, among other things, directed the Company to provide notice of its Application; directed Staff to investigate the Application and file testimony and exhibits summarizing Staff's investigation; established a procedural schedule, including a hearing at the Commission on July 28, 2020, to receive public witness testimony and the evidence of the parties and Staff; provided opportunities for interested persons to intervene and participate in this case; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission and to file a report. In its Procedural Order, the Commission granted the Company's Motion. Thus, the only route offered for Commission consideration at that time was Route 2B.

On March 25, 2020, pursuant to Paragraph (9) of the Procedural Order, the Company filed its Proof of Notice and Certificate of Mailing advising that it had mailed property owner notice letters on March 19, 2020, pursuant to Paragraph (5) of the Procedural Order.

On April 9, 2020, the Company filed a Motion for Entry of a Protective Ruling, and on April 13, 2020, Hearing Examiner Mary Beth Adams entered a Protective Ruling setting forth procedures for the filing, exchanging, and handling of confidential information in this case.

On April 29, 2020, the Company filed its Proof of Notice advising that, pursuant to Paragraphs (6) and (7) of the Procedural Order, it had published notice of the Application and served notice of the Application on all officials required by the Procedural Order, and on May 11, 2020, Dominion filed a corrected Proof of Notice.

On May 15, 2020, Dominion filed a Motion for Leave to Submit Corrected and Additional Notice and Submit Supplemental Direct Testimony ("Motion to Correct and Supplement"). In its Motion to Correct and Supplement, the Company requested leave to submit: (i) supplemental direct testimony and associated revised portions of the Appendix presenting alternative transmission line routes, Route 2C and Route 2D, to address the concerns raised by an impacted property owner and other affected stakeholders; and (ii) corrected and additional notice to rectify a typographical error in the original notice and for notice of two additional alternative routes. While the supplemental testimony offered two additional routes for the Commission's consideration, Routes 2C and 2D, the Company continued to support Route 2B as its preferred route in its Supplemental Testimony. A Ruling granting the Motion to Correct and Supplement was entered on May 19, 2020 ("May 19, 2020 Ruling").

On June 4, 2020, the Company filed its Proof of Notice to Landowners and Certificate of Mailing to Officials, as required by the May 19, 2020 Ruling. No notices of participation were filed in this proceeding. Staff filed its testimony on June 30, 2020.

On July 13, 2020, the Company filed a Motion for Extension requesting that the deadline for the filing of its rebuttal testimony be extended until July 28, 2020, and that the evidentiary hearing be rescheduled. The Company advised that the originally scheduled July 28, 2020 hearing date could be maintained for the purpose of taking public witness testimony. On July 15, 2020, the Hearing Examiner issued a Ruling granting the Company's Motion for Extension and rescheduling the evidentiary hearing for August 12, 2020 ("July 15, 2020 Ruling"). In the July 15, 2020 Ruling, the Hearing Examiner also directed that the public witness hearing be held telephonically, rather than in-person and that the evidentiary hearing be held via Skype for Business ("Skype").

No public witnesses pre-registered to testify at the public witness hearing, as required by the July 15, 2020 Ruling. Therefore, the public witness hearing was cancelled.

On July 28, 2020, the Company filed its rebuttal testimony. The Company requested that the Commission reject the Department of Conservation and Resources ("DCR") Division of Natural Heritage's ("DCR-DNH") recommendation regarding ecological cores C4 and C5, as well as DCR's recommendation that the Company develop and implement an invasive species management plan, with an invasive species inventory for the Project area, to be included as ROW maintenance practices.[6] The Company also sought clarification regarding recommendations from DEQ's Office of Wetland and Stream Protection ("OWSP") and the Virginia Marine Resources Commission ("VMRC"), as the routes studied by these agencies varied from the routes presented to the Commission for approval.[7] The Company committed to follow the normal permitting processes of these agencies following route approval by the Commission to obtain any necessary permits and authorizations.[8] The Company indicated that it did not oppose the remaining recommendations contained in the DEQ Report.[9]

The evidentiary hearing convened via Skype on August 12, 2020, as scheduled. Vishwa B. Link, Esquire, Lisa R. Crabtree, Esquire, Jennifer D. Valaika, Esquire, and David J. DePippo, Esquire, appeared on behalf of the Company. Frederick D. Ochsenhirt, Esquire, and M. Aaron Campbell, Esquire, appeared on behalf of Staff.

No public comments were filed in this proceeding.

On September 2, 2020, the Hearing Examiner issued the Report of Mary Beth Adams, Hearing Examiner ("Report"). In the Report, the Hearing Examiner, among other things, summarized the record in this case and made certain findings and recommendations. In particular, the Hearing Examiner found the Project is needed to address load growth in the Project area and to maintain electric transmission system reliability; the Project, including Route 2D, would reasonably minimize adverse impact on the scenic assets, historic districts, and environment of the area concerned; the unopposed

[5] Ex. 12 (DEQ Report) at 6-7.

[6] Ex. 16 (Rebuttal Testimony of Rachel M. Studebaker) at 4, 5.

[7] *See*, Ex. 15 (Rebuttal Testimony of Nancy R. Reid) at 3-4.

[8] *Id*.

[9] *Id*. at 2.

recommendations in the DEQ Report should be adopted by the Commission as conditions of approval; Dominion should (1) coordinate with VMRC and follow the normal permitting process to obtain all appropriate permits, (2) work with DCR-DNH to minimize fragmentation, as practicable, and (3) work with OWSP and all agencies in the normal permitting processes following route approval by the Commission to obtain any necessary permits and authorizations; and the Project would support economic development.[10]

On September 9, 2020, Dominion filed comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the Company to construct the proposed Project. The Commission agrees with the Hearing Examiner that a CPCN authorizing the Project should be issued subject to certain findings and conditions contained herein.

Approval

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides that "it shall be unlawful for any public utility to construct . . . facilities for use in public utility service . . . without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

> Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact. . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, . . . and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned."

The Code further requires that the Commission consider existing right-of-way easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

Public Convenience and Necessity

The Commission finds that the Company's Project is needed to address load growth in the Project area and to maintain electric transmission system reliability.

Economic Development

The Commission finds that the proposed Project will promote economic development in the Commonwealth of Virginia, including the area of the proposed Project, by assuring continued reliable bulk electric power delivery.

Routing and Right-of-Way

The Commission finds that Proposed Route 2D is the optimal route, and that the Project should be constructed accordingly. We find that the Company has adequately considered existing ROW.

Scenic Assets and Historic Districts

The Commission finds that use of Proposed Route 2D will minimize adverse impacts on scenic assets and historic districts in the Commonwealth of Virginia as required by § 56-46.1 B of the Code.

Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides that the Commission shall receive, and give consideration to, all reports that relate to the Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Project. We agree with the Hearing Examiner that the Company should comply with the summary recommendations of the DEQ Report, with the exception of the two contested recommendations.[11] We agree with the Hearing Examiner that the Company should not be required to develop and implement an invasive species

[10] Report at 20-21.

[11] Report at 20.

management plan specific to the Project area that is different from the Company's existing comprehensive integrated vegetation management plan for controlling vegetation, including invasive species, throughout the Company's service territory.[12] Additionally, based on the Company's representations that it will work with DCR-DNH to minimize fragmentation, as practicable, we agree with the Hearing Examiner that the Company should not be required to comply with DCR-DNH's recommendation regarding ecological cores C4 and C5.[13]

We also agree with the Hearing Examiner that the Company's commitments to coordinate with VMRC and follow the normal permitting process to obtain all appropriate permits and work with OWSP and all agencies in the normal permitting processes following route approval by the Commission to obtain any necessary permits and authorizations adequately address the concerns raised by VMRC and OWSP.[14]

Finally, Dominion shall be required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Project.

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Project, subject to the findings and conditions imposed herein.

(2) Pursuant to Code §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for a certificate of public convenience and necessity to construct and operate the Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, Code § 56-265.1 *et seq*., the Commission issues the following certificate of public convenience and necessity to Dominion:

> Certificate No. ET-91ae, which authorizes Virginia Electric and Power Company, under the Utility Facilities Act, to operate certificated facilities in Loudoun County, as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2019-00215, cancels Certificate No. ET-91ad, issued to Virginia Electric and Power Company in Case No. PUR-2019-00128 on June 2, 2020.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation three copies of an appropriate map for the Project that shows the routing of the transmission line approved herein.

(5) Upon receiving the map directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the certificate of public convenience and necessity issued in Ordering Paragraph (3) with the map attached.

(6) The Project approved herein must be constructed and in service by July 31, 2022. No later than 90 days before the in-service date approved herein, except for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension requestion.

(7) This case is dismissed.

---

[12] *Id*.

[13] *Id*.

[14] *Id*.

CASE NO. PUR-2019-00216
APRIL 16, 2020

PETITION OF
PILGRIM'S PRIDE CORPORATION

For a declaratory judgment

FINAL ORDER

On December 12, 2019, Pilgrim's Pride Corporation ("Pilgrim's Pride" or "Petitioner") filed a Petition for a Declaratory Judgment ("Petition") with the State Corporation Commission ("Commission") seeking a determination that, upon meeting the demand requirement in § 56-577 A 3 ("Section A 3") of the Code of Virginia ("Code"), it may continue to purchase electric energy from any licensed supplier without being subject to an annual re-evaluation of whether it continues to meet such requirement.[1]

---

[1] Petition at 12.

In its Petition, Pilgrim's Pride states that the incumbent electric utility for its plant located in Timberville, Virginia ("Facility"), is Shenandoah Valley Electric Cooperative ("SVEC").[2] Petitioner states that the Facility has qualified for eligibility under Section A 3 to purchase electricity from the competitive electricity supply market as its demand exceeded five megawatts in July 2019, and its demand did not exceed one percent of SVEC's peak demand during the most recent calendar year.[3] On September 3, 2019, Petitioner notified SVEC that it intends to purchase electricity for the Facility from a licensed competitive electricity supplier commencing January 1, 2020.[4]

Petitioner states that SVEC has taken the position that Section A 3 subjects Pilgrim's Pride to an annual re-evaluation of its eligibility to purchase electricity from the competitive supply market.[5] Petitioner asserts, among other things, that SVEC's position is contrary to the language of Section A 3,[6] as well as the General Assembly's intent to prevent the overburdening of incumbent electric utilities by a large customer returning to the incumbent's supply service without providing five years' notice.[7]

On December 23, 2019, the Commission issued an Order scheduling responses and reply. On January 15, 2020, responses were filed by: SVEC; the Virginia, Maryland and Delaware Association of Electric Cooperatives; Appalachian Power Company; and Virginia Electric and Power Company. On January 29, 2020, Pilgrim's Pride filed a reply.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

The Commission has been asked in this proceeding to interpret Section A 3, and the specific question raised by the Petition represents an issue of first impression. As instructed by the Supreme Court of Virginia, the Commission starts with the following:

> When we interpret a statute, our primary objective is to ascertain and give effect to legislative intent, as expressed by the language used in the statute. When the language of a statute is unambiguous, we are bound by the plain meaning of that language. And if the language of the statute is subject to more than one interpretation, we must apply the interpretation that will carry out the legislative intent behind the statute. When a statute is clear and unambiguous, we may look only to the words of the statute to determine its meaning. We may not consider rules of statutory construction, legislative history, or extrinsic evidence. However, it is our duty to interpret the several parts of a statute as a consistent and harmonious whole so as to effectuate the legislative goal. A statute is not to be construed by singling out a particular phrase.[8]

The customer eligibility portion of Section A 3 states in part as follows (emphases added):

> Subject to the provisions of subdivisions 4 and 5, *only* individual retail customers of electric energy within the Commonwealth, regardless of customer class, *whose demand during the most recent calendar year exceeded five megawatts* but did not exceed one percent of the customer's incumbent electric utility's peak load during the most recent calendar year unless such customer had noncoincident peak demand in excess of 90 megawatts in calendar year 2006 or any year thereafter, *shall be permitted to purchase electric energy from any supplier of electric energy licensed to sell retail electric energy within the Commonwealth*, except for any incumbent electric utility other than the incumbent electric utility serving the exclusive service territory in which such a customer is located, subject to the following conditions: . . . .

The Commission finds no ambiguity in the term "most recent calendar year" as used in the above provision. In choosing such language, the General Assembly created a very specific, temporal requirement. That is, a customer's demand during "the most recent calendar year" must have exceeded five megawatts in order for that customer to be "permitted" to purchase from a competitive supplier. Thus, if a customer's demand during "the most recent calendar year" did *not* meet that statutorily-required threshold, then that customer is *not* "permitted" to purchase from a licensed supplier under the specific language adopted by the General Assembly.[9]

Next, as noted above, the Commission must also interpret the several parts of the statute as a consistent and harmonious whole and not single out a particular phrase. In so doing, we find that additional language in Section A 3 further confirms that "most recent calendar year" means what it says. This is because Section A 3 expressly distinguishes between: (1) a "most recent" year standard; and (2) an "any year" standard. Specifically, the statutory language quoted above also provides that a customer does *not* need to meet the "most recent calendar year" five-megawatt requirement if "such customer had noncoincident peak demand in excess of 90 megawatts in *calendar year 2006 or any year thereafter*" (emphases added). Through this express exception, the General Assembly demonstrated that it was quite aware of the difference between: (1) a temporally recurring standard (*i.e.*, "most recent calendar year"); versus (2) a one-time standard (*i.e.*, "calendar year 2006 or any year thereafter"). The Commission cannot ignore that the General Assembly specifically chose a recurring "most recent" year standard for the five-megawatt requirement, then – in the same sentence – conversely chose a one-time "any year" standard for the 90-megawatt requirement.

---

[2] *Id.* at 1.

[3] *Id.* at 2.

[4] *Id.* at 1-2.

[5] *Id.* at 3.

[6] *Id.* at 3-8.

[7] *Id.* at 8-10.

[8] *Jackson v. Jackson*, ___ Va. ___, ___, 835 S.E.2d 68, 71 (2019) (citations, quotation marks, and internal alterations omitted).

[9] The statute does not define "permitted." Thus, in pertinent part, the plain meaning of "permit" is "1: to consent to expressly or formally : grant leave for or the privilege of : ALLOW, TOLERATE." Webster's Third New International Dictionary 1683 (2002).

In further reading the statute as a whole, Section A 3 also includes the following (emphases added):

> c. If such customer does purchase electric energy from licensed suppliers after the expiration or termination of capped rates, *it shall not thereafter be entitled to purchase electric energy from the incumbent electric utility without giving five years' advance written notice of such intention to such utility*, except where such customer demonstrates to the Commission, after notice and opportunity for hearing, through clear and convincing evidence that its supplier has failed to perform, or has anticipatorily breached its duty to perform, or otherwise is about to fail to perform, through no fault of the customer, and that such customer is unable to obtain service at reasonable rates from an alternative supplier.

The Commission recently interpreted this provision, which presented another issue of first impression. Specifically, in applying the above italicized phrase, the Commission found as follows:

> The statute does not define "entitled." Thus, in pertinent part, the plain meaning of "entitle" is "2: to give a right or legal title to: qualify (one) for something: furnish with proper grounds for seeking or claiming something."[10] The [petitioners in the case] similarly assert that Merriam Webster defines "entitled" as "having a right to certain benefits or privileges." [Commission] Staff further points out that in Black's Law Dictionary "entitle" means "to grant a legal right to or qualify for."[11] Thus, the Commission concludes that in the context of Section A 3 c, "entitled" refers to a legal right that can be claimed by the customer.[12]

Thus, the Commission found that Section A 3 c applies when the customer is affirmatively claiming a legal right to purchase electric energy from its incumbent utility.[13]

That same analysis is instructive here, as well. If a customer does not meet the "most recent calendar year" requirement, then the customer is not "permitted" to purchase from a licensed supplier; in other words, the customer is statutorily *required* to purchase from its incumbent utility. In such instance, the customer is not claiming a legal right under Section A 3 c and, as a result, that provision is not triggered. Indeed, if Section A 3 c was applicable in this circumstance, the General Assembly would have created a situation where – in order to comply with the unambiguous "most recent calendar year" requirement – the customer would be prohibited from purchasing electric energy from anyone. We do not find that the statute requires such a "dysfunctional" result and, further, "presume that the legislature, whatever its policy rationale, did not intend the statute to collapse under the weight of its own words."[14]

In addition, no participant herein claimed that the "most recent calendar year" requirement is "incapable of operation."[15] Rather, Pilgrim's Pride asserted that this requirement impacts specific contract terms, and that the "costs of such risk would inevitably be reflected in the contracts of such customers, adding an undue burden on such customers."[16] The Commission has not ignored this claim.[17] For purposes of statutory interpretation, however, such burdens or difficulties placed on implementation do not render the statute incapable of operation.[18] As directed by the Supreme Court of Virginia, "[i]n these situations, . . . we do not weigh competing policy arguments."[19] Thus, in applying the plain language herein, the Commission has not weighed the competing policy arguments of the participants, which alternatively discount and disfavor the extra costs and burdens asserted by the Petitioner. The Commission has likewise not considered policy arguments associated with having a large customer return to its incumbent utility without five years' notice; indeed, the Supreme Court of Virginia has already determined that any burdens or difficulties attendant thereto do not render a statute incapable of operation as a matter of law.[20]

Finally, Pilgrim's Pride also looks to Code § 56-577 A 4 ("Section A 4") in its interpretation of Section A 3. Section A 4 allows customers – upon petition to and approval from the Commission – to meet the five-megawatt demand requirement of Section A 3 through aggregation. Section A 4 also directs the Commission to "impose reasonable periodic *monitoring and reporting* obligations on such customers to demonstrate that they continue, as a

---

[10] *See* Webster's Third New International Dictionary 758 (2002).

[11] *See* Black's Law Dictionary 649 (Bryan A. Garner, 10th ed. 2014).

[12] *Joint Petition of James Hardie Building Products, Inc., and Appalachian Power Company, For a declaratory judgment or, in the alternative, for an exemption pursuant to § 56-577 A 3 c of the Code of Virginia*, Case No. PUR-2019-00213, Final Order at 4-5 (Mar. 30, 2020).

[13] *Id.* at 5.

[14] *Tvardek v. Powhatan Vill. Homeowners Ass'n*, 291 Va. 269, 280 (2016).

[15] *Covel v. Town of Vienna*, 280 Va. 151, 158 (2010) ("An absurd result describes situations in which the law would be internally inconsistent or *otherwise incapable of operation*.") (emphases added).

[16] Reply of Pilgrim's Pride at 10 (footnote omitted).

[17] In addition, Pilgrim's Pride did not request a hearing on this question: "As Petitioner and SVEC agree there are no factual issues in dispute, no evidentiary hearing is required, and the Commission can and should issue its decision based on the pleadings, including this Reply." Reply of Pilgrim's Pride at 2.

[18] *See, e.g., Chaffins v. Atlantic Coast Pipeline, LLC*, 293 Va. 564, 570 (2017) ("[T]his does not render the statute internally inconsistent or incapable of operation. It would be, at most, inconvinent or logistically difficult...However, the General Assembly has determined that such difficulties are necessary in exchange for the privilege...."

[19] *Tvardek*, 291 Va. at 280. *See also Kummer v. Donak*, 282 Va. 301, 306 (2011) ("Because there is no ambiguity in the applicable statutes, the … public policy argument must fail.").

[20] Specifically, the Supreme Court of Virginia has upheld the plain language of Code § 56-577 A 5 ("Section A 5"), which also creates a situation where a large user may return to its incumbent utility without five years' advance notice. *Virginia Elec. & Power Co. v. State Corp. Comm'n*, 295 Va. 256 (2018).

group, to meet the demand limitations of [Section A 3]" and, further, provides that the Commission "may revoke its previous approval of the petition, or take such other actions as may be consistent with the public interest" if the demand limitations do not continue to be met.[21] In this regard, Pilgrim's Pride argues that there is no similar "monitoring and reporting" language in Section A 3.[22]

The absence of such language, however, does not nullify Section A 3's explicit "most recent calendar year" requirement. That is, "where, as here, the 'statutory terms are plain and unambiguous, we apply them according to their plain meaning without resorting to rules of statutory construction.'"[23] Moreover, the express inclusion of "monitoring and reporting" to the Commission in Section A 4 is consistent with the overall statutory scheme. In Section A 3, the Commission has no discretion; if the demand threshold is met, the customer has retail choice. Conversely, in Section A 4, the General Assembly delegated to the Commission the discretion to determine whether the demand threshold can be met through aggregation; thus, it is consistent with that statutory scheme to include provisions likewise designed to give the Commission discretion if such threshold does not continue to be met. Similar to the Supreme Court of Virginia's explanation of differences between Sections A 3 and A 5, Section A 4's reporting requirement "simply reflects different requirements imposed by the General Assembly for different competitive purchase options explicitly permitted by statute."[24]

Accordingly, the Petition is DENIED, and this case is DISMISSED.

[21] Code § 56-577 A 4 b (emphases added).

[22] *See, e.g.,* Petition at 5.

[23] *Virginia Elec. & Power Co.*, 295 Va. at 266 (2018) (quoting *Smith v. Commonwealth*, 282 Va. 449, 454 (2011)).

[24] *Id*. (internal quotation marks omitted).

CASE NO. PUR-2019-00217
MARCH 13, 2020

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For approval of a peak time rebate pilot program

FINAL ORDER

On December 13, 2019, Rappahannock Electric Cooperative ("REC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a peak time rebate ("PTR") pilot program ("PTR Pilot").[1] The PTR Pilot is a voluntary, experimental two-year pilot program that REC proposes to promote efficient use of electrical energy and reduce demand for electricity during periods of peak consumption.[2]

Through the pilot program, REC seeks to manage and reduce its wholesale power costs by notifying participating customers ("Participants") in advance of potential peak periods, requesting that Participants reduce energy consumption during designated hours in the potential peak periods ("PTR Events"), and rewarding those Participants who do so by way of billing credits for each kilowatt-hour ("kWh") of reduction during PTR Events.[3] According to REC, Participants will have the option of responding to the request to curtail usage but will never be required to curtail usage and will not be penalized if they choose not to curtail usage.[4] REC intends to provide Participants with notifications of PTR Events the day before the events, supplemented with reminders just prior to and during the actual PTR Event hours, which will typically be weekdays from 4 p.m. to 6 p.m.[5]

The Cooperative states that it will apply a credit of $0.75 per kWh to a Participant's bill for each kWh of energy reduction during a PTR Event.[6] According to REC, the more a Participant reduces energy consumption during PTR Events, the more credits the Participant will receive.[7] REC will determine a Participant's energy reduction during a specific PTR Event by using algorithms to develop a baseline usage level and comparing the Participant's reduction in energy usage during the PTR Event to the Participant's baseline usage.[8]

[1] Application at 1. As part of its Application, REC filed Schedule PTR.

[2] *Id*. at 1-2.

[3] *Id*. at 4. The Cooperative expects that there will be 15 or fewer PTR Events per summer cooling season. *Id*. at 6.

[4] *Id*. at 4.

[5] *Id*. at 9.

[6] *Id*. at 4, 6.

[7] *Id*. at 7.

[8] *Id*. at 5.

REC states that it will randomly solicit customers to participate in the pilot program; participation will be limited to 200 customers in the first year, and up to 1,000 customers in the second year.[9] To participate in the PTR Pilot, a customer must: (i) be a resident in a single-family home, multi-family home, apartment, or manufactured home; (ii) be served by Schedule A-1 (Residential and Church Service); (iii) be enrolled as a user of MyRECSmartHub, a two-way communications web and mobile app that is used for real-time account management; (iv) be able to receive short message service (SMS) texts, emails, or push notifications from REC or MyRECSmartHub via smartphone or computer; and (v) not be a participant in REC's Smart Response A/C Switch program or Wi-Fi thermostat pilot program.[10] According to the Cooperative, there are no enrollment or participation fees, and customers may elect to withdraw from the PTR Pilot at any time without penalty.[11]

REC also seeks to make any necessary adjustments administratively to the credit rate or the methodology for calculating a Participant's baseline usage (for the second year of the two-year PTR Pilot ("Year Two")) through an annual report submitted to the Commission's Staff ("Staff").[12]

On December 30, 2019, the Commission issued an Order for Notice and Comment that, among other things, docketed the matter; directed REC to provide public notice of its Application; provided interested persons an opportunity to file comments on the Application, file a notice of participation as a respondent, or request that a hearing be convened; and directed Staff to investigate the Application and present its findings and recommendations in a report ("Report" or "Staff Report").

No public comments, notices of participation, or hearing requests were received. On February 28, 2020, Staff filed its Report. In the Report, Staff recommends approval of the PTR Pilot, effective for service rendered on and after June 1, 2020, with certain revisions and additional information.[13] Specifically, Staff recommends: (i) including a provision in Schedule PTR that Participants must be enrolled as a MyRECSmartHub user and must be able to receive SMS texts, emails, or push notifications from REC or MyRECSmartHub via smartphone or computer to participate in the pilot program; (ii) directing the Cooperative to evaluate, in addition to the baseline calculation methodology proposed by REC, methodologies that either link a Participant's baseline to the household's peak load contribution ("PLC Methodology") or cluster Participants by similar baselines to determine a baseline that is representative of the grouped Participants ("Cluster Methodology");[14] (iii) adopting annual reporting requirements that include (a) enrollment rates, measured by the number of customers enrolled over the number of customers solicited, and (b) Participant satisfaction survey results regarding communication preferences, general Participant satisfaction, reported behavioral changes, and optionally, demographic information such as age, income range, owner or renter status, and housing type;[15] (iv) submitting the annual reports to Staff on or before March 1, 2021, and March 1, 2022; and (v) directing REC to make any additional supporting documentation related to the PTR Pilot available to Staff upon request.[16]

On March 6, 2020, REC filed comments on the Staff Report ("Comments"). In its Comments, REC states that it agrees with most of Staff's recommendations.[17] However, REC requests that the Commission only require the Cooperative to evaluate its proposed baseline calculation methodologies and Staff's PLC Methodology.[18] REC objects to evaluation of Staff's Cluster Methodology, stating that the methodology "is not practicable for REC's PTR Pilot as its application and analysis is beyond the Cooperative's internal skill set and outside the range of services to be provided by its third-party consultant."[19]

REC also states that it would prefer not to include demographic information such as age, income range, owner or renter status, and housing type in its annual reports due to cost concerns of gathering that information and due to concerns that members might be reluctant to share such information with the Cooperative and the Commission.[20]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that REC's Application for approval of the PTR Pilot is approved as modified herein.

We find that the recommendations contained in the Staff Report shall be adopted, with the following exceptions. First, for the reasons stated in the Comments, we find that REC is not required to study Staff's proposed Cluster Methodology. Further, we find that REC need not include demographic information in the annual reports it submits to Staff.

---

[9] *Id*. at 2, 8. The Cooperative asserts that it will provide information to educate potential Participants about the PTR Pilot. *Id*. at 8.

[10] *Id*. at 8.

[11] *Id*.

[12] *Id*. at 11.

[13] Staff Report at 13.

[14] Staff states that it is willing to work with REC to evaluate other baseline methodologies.

[15] Staff states that these requirements should be in addition to the information the Cooperative has agreed to provide in its Application and through discovery.

[16] Staff Report at 12-13.

[17] Comments at 3.

[18] *Id*. at 6, 9.

[19] *Id*. at 6-7.

[20] *Id*. at 5. REC also states that such information does not appear to be necessary for evaluation of the PTR Pilot. *Id*.

REC also seeks to retain the ability to make changes to the credit rate and to the methodology for calculating a Participant's baseline usage for Year Two of the PTR Pilot, if necessary, and to have any such changes approved administratively.[21] Given the specific facts of this case, including the voluntary, experimental nature of the PTR Pilot, we find that REC may administratively adjust the baseline methodology and the credit rate, subject to certain conditions. Specifically, we require REC to: (i) develop a minimum and a maximum credit rate for Year Two of the PTR Pilot and include those minimum and maximum amounts in Section III of Schedule PTR;[22] (ii) inform potential Participants prior to their enrollment in the PTR Pilot that the baseline calculation methodology and the credit rate are subject to change in the second year of the Pilot, and disclose the minimum and maximum credit rates for Year Two; (iii) provide written notice to all Participants in the PTR Pilot at least thirty (30) days before implementing a new credit rate or changing the baseline methodology in Year Two; and (iv) identify any changes to the baseline methodology or the credit rate in the annual reports the Cooperative submits to Staff.

Accordingly, IT IS ORDERED THAT:

(1) The PTR Pilot is approved as modified herein.

(2) The PTR Pilot shall be effective for service on and after June 1, 2020.

(3) REC shall file, within thirty (30) days of the date of this Order, a revised Schedule PTR and supporting workpapers with the Clerk of the Commission and with the Commission's Division of Public Utility Regulation as necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filing for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(4) This case is dismissed.

[21] *See* Application at 11; Staff Report at 12; Comments at 5.

[22] The credit rate for Year Two of the PTR Pilot may not be set below the minimum or above the maximum amounts set forth in Schedule PTR. As is discussed below, a revised version of Schedule PTR that includes this information, as well as any other necessary revisions, must be filed with the Clerk of the Commission within thirty (30) days of the date of this Order.

CASE NO. PUR-2019-00219
MARCH 6, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of repealing regulations

ORDER REPEALING REGULATIONS

On January 9, 2020, the State Corporation Commission ("Commission") issued an Order Initiating Rulemaking Proceeding in this docket for the purpose of repealing numerous regulations adopted by the Commission pursuant to § 12.1-13 of the Code of Virginia ("Code"), as well as various statutes in Title 56 of the Code. These regulations are codified in Title 20 of the Virginia Administrative Code ("VAC").

The Commission's Order Initiating Rulemaking Proceeding proposed to repeal certain regulations on the basis that they (1) contain certain obsolete rules and schedules that are no longer required, or (2) are duplicative of Commission orders or partial orders and it is not necessary for such orders to be included in the VAC. The regulations that the Commission proposed to repeal included the following: 20 VAC 5-200-10; 20 VAC 5-300-10; 20 VAC 5-300-30; 20 VAC 5-300-50; 20 VAC 5-300-60; 20 VAC 5-300-80; 20 VAC 5-300-100; 20 VAC 5-306-10 *et seq*. (entire chapter); 20 VAC 5-311-10 *et seq.* (entire chapter); 20 VAC 5-317-40; and 20 VAC 5-320-120.

Interested persons were given the opportunity to comment or request a hearing on the proposed repeal of these regulations. No person filed comments, nor did anyone request a hearing in this matter.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the regulations set forth in the Commission's Order Initiating Rulemaking Proceeding in this docket should be repealed.

Accordingly, IT IS ORDERED THAT:

(1) The regulations appended hereto as Appendix A are hereby repealed effective April 1, 2020.

(2) A copy of this Order and the rules repealed herein shall be provided to the Register of Regulations for appropriate publication.

(3) There being nothing further to come before the Commission, this case is hereby dismissed.

NOTE: A copy of Appendix A entitled "Repealed Utility Regulations" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUR-2019-00220
MARCH 3, 2020

APPLICATION OF
MIDWEST ENERGY, INC.

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On December 18, 2019, Midwest Energy, Inc. ("Midwest" or "Company") filed an application with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia ("Application"). The Company seeks authority to market electricity and natural gas aggregation services to eligible commercial, industrial, and governmental customers throughout Virginia.[1] Midwest attested that it will abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[2]

On January 10, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on the appropriate utilities and providing an opportunity for interested persons to comment on the Application. By letter filed with the Commission on January 23, 2020, the Company certified that it had completed the service required by the Commission's Procedural Order. Dominion filed comments on January 30, 2020.

The Procedural Order also directed the Commission's Staff ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on February 4, 2020, which summarized Midwest's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Midwest be granted an aggregators license to conduct business as a competitive service provider of electric and natural gas services to eligible commercial, industrial, and governmental customers in the Virginia service territories that are open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, the Report, and applicable law, finds that Midwest's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Midwest is hereby granted license No. A-86 to provide competitive aggregation service of electricity and natural gas to commercial, industrial, and governmental customers throughout the Commonwealth of Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] Retail choice for natural gas service exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity currently exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, pursuant to Virginia Code § 56-577, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth therein.

[2] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2019-00221
OCTOBER 20, 2020

APPLICATION OF
ESSENTIAL UTILITIES, INC., and AQUA VIRGINIA, INC.

For approval of an affiliate services agreement

ORDER GRANTING APPROVAL

On December 18, 2019, Essential Utilities, Inc. ("Essential"), and Aqua Virginia, Inc. ("Aqua Virginia") (collectively, the "Applicants"), filed a request with the State Corporation Commission ("Commission") for "a waiver of the requirements of Code § 56-77 A and for limited extension of the [expiring] affiliates services agreement" approved in Case No. PUE-2014-00078.[1] On December 26, 2019, the Commission issued an Order Granting Limited Extension ("LEO")[2] requiring the Applicants to file a new application for approval pursuant to Chapter 4[3] of Title 56 of the Code of Virginia ("Code") within 180 days and granting an extension of existing authority for 240 days from the date of the LEO.

On June 26, 2020, the Applicants filed a motion to accept a late-filed application and the application ("Application"). Upon review, the Commission Staff ("Staff") discovered and informed the Applicants: (1) that the proposed Affiliated Interest Service Agreement ("AIS Agreement") omitted Aqua Services, Inc. ("Aqua Services") as a signatory and listed PNG Companies, LLC ("PNG") as both an "LLC" and an "Inc."; (2) that the approval for the currently operative Aqua Services agreement ("2012 Agreement")[4] had expired three years ago; and (3) that the LEO did not extend to the 2012 Agreement.

On July 16, 2020, the Applicants filed a second motion, in which the Applicants requested: (1) leave to amend the Application and proposed AIS Agreement; (2) leave to continue operating under the 2012 Agreement, the 2013 Agreement,[5] and the 2014 Agreement; and (3) any other relief that the Commission deems appropriate. On July 29, 2020, the Commission issued an Order Granting Motion granting approval to amend the Application and proposed AIS Agreement and leave to continue operating under the 2012, 2013, and 2014 Agreements during the pendency of the application.

AIS Agreement

The proposed AIS Agreement is intended to consolidate Aqua Virginia's multiple affiliate agreements. The AIS Agreement consists of: (1) Part I, Articles 1 to 4, which is the Aqua Services agreement; (2) Part II, Articles 5 to 12, which is the Affiliates agreement; and (3) Exhibits A, B, and C. Exhibit A contains a list of the Affiliates.[6] Exhibit B describes the 16 categories of corporate services provided by Aqua Services to Aqua Virginia ("Centralized Services").[7] Exhibit C describes the six (6) categories of services exchanged between Aqua Virginia and its 13 Affiliates ("Affiliate Services").[8] Article 3a.1 allows Aqua Services Information Technology Assets ("IT Assets") to be shared by and among all of the Affiliates.[9]

The Aqua Services agreement in place at the time this Application was filed provided for Aqua Services to charge Centralized Services to Aqua Virginia at the lower of cost or market. That Affiliates agreement provided for Affiliate Services to be exchanged between Aqua Virginia and its Affiliates at cost. The proposed AIS Agreement now under consideration carries forward these requirements and becomes effective as of the date of the last regulatory approval and continues until terminated upon 30 days' notice by any of the parties to the AIS Agreement.

---

[1] *See Joint Application of Aqua Virginia, Inc., and Aqua America, Inc., et al., For approval of a services agreement*, Case No. PUE-2014-00078, 2014 S.C.C. Ann. Rept. 476, Order Granting Approval (Dec. 18, 2014) ("2014 Agreement").

[2] *See Joint Petition of Aqua America, Inc., and Aqua Virginia, Inc., et al., For waiver of the requirements of Va. Code § 56-77 and Extension of Affiliate Services Agreement*, Case No. PUE-2019-00221, Doc. Con. Ctr. No. 191230199, Order Granting Limited Extension (Dec. 26, 2019).

[3] § 56-76 *et seq.* ("Affiliates Act").

[4] *See Application of Aqua Virginia, Inc., Reston/Lake Anne Air Conditioning Corporation, Aqua Virginia Water Utilities, Inc., and Aqua Services, Inc., for approval of amended services agreement*, PUE-2012-00038, 2012 S.C.C. Ann. Rept. 430, Order (June 27, 2012); 2012 S.C.C. Ann. Rept. 433, Order on Reconsideration (Aug. 21, 2012) ("2012 Order"). The 2012 Order's approval expired in summer 2017.

[5] *See Joint Application of Aqua Virginia Water Utilities, Inc., Aqua Virginia Utilities, Inc., Aqua Presidential, Inc., and Aqua Virginia, Inc., for approval of a services agreement, pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2013-00087, 2013 S.C.C Ann. Rept. 445, Order Granting Approval (Nov. 4, 2013) ("2013 Agreement") ("2013 Order"). The 2013 Order's approval expired in November 2018, and the 2013 Agreement is not operative at this time.

[6] The Affiliates include: Essential, Aqua Ohio, Inc., Aqua Indiana, Inc., Aqua Illinois, Inc., Aqua North Carolina, Inc., Aqua Texas, Inc., Aqua Infrastructure, Inc., Aqua Services, Aqua Pennsylvania, Inc. Aqua Pennsylvania Wastewater, Inc., Aqua Resources, Inc., Aqua New Jersey, Inc., Great Bay Utilities, and PNG.

[7] The Centralized Service categories include Accounting and Financial; Administration; Communication; Corporate Secretarial; Customer Service and Billing; Engineering; Financial; Fleet Services; Human Resources; Information Systems; Operation; Rates and Regulatory; Risk Management; Water Quality; Legal; and Purchasing Services.

[8] The Affiliate Service categories include Administration; Accounting and Financial; General Labor; Engineering; Metering Service; and Lab Testing.

[9] Article 3a.2 states that IT Assets include, but are not limited to, the customer information database, the fixed asset software package required for Generally Accepted Accounting Principles ("GAAP") accounting and the National Association of Regulatory Utility Commissioners water utility guidelines, the financial services database necessary for completing the required GAAP and regulatory financial reporting to the Securities and Exchange Commission as well as taxing authorities within the Commonwealth, and the mainframe hardware and software supporting these systems and the network.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief, and having considered the Applicants' filed comments thereon, is of the opinion and finds as follows.

We are concerned with several aspects of the proposed AIS agreement. First, the agreement contains several open-ended clauses, which could allow the Applicants to: (a) engage in new affiliate services and activities without separate approval; (b) exchange debt/equity financing and cross-guarantees with other Affiliates without separate approval; and (c) exchange customer information with other affiliates for non-utility (i.e., marketing) purposes. Second, the agreement would allow Aqua Services to charge Joint Management Personnel Services, "Indirectly Charged Non-Joint Management Personnel Services," and "Indirectly Charged Customer Service and Billing Services" (collectively, "Indirect Services"), which "cannot be identified and are not related exclusively to a particular [Affiliate],"[10] to Aqua Virginia via a convoluted, multi-step allocation process. Third, the sheer multitude of Pass-Through Services[11] in the AIS Agreement could require Staff to review and verify up to 1,040 test year cost pool amounts in a rate proceeding. Overall, we find that the proposed AIS Agreement as filed is too open-ended to permit reasonable protection of the public interest.

Since Aqua Virginia is not a standalone company and requires certain of the proposed services and financing to fulfill its utility function, we will approve a revised AIS Agreement ("Revised AIS Agreement") subject to several limitations, revisions, requirements, and a study (collectively, "Measures") to address our concerns with the proposed AIS Agreement as filed and to supplement our typical Affiliates Act requirements. We note that the Applicants and Staff have jointly discussed and support these Measures.

Specifically, the Measures shall:

(1) Limit approval of the Revised AIS Agreement to three (3) years from the effective date of the Order Granting Approval in this case;

(2) Require the Applicants to strike the "not limited to" clauses from Articles 3.a.2 and 3.2, and the "Without Limitation" clauses from Exhibits B and C, of the Revised AIS Agreement;

(3) Adopt the Pass-Through Service requirements approved in other Affiliates Act Orders[12] and set out in the Appendix attached to this Order Granting Approval;

(4) Direct the Applicants to conduct a study ("Study") to: (i) identify and describe the Indirect Services; (ii) detail their benefits to Aqua Virginia; (iii) discuss and justify their pricing; (iv) provide a method to ensure the exclusion of non-utility costs;[13] and (v) develop and maintain auditable records to establish satisfactory proof of the costs charged to Aqua Virginia consistent with the public interest as required in Code §§ 56-78 and 56-79. The Applicants shall file a report ("Study Report") detailing the results of the Study within two (2) years of the effective date of the Order Granting Approval in this case, with the Study Report updated as necessary for use in current and future rate proceedings;

(5) Amend the Revised AIS Agreement to state that Aqua Virginia cannot obtain debt/equity financing from Essential or any Essential Affiliates; or provide debt/equity financing, guaranties, or other surety to Essential or any Essential Affiliates, without separate and specific Commission approval pursuant to Chapters 3 and 4 of Title 56 of the Code; and

(6) Amend the Revised AIS Agreement to state that Aqua Virginia will not share customer information with third parties without prior notice to and consent by the customer.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Revised AIS Agreement is approved subject to the requirements listed in the Appendix attached to this Order Granting Approval.

(2) This case is dismissed.

APPENDIX

1) The Commission's approval of the Revised AIS Agreement is limited to three years from the effective date of the Order Granting Approval in this case.

2) The Applicants shall strike the "not limited to" clauses from Articles 3.a.2 and 3.2, and the "Without Limitation" clauses from Exhibits B and C, of the Revised AIS Agreement.

---

[10] See Exhibit 1 of Application, at 3-5.

[11] Pass-Through Services are services performed by a third-party affiliate that are passed through an affiliate to a regulated utility.

[12] *See, e.g., Application of Virginia Natural Gas, Inc., and AGL Services Company, For approval of an amendment to a services agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2020-00133, Doc. Con. Ctr. No. 200918124, Order Granting Approval (Sept. 8, 2020); *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For approval of the proposed amended and restated 2019 Cost Allocation Manual,* Case No. PUR-2019-00200, Doc. Con. Ctr. No. 200220044, Order Granting Approval (Feb. 12, 2020); Doc. Con. Ctr. No. 200310173, Order on Motion (Mar. 6, 2020).

[13] The term "non-utility costs" refers to any costs not recoverable through a (water) utility's cost of service.

3) The Applicants shall provide a formal acknowledgement ("Acknowledgement") that the Commission regulates recovery of any Pass-Through Services costs that pass from the Affiliates through Aqua Services to Aqua Virginia, and therefore the Commission must be able to determine the amount of such costs that are includible in Aqua Virginia's cost of service. Such Acknowledgement shall be filed with the executed copy of the Revised AIS Agreement.

4) Aqua Services shall obtain and maintain original cost records (invoices, etc.) of all Pass-Through Services transactions and provide a detailed annual report by Affiliate (including Aqua Services) of all Centralized Services charges that pass through Aqua Services to Aqua Virginia (collectively, "PTS Report"). The PTS Report, which shall be included with Aqua Virginia's Annual Report of Affiliate Transactions ("ARAT"), shall report each Affiliate's (including Aqua Services') Centralized Services charges by Affiliate, month, service category, FERC account, and expense and capital amounts as the costs are recorded in Aqua Virginia's books, and shall be in Excel electronic media format, with formulas attached, so that Staff can tabulate and sort the data for analysis in future rate proceedings.

5) The Applicants shall conduct a Study to: (i) identify and describe the Indirect Services; (ii) detail their benefits to Aqua Virginia; (iii) discuss and justify their pricing; (iv) provide a method to exclude non-utility costs; and (v) develop and maintain auditable records to establish satisfactory proof of the costs charged to Aqua Virginia consistent with the public interest as required in Code §§ 56-78 and 56-79. The Applicants shall file a Study Report detailing the results of the Study within two (2) years of the effective date of the Order Granting Approval in this case, with the Study Report updated as necessary for use in current and future rate proceedings.

6) The Applicants shall amend the Revised AIS Agreement to state that Aqua Virginia cannot obtain debt/equity financing from Essential or any Essential Affiliates; or provide debt/equity financing, guaranties, or other surety to Essential or any Essential Affiliates; without separate and specific Commission approval pursuant to Chapters 3 and 4 of Title 56 of the Code.

7) The Applicants shall amend the Revised AIS Agreement to state that Aqua Virginia will not share customer information with third parties without prior notice to and consent by the customer.

8) The Commission's approval shall have no accounting or ratemaking implications.

9) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

10) The Commission's approval of the Revised AIS Agreement shall be limited to the Centralized and Affiliate Services that are specifically identified and described in Exhibits B and C of the Application. Should Aqua Virginia and the Affiliates wish to exchange other goods or services under the Revised AIS Agreement, separate Commission approval shall be required.

11) Separate Commission approval shall be required for Aqua Virginia to exchange Centralized Services or Affiliate Services with any affiliated third parties (other than the Affiliates) under the Revised AIS Agreement.

12) Separate Commission approval shall be required for any changes in the terms and conditions of the Revised AIS Agreement.

13) The Commission reserves the right to examine the books and records of Aqua Virginia and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

14) Aqua Virginia hereby is required to maintain records demonstrating that Centralized Services provided to Aqua Virginia, and Affiliate Services exchanged between Aqua Virginia and its Affiliates under the Revised AIS Agreement, are cost beneficial to Virginia ratepayers. Services exchanged between rate-regulated utilities shall be at cost. Services received by Aqua Virginia from unregulated Affiliates shall be at the lower of cost or market where a market exists. Services provided by Aqua Virginia to unregulated Affiliates shall be at the higher of cost or market where a market exists. Records of investigations and comparisons with market prices shall be available to Staff upon request. Aqua Virginia shall bear the burden of proving, in any rate proceeding, that Centralized Services and Affiliate Services exchanged between Aqua Virginia and its Affiliates are priced in accordance with the Commission's asymmetric pricing policy as described above.

15) Aqua Virginia shall file with the Commission an executed copy of the Revised AIS Agreement within 60 days after the effective date of the Order Granting Approval in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

16) Aqua Virginia shall include all transactions associated with the Revised AIS Agreement in its ARAT submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. Aqua Virginia shall report the Revised AIS Agreement's transactions in its ARAT by: (a) case number; (b) affiliate; (c) agreement/arrangement; (d) service category; (e) FERC account; month and (f) amount as the transactions are recorded in Aqua Virginia's books.

CASE NO. PUR-2019-00223
FEBRUARY 12, 2020

APPLICATION OF
AQUA VIRGINIA, INC.

For Approval to Issue Debt Securities Pursuant to the Provisions of Chapter 3 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On December 20, 2019, Aqua Virginia, Inc. ("Aqua Virginia" or "Company"), filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3[1] of Title 56 of the Code of Virginia ("Code") for authority to issue long-term debt securities to its parent company affiliate, Aqua America, Inc. ("Aqua America"),[2] in conjunction with the authority under its Affiliate Agreement ("Affiliate Agreement").[3] Aqua America is an affiliate pursuant to Chapter 4[4] of the Code. Aqua Virginia paid the requisite filing fee.

Aqua Virginia proposes to issue debt to Aqua America in the form of promissory notes ("Notes") not to exceed $39,614,763. The Notes will be used to refund the same principal amount of current debt outstanding previously issued by Aqua Virginia in favor of Aqua America. The weighted average interest rate on the Notes will be 3.96%, which is lower than the 4.49% weighted average interest rate on the outstanding debt to be refunded.

In conjunction with the Application, Aqua Virginia filed a Motion for Protective Order ("Motion") regarding confidential information contained in the Application and information anticipated to be produced in response to discovery requests related to the Application.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest. The Commission is of the opinion and finds that Aqua Virginia's Motion is no longer necessary and should, therefore, be denied. We note that the Commission has received no request during this proceeding for leave to review the confidential information. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain such information under seal.

Accordingly, IT IS ORDERED THAT:

(1) Aqua Virginia is hereby granted approval of the authority requested in the Application as described herein subject to the requirements set forth in the Appendix attached to this Order.

(2) This matter shall remain subject to the continued review, audit and appropriate directive of the Commission.

APPENDIX A

(1) Aqua Virginia is authorized to issue up to the aggregate amount of not more than $39,614,736 of debt in the form of one or more promissory notes to Essential Utilities under the terms and conditions and for the purposes set forth in the Application, provided such authority is exercised prior to expiration of the Affiliates Act authority granted in Case No. PUR-2019-00221.

(2) Aqua Virginia shall file with the Commission a final report of action on or before August 31, 2020, to include the type of security, the issuance date, the amount of issue, the interest rate, the maturity day, a description of how the proceeds were used, and an itemized list of expenses to date associated with the authority exercised pursuant to Item 1.

(3) Aqua Virginia shall request prior Commission approval for any of the debt authorized herein to be subsequently refinanced or for any new debt to be issued, whether with Essential Utilities or another party.

(4) The authority granted in this case shall have no accounting or ratemaking implications.

(5) The authority granted in this case does not preclude the Commission from exercising its authority under Code § 56-76 *et seq*., hereafter.

(6) The Commission reserves the right to examine the books and records of any affiliate, direct or indirect, in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

---

[1] Code § 56-55 *et seq*.

[2] On February 3, 2020, Aqua America changed its name to Essential Utilities, Inc. ("Essential Utilities"), to reflect its pending acquisition of Peoples Gas. In its letter filed in this docket on February 4, 2020, Aqua Virginia requested its authority in the instant application be amended to reflect borrowings from Essential Utilities.

[3] The Application references the Affiliate Agreement authority under the *Joint Application of Aqua Virginia, Inc. and Aqua America, Inc., For approval of a services agreement*, Case No. PUE-2014-00078, 2014 S.C.C. Ann. Rpt. 468, Order Granting Approval (Dec. 18, 2014). Such authority was granted for five years from the date of the order in that case. A limited extension of the same Affiliate Agreement authority was granted for a period of 240 days from the date of the order in *Joint Petition of Aqua America, Inc. and Aqua Virginia, Inc., et al., For Waiver of the Requirements of Va. Code § 56-77 and Extension of an Affiliate Services Agreement*, Case No. PUR-2019-00221, Doc. Con. No. 191230199, Order Granting Limited Extension, (Dec. 26, 2019).

[4] Code § 56-76 *et seq*. ("Affiliates Act").

CASE NO. PUR-2019-00224
MARCH 10, 2020

JOINT APPLICATION OF
LINGO COMMUNICATIONS, LLC, LINGO COMMUNICATIONS OF VIRGINIA, INC., MATRIX TELECOM OF VIRGINIA, LLC, and GARRISON LM LLC

For approval of proposed changes in control of Lingo Communications of Virginia, Inc., and Matrix Telecom of Virginia, LLC, to Garrison LM LLC, pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On January 14, 2020, Lingo Communications, LLC, Lingo Communications of Virginia, Inc. ("Lingo-VA"), Matrix Telecom of Virginia, LLC ("Matrix-VA"), and Garrison LM LLC ("Garrison") (collectively, "Applicants")[1] completed the filing of a Joint Application ("Application") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[2] requesting approval of proposed changes in control of Lingo-VA and Matrix-VA (collectively, "VA CLECs") to Garrison ("Transfer"). The Applicants also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

Lingo-VA is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to its certificates of public convenience and necessity issued by the Commission.[3] Matrix-VA is authorized to provide local exchange telecommunications services in Virginia pursuant to the certificate issued by the Commission in Case No. PUC-2016-00028.[4] As described in the Application, the proposed Transfer will be accomplished in multiple steps, which will ultimately result in the transfer of indirect control of the VA CLECs to Garrison.

The Applicants assert that the proposed Transfer will occur at the parent company level only and will not involve any change in assignment of operating authority, assets, or customers. The Applicants further state that the VA CLECs will continue to provide services to their customers in Virginia without any immediate changes to the rates, terms or conditions of service as currently provided. Lastly, information in the Application demonstrates that the VA CLECs will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the proposed Transfer.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the above-described Transfer should be approved. The Commission also finds that the Applicants' Motion is no longer necessary and, therefore, should be denied.[5]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Applicants hereby are granted approval of the Transfer as described herein.

(2) The Applicants shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(3) The Applicants' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

---

[1] GG Telecom Investors, LLC; Holcombe T. Green, Jr.; R. Kirby Godsey; Lingo Management, LLC; Matrix Telecom, LLC; Impact Telecom LLC; Impact Acquisition LLC; Garrison Opportunity Fund III A LLC; Garrison Opportunity Fund III A MM LLC; Garrison Opportunity Fund III A Holdings MM LLC; GOF II A Series A-2 LLC; Garrison Opportunity Fund II A LLC; Garrison Opportunity Fund MM II A LLC; Garrison Opportunity Fund II A Holdings MM LLC; and Joseph Tansey, also are considered Applicants in this proceeding and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] *See Application of Birch Communications of Virginia, Inc., For amended and reissued certificates of public convenience and necessity to provide local exchange telecommunications services to reflect a company name change*, Case No. PUR-2018-00196, Doc. Con. Cen. No. 190320176, Order Reissuing Certificates (Mar. 12, 2019).

[4] *See Application of Matrix Telecom of Virginia, Inc., For amended and reissued certificate of public convenience and necessity to provide local exchange telecommunications services to reflect a name change to Matrix Telecom of Virginia, LLC*, Case No. PUC-2016-00028, 2016 S.C.C. Ann. Rept. 175, Order Reissuing Certificate (June 10, 2016).

[5] The Commission held the Applicants' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2019-00225
MARCH 17, 2020

APPLICATION OF
REFLECTIVE ENERGY SOLUTIONS LLC

For a license to do business as an aggregator of electricity

ORDER GRANTING LICENSE

On January 15, 2020, Reflective Energy Solutions LLC ("Reflective" or "Company"), completed an application with the State Corporation Commission ("Commission") for a license to act as an aggregator for electricity service ("Application").[1] Reflective seeks authority to provide electricity aggregation services throughout Virginia to eligible commercial, industrial, governmental, and residential customers.[2] In its Application, Reflective attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[3]

On January 28, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on or before February 5, 2020, to each of the companies listed on Attachment A of the Procedural Order, and to file proof of service on or before February 12, 2020. On February 7, 2020, Reflective filed its proof of service.

The Procedural Order also permitted any interested persons to file comments on the Application with the Clerk of the Commission on or before February 14, 2020. DEV and Kentucky Utilities Company d/b/a Old Dominion Power Company filed comments by the deadline required by the Procedural Order.

The Procedural Order further directed the Commission Staff ("Staff") to file a report ("Report") analyzing the Application. The Staff filed its Report on February 24, 2020. In its Report, the Staff summarized Reflective's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Reflective be granted a license to conduct business as an aggregator for electricity service to eligible commercial, industrial, governmental, and residential customers throughout Virginia.

NOW THE COMMISSION, UPON CONSIDERATION of the Application, comments, Staff's Report, and applicable law finds that Reflective's Application for a license to do business as an aggregator of electricity service should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Reflective is hereby granted license No. A-89 to provide competitive aggregation service of electricity to eligible commercial, industrial, governmental, and residential customers throughout Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] Reflective initially filed its Application on December 23, 2019. On January 15, 2020, the Company filed additional information concerning its dispute resolution procedure.

[2] Pursuant to § 56-577 of the Code of Virginia, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources set forth therein and exists only in the service territories of Virginia Electric and Power Company ("DEV"), Appalachian Power Company, and the electric cooperatives.

[3] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2019-00226
JANUARY 3, 2020

APPLICATION OF
COMMON POINT, LLC

For cancellation of a certificate of public convenience and necessity to provide local exchange telecommunications services

ORDER CANCELLING CERTIFICATE

On December 30, 2019, Common Point, LLC ("Common Point" or "Company") filed a letter application with the State Corporation Commission ("Commission") requesting cancellation of the certificate of public convenience and necessity ("Certificate No. T-725") to provide local exchange telecommunications services in the Commonwealth of Virginia issued by the Commission in Case No. PUC-2012-00060.[1] Common Point also requested that the Commission release the performance/surety bond on file with the Commission and return it to the Company. In its filing, Common Point states that it has ceased all operations in Virginia and currently has no customers or plans to re-enter the market.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate Nos. T-725 should be cancelled, and any tariffs on file associated with the certificates should be cancelled. Further, we find that Common Point should be released from the obligation to maintain a bond on file with the Commission and, accordingly, that the bond may be returned to the Company and cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed as Case No. PUR-2019-00226.

(2) Certificate No. T-725, issued to Common Point to provide local exchange telecommunications services, is hereby cancelled.

(3) Any tariffs on file with the Commission associated with Certificate No. T-725 are hereby cancelled.

(4) The bond associated with Certificate No. T-725 is hereby released.

(5) This case is dismissed.

---

[1] *Application of Common Point, LLC, For a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services in the Commonwealth of Virginia,* Case No. PUC-2012-00060, Doc. Con. Cen. No. 138328878, Final Order (Mar. 12, 2013).

CASE NO. PUR-2019-00227
MARCH 4, 2020

APPLICATION OF
SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For approval of a competitive service provider coordination tariff

FINAL ORDER

On December 31, 2019, Shenandoah Valley Electric Cooperative ("SVEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application ("Application") for approval of a competitive service provider ("CSP") coordination tariff ("CSP Coordination Tariff").

SVEC previously received Commission approval of a coordination tariff in 2002 ("2002 Tariff"),[1] pursuant to § 56-577 of the Code of Virginia and the Commission's Rules Governing Retail Access to Competitive Energy Services.[2] However, according to the Cooperative, until recently no customer was eligible to seek competitive electricity supply from a CSP, and therefore the Cooperative believes the 2002 Tariff is now obsolete and inappropriate for current CSP transactions.[3]

---

[1] *Application of Shenandoah Valley Electric Cooperative, For approval of retail access tariffs and terms and conditions of service for retail access*, Case No. PUE-2002-00575, 2003 S.C.C. Ann. Rept. 423, Final Order (Apr. 2, 2003).

[2] 20 VAC 5-312-10 *et seq*.

[3] Application at 3.

In its Application, SVEC states that, on information and belief, one Cooperative member is currently seeking to have a licensed CSP become its supplier of electricity.[4] In order to complete any registration from a licensed CSP, should the member decide to seek competitive electricity supply, the Cooperative believes that it needs to have an updated and more accurate coordination tariff approved by the Commission.[5] SVEC therefore is seeking approval to replace the 2002 Tariff with the CSP Coordination Tariff.[6] SVEC also requested immediate, interim implementation of the CSP Coordination Tariff in its Application.[7]

On January 13, 2020, the Commission issued an Order for Comment that, among other things, directed the Clerk of the Commission to send copies of the Order for Comment to CSPs; provided interested persons, including CSPs and the Commission's Staff ("Staff"), an opportunity to comment on SVEC's Application; and permitted the proposed CSP Coordination Tariff to become effective on an interim basis, subject to the Commission's further review thereof.

On January 29, 2020, Pilgrim's Pride Corporation filed a notice of participation in this proceeding, and on February 19, 2020, Staff filed a letter stating that it has reviewed SVEC's proposed CSP Coordination Tariff and has no objection to the proposed tariff.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that SVEC's proposed revised CSP Coordination Tariff, which was permitted to be implemented on an interim basis pursuant to the Commission's January 13, 2020 Order for Comment, should be accepted for filing, effective for usage on and after January 13, 2020.

Accordingly, IT IS ORDERED THAT:

(1) SVEC's proposed CSP Coordination Tariff is hereby accepted for filing, effective for usage on and after January 13, 2020.

(2) This case is dismissed.

[4] *Id*. at 4.

[5] *Id*.

[6] *Id*. at 5 n.7.

[7] *Id*. at 2 n.2, 5.

CASE NO. PUR-2020-00003
SEPTEMBER 4, 2020

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider E, for the recovery of costs incurred to comply with state and federal environmental regulations pursuant to § 56-585.1 A 5 e of the Code of Virginia

FINAL ORDER

On January 8, 2020, pursuant to § 56-585.1 A 5 e ("Section A 5 e") of the Code of Virginia, Virginia Electric and Power Company ("Dominion" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission") for an annual update of its rate adjustment clause, designated Rider E, for the recovery of costs incurred to comply with state and federal environmental regulations at the Company's Chesterfield, Bremo, Clover and Mt. Storm Power Stations.[1]

In its Petition, Dominion describes the status and projected expenditures of environmental projects located at the Chesterfield, Clover, and Mt. Storm Power Stations that were approved in Case No. PUR-2018-00195, and requests approval to recover the actual and projected costs of three additional environmental projects at the Chesterfield and Bremo Power Stations (collectively, "New Environmental Projects").[2] The New Environmental Projects at the Chesterfield Power Station include closure in place work at: (i) the Lower Ash Pond and (ii) the Upper Ash Pond.[3] The total estimated costs for the closure in place work for the Lower and Upper Ash Ponds is $103.8 million.[4] At the Bremo Power Station, the New Environmental Projects include construction of the Bremo East Pond (Outfall 008), at a total estimated cost of $1.5 million.[5]

[1] Ex. 2 (Petition) at 1.

[2] *Id*. at 3-4, 7-8; *Petition of Virginia Electric and Power Company, For approval of a rate adjustment clause, designated Rider E, for the recovery of costs incurred to comply with state and federal environmental regulations pursuant to § 56-585.1 A 5 e of the Code of Virginia,* Case No. PUR-2018-00195, 2019 S.C.C. Ann. Rept. 328, Final Order (Aug. 5, 2019) ("2018 Rider E Final Order").

[3] Ex. 2 (Petition) at 7-8.

[4] *Id.* at 8.

[5] *Id.* at 7-8.

In its Petition, Dominion seeks approval of a total revenue requirement of $88,060,000 for service rendered for the period beginning November 1, 2020, and ending October 31, 2021 ("2020 Rate Year").[6] The three components of the total revenue requirement are the Projected Cost Recovery Factor, the Allowance for Funds Used During Construction ("AFUDC") Cost Recovery Factor, and the Actual Cost True-Up Factor.[7]

On January 24, 2020, the Commission issued an Order for Notice and Hearing that, among other things, docketed the Petition; ordered Dominion to provide notice of its Petition; provided interested persons an opportunity to file written comments on the Petition or participate in the proceeding as a respondent; directed the Commission's Staff ("Staff") to investigate the Petition and file testimony describing the results of that investigation; provided Dominion an opportunity to file rebuttal testimony; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

Notices of participation were filed by the Virginia Committee for Fair Utility Rates ("Committee") and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). No written comments were filed in this docket. An evidentiary hearing was held on June 16, 2020.[8] Counsel for Dominion, the Committee, Consumer Counsel, and Staff appeared at the hearing.[9]

On July 20, 2020, the Hearing Examiner filed the Report of Michael D. Thomas, Senior Hearing Examiner ("Report"). On August 3, 2020, each participant in this case filed comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

New Environmental Projects

We find that the New Environmental Projects are needed to comply with the United States Environmental Protection Agency's "Hazardous and Solid Waste Management System; Disposal of Coal Combustion Residuals from Electric Utilities; Final Rule" ("CCR Rule") and Steam Electric Power Generating Effluent Guidelines ("ELG").[10] We therefore approve the recovery of costs associated with the New Environmental Projects pursuant to Section A 5 e to be recovered through Rider E.

Revenue Requirement

Several contested issues in this case affect the calculation of the Rider E revenue requirement. First, Dominion seeks approval of a 30-year amortization period for unprotected excess deferred income taxes ("EDIT") associated with the Company's asset retirement obligation ("ARO") expenses for the newly constructed assets that were necessary to comply with the CCR Rule and ELG.[11] Staff and Consumer Counsel, in contrast, support approval of a five-year amortization period.[12] Deferred taxes are collected from ratepayers in advance of a tax obligation the Company expects to pay. The unprotected EDIT that is in dispute in this case is ratepayer money that the Company now owes to customers because Dominion's tax obligation was less than it expected due to a reduction in the federal corporate income tax rate. Given this, we concur with the Hearing Examiner that returning this money, which was funded by, and is now owed to, customers over a five-year period is reasonable and appropriate.[13] Returning the unprotected EDIT over this shorter period of time is also consistent with recent decisions we have made in other utility cases.[14] Further, nothing in the Commission's Final Order in Case No. PUR-2018-00055,[15] where the parties *agreed* to a 30-year amortization period for unprotected EDIT owed by *customers* to *Dominion*, prohibits the Commission from establishing a five-year amortization period herein.[16] We therefore approve a five-year amortization period for unprotected EDIT in this case.[17]

---

[6] *Id.* at 9-10.

[7] *Id.* at 9.

[8] The evidentiary hearing was held via Skype for Business due to ongoing public health concerns related to the recent spread of the novel coronavirus, COVID-19.

[9] No public witnesses appeared at the hearing to testify. Tr. 5.

[10] *See* Ex. 2 (Petition) at 7-8; Ex. 3 (Mitchell Direct) at 6-14; Ex. 5 (Messinger Direct) at 4-13; Ex. 9 (Mattox) at 4-5.

[11] *See* Ex. 11 (Givens Rebuttal) at 4.

[12] *See* Ex. 9 (Mattox) at 10-12; Tr. 21.

[13] Report at 30. No party contests that the Commission has discretion to determine the amortization period for this unprotected EDIT. *See, e.g.*, *id.*; Ex. 9 (Mattox) at 11 n.18.

[14] *See, e.g., Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter concerning the implementation by Appalachian Power Company d/b/a American Electric Power-Virginia of reductions in rates for generation and distribution services pursuant to Enactment Clause Nos. 6 and 7 of Senate Bill 966*, Case No. PUR-2018-00054, 2019 S.C.C. Ann. Rept. 187, 188, Final Order (Mar. 8, 2019). *See also* Report at 29-30 n.142; Ex. 9 (Mattox) at 11-12 & n.19; Tr. 49-50.

[15] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter concerning the implementation by Virginia Electric and Power Company d/b/a Dominion Energy Virginia of reductions in rates for generation and distribution services pursuant to Enactment Clause Nos. 6 and 7 of Senate Bill 966*, Case No. PUR-2018-00055, 2019 S.C.C. Ann. Rept. 189, Final Order (Mar. 8, 2019).

[16] *See* Report at 30; Tr. 50-52.

[17] We also approve the Company's proposed cost recovery periods for the New Environmental Projects at the Chesterfield and Bremo Power Stations as a placeholder for purposes of this proceeding pending the Company's 2021 triennial review, as recommended by the Staff and unopposed by the Company and Consumer Counsel. *See* Report at 28; Tr. 9, 21.

The second contested issue concerns the capital structure.[18] Dominion made two adjustments to the common equity capital balance in the capital structure, one to remove Accumulated Other Comprehensive Income ("AOCI") and one to remove amounts included in retained earnings that are related to investments in the Company's nuclear decommissioning trust.[19] Staff opposes both adjustments.[20]

This issue has not been litigated in any prior Dominion rate proceeding.[21] In Case No. PUE-2009-00030, however, Appalachian Power Company proposed, and the Commission rejected, an adjustment to remove AOCI related to certain interest rate hedge transactions from the common equity component of its capital structure.[22] The adjustment we rejected in Case No. PUE-2009-00030 is very similar to the adjustments at issue in the present case. Based on the record in this case, and consistent with our previous findings on this matter, we find that Staff's proposed December 31, 2019 capital structure is reasonable and reject Dominion's proposed AOCI-related adjustments.[23]

Based on the foregoing determinations, we approve a Rider E revenue requirement of $84.921 million for the 2020 Rate Year, consisting of a Projected Cost Recovery Factor of $84.663 million, and an AFUDC Cost Recovery Factor of $0.258 million.[24]

Costs for Generation-Related Services

Another issue in this proceeding involves whether the Commission has the statutory authority to require retail choice customers to pay for certain generation-related costs approved under Section A 5 e.[25] As found by the Hearing Examiner, the Commission need not address this threshold legal issue in approving Rider E for purposes of the instant proceeding.[26] Accordingly, and in this instance, the Commission declines to make a finding of law on this issue.[27]

In addition, and in the event such issue is necessarily raised in a future proceeding related (or unrelated) to Rider E, the Commission notes that several questions regarding statutory interpretation "may have vitality" and do not appear to have been answered on the record herein.[28] Specifically, these questions address, under the statutory plain language, the assertion by Dominion and Consumer Counsel that the General Assembly intended to give the Commission the discretion to make a retail choice customer – *i.e.*, a customer that has exercised its statutory right to purchase generation-related services from the competitive market – continue to pay its incumbent utility for generation-related services as well.[29] Such questions include, but are not necessarily limited to, the following:[30]

---

[18] Though originally contested in its prefiled testimony, after reviewing Dominion's rebuttal testimony, Staff did not oppose the Company's treatment of short-term and long-term debt for purposes of calculating the December 31, 2019 capital structure and cost of capital. *See* Tr. 58; Report at 30; Dominion Comments on Report at 4.

[19] *See* Ex. 10 (Pippert) at 5-6; Ex. 11 (Givens Rebuttal) at 6-7, 11-12; Tr. 59-60; Staff Post-Hearing Brief at 3, 9.

[20] *See, e.g.*, Ex. 10 (Pippert) at 5-8; Tr. 58-59.

[21] *See* Tr. 62; Staff Post-Hearing Brief at 16-17; Report at 32.

[22] *Application of Appalachian Power Company, For a statutory 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. PUE-2009-00030, 2010 S.C.C. Ann. Rept. 308, 310, Final Order (July 15, 2010).

[23] *See, e.g.*, Ex. 10 (Pippert) at 5-8; Ex. 11 (Givens Rebuttal) at 5-13; Ex. 15 (Phibbs Rebuttal) at 5-6; Staff Ex. 8; Staff Post-Hearing Brief at 9-18; Dominion Post-Hearing Brief at 5-9. The Company has agreed to use the capital structure and cost of capital the Commission finds reasonable in this case in its other rate adjustment clause cases that utilize a December 31, 2019 capital structure and cost of capital. Tr. 79-80; Report at 34.

[24] *See* Staff Ex. 9 at Sch. 1. The Actual Cost True-Up Factor is $0 in the present proceeding. Ex. 2 (Petition) at 10. We note that the revenue requirement approved herein results in a slightly larger monthly decrease for a residential customer using 1,000 kilowatt hours per month than the $0.26 decrease for such customer the Company presented in its Petition. *See* Ex. 2 (Petition) at 11, Sch. 46C; Ex. 7 (Crouch Direct) at 7; Staff Ex. 9 at Sch. 1.

[25] In Dominion's prior Rider E proceeding, the Company agreed to Staff's request to include in this current proceeding factual analyses and options related to the potential recovery of costs from retail choice customers, and the Commission so directed. 2018 Rider E Final Order, 2019 S.C.C. Ann. Rept. at 332 n.47. Accordingly, in that prior proceeding, the Commission addressed neither factual nor legal issues attendant to such potential recovery.

[26] *See, e.g.,* Report at 34-36.

[27] *See Board of Supervisors of Loudoun County. v. State Corp. Comm'n*, 292 Va. 444, 453 & n.8 (2016) (supporting an "approach [that] is consistent with our effort to decide cases on the best and narrowest grounds available.") (internal quotation marks and citations omitted).

[28] *Potomac Edison Co. v. State Corp. Comm'n,* Record No. 071566 (S.C.C. Case No. PUE-2007-00026), slip op. at 14 (Va. S. Ct. April 11, 2008) (unpublished) (declining to answer a specific legal question because the "posture of this case does not require that we address this issue," but further explaining that in the next case "this issue may have vitality").

[29] *See, e.g*. Dominion Comments on Report at 18; Consumer Counsel Comments on Report at 4.

[30] This discussion is limited to questions of law and does not address the type of factual record that would or would not support the exercise of the Commission's discretion and authority if possessed thereof.

- How does such legal conclusion follow the principle of statutory construction requiring courts to "evaluat[e] [the] statute in its entirety to place its terms in context in order to interpret the several parts of a statute as a consistent and harmonious whole so as to effectuate the legislative goal"?[31]

- Does making a retail choice customer pay for the incumbent utility's generation-related costs (without express authorization from the General Assembly) violate the Commission's legislative mandate to separate the rates and services of the incumbent utility's generation, transmission, and distribution functions?[32]

- If (as argued in the pleadings) the Commission possesses such authority because Section A 5 states that costs are recovered "from customers," then why would the Commission not have the authority to make retail choice customers pay for *any* generation-related costs thereunder, not just those under Section A 5 *e*?[33]

- Likewise, because Code § 56-585.1 A 6 ("Section A 6") equally states that costs therein are recovered "from customers," why would the Commission not have the statutory discretion to make retail choice customers pay for *any* generation-related costs recovered through Section A 6 rate adjustment clauses?[34]

- Because the General Assembly previously gave the Commission express authority to make retail choice customers pay generation-related "wires charges" – and then subsequently *repealed* that authority – why would the Commission's *sua sponte* imposition of generation-related "wires charges" not be *ultra vires* in relation thereto?[35]

- Similarly, why is recent legislation that *requires* a retail choice customer to pay for certain generation-related costs of the incumbent utility not a more recent example of where the General Assembly has shown that, if it so chooses, it knows how to legislate an *express* exception to the overall statutory scheme of requiring unbundled generation, transmission, and distribution rates and services?[36]

Post-Closure Groundwater Monitoring Costs

Post-closure groundwater monitoring costs from the upper and lower ash ponds and the landfill at the Chesterfield Power Station are included in the Projected Cost Recovery Factor in this case.[37] Consumer Counsel states that the Commission could determine that Dominion should recover post-closure groundwater monitoring costs in Rider E, or that these monitoring costs should be recovered in a future rate adjustment clause filed pursuant to Senate Bill 1355.[38] Dominion claims that carving out post-closure monitoring costs from its AROs would be complicated and administratively burdensome.[39] Such action may also result in increased carrying costs being due from customers.[40] Based on the facts and circumstances of this case, we find that the post-closure monitoring costs should be recovered in Rider E.[41]

Accordingly, IT IS ORDERED THAT:

(1) Rider E is approved as set forth herein with an updated revenue requirement in the amount of $84.921 million for the 2020 Rate Year.

(2) The Company forthwith shall file a revised Rider E and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: https://scc.virginia.gov/pages/Case-Information.

---

[31] *See, e.g., May v. R.A. Yancey Lumber Corp.*, 297 Va. 1, 14 (2019) (internal quotation marks and citations omitted). *See also JSR Mechanical, Inc. v. Aireco Supply, Inc.*, 291 Va. 377, 384 (2016) ("Statutes are not to be considered as isolated fragments of law, but as a whole, or as parts of a great connected, homogenous system, or a single and complete statutory arrangement.") (internal quotation marks and citation omitted).

[32] *See, e.g.,* Code §§ 56-585.1 and 56-590.

[33] *See, e.g.,* Dominion Comments on Report at 19.

[34] Based on the arguments in the record, it appears that such discretion could also extend to generation-related costs included in base rate reviews.

[35] *See* 2007 Va. Acts cc. 888 and 933, cl. 2 (repealing Code § 56-583). *See also* 1999 Va. Acts ch. 411 (containing Code § 56-583).

[36] *See, e.g.,* § 56-585.5 F; 2019 Va. Acts ch. 651.

[37] *See* Tr. 33-34; Staff Post-Hearing Brief at 6-7; Consumer Counsel Post-Hearing Brief at 6 n.26.

[38] *See* 2019 Va. Acts ch. 651. *See also* Tr. 19-20; Consumer Counsel Post-Hearing Brief at 2, 6.

[39] *See* Report at 37; Ex. AG-5.

[40] *See* Tr. 38-39; Staff Post-Hearing Brief at 8.

[41] *See also* Report at 37; Ex. 9 (Mattox) at Appendix p. 12-13.

(3) Rider E, as approved herein, shall be effective for service rendered on and after November 1, 2020.

(4) The Company shall file its next annual Rider E application on or after January 4, 2021.

(5) This case is dismissed.

CASE NO. PUR-2020-00007
MARCH 30, 2020

APPLICATION OF
EISENBACH CONSULTING, LLC

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On January 10, 2020, Eisenbach Consulting, LLC ("Eisenbach" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia.[1] The Company seeks authority to offer electricity and natural gas aggregation services to eligible commercial, industrial, governmental, and residential customers throughout Virginia.[2] Eisenbach attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services.[3]

On February 6, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on the appropriate utilities and providing an opportunity for interested persons to comment on the Application. By letter filed with the Commission on February 18, 2020, the Company certified that it had completed the service required by the Commission's Procedural Order. Dominion filed comments on February 28, 2020.

The Procedural Order also directed the Staff to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on March 13, 2020, which summarized Eisenbach's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Eisenbach be granted an aggregator's license to conduct business as a competitive service provider of electric and natural gas services to eligible commercial, industrial, governmental, and residential customers in the Virginia service territories that are open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, Staff's Report, and applicable law, finds that Eisenbach's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Eisenbach is hereby granted License No. A-92 to provide competitive aggregation service of electricity and natural gas to commercial, industrial, governmental, and residential customers throughout the Commonwealth of Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] The Commission's Staff ("Staff") deemed the Company's Application incomplete as filed. Eisenbach provided supplemental information on January 29, 2020, completing its Application.

[2] Retail choice for natural gas service presently exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[3] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2020-00008
APRIL 16, 2020

APPLICATION OF
JMI CONSULTANTS LLC

For a license as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On January 13, 2020, JMI Consultants, LLC ("JMI Consultants" or "Company") filed an application with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia ("Application"). The Company seeks authority to offer electricity and natural gas aggregation services to eligible commercial, industrial, governmental, and residential customers throughout Virginia.[1] JMI Consultants attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services.[2]

On March 3, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on the appropriate utilities and providing an opportunity for interested persons to comment on the Application. By letter filed with the Commission on March 20, 2020, the Company certified that it had completed the service required by the Commission's Procedural Order. Comments were received from Dominion and from Kentucky Utilities Company d/b/a/ Old Dominion Power Company.

The Procedural Order also directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on March 30, 2020, which summarized JMI Consultants' proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that JMI Consultants be granted an aggregator's license to conduct business as a competitive service provider of electricity and natural gas services to eligible commercial, industrial, governmental and residential customers; in the Virginia service territories that are open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that JMI Consultants' Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) JMI Consultants is hereby granted license No. A-95 to provide competitive aggregation service of electricity and natural gas to commercial, industrial, governmental and residential customers throughout the service territories open to competition in Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] Retail choice for natural gas service presently exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[2] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2020-00009
JULY 9, 2020

APPLICATION OF
DATA STREAM TELECOM OF VIRGINIA , INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On April 6, 2020, DATA STREAM TELECOM OF VIRGINIA, INC. ("DATA STREAM" or "Company"), completed the filing of an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("Certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia ("Application").

The Commission issued procedural orders on DATA STREAM's Application that, among other things, directed DATA STREAM to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation of the Application and file a report ("Staff Report").

On May 13, 2020, DATA STREAM filed proof of service and proof of notice in accordance with the Commission's direction. No comments nor requests for hearing on the Company's Application were filed.

On June 26, 2020, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Commission's Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq*. Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant a Certificate to DATA STREAM subject to the following condition: DATA STREAM should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. This requirement should be maintained until such time as the Commission determines it is no longer necessary.

On July 6, 2020, DATA STREAM filed a response to the Staff Report stating that the Company would comply with all the terms set forth in the Staff Report and requesting expedited approval of its Application by the Commission.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that it should grant a Certificate to DATA STREAM.

Accordingly, IT IS ORDERED THAT:

(1) DATA STREAM is hereby granted Certificate No. T-772 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Prior to providing telecommunications services pursuant to the Certificate granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If DATA STREAM elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(3) DATA STREAM shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(4) This case is dismissed.

CASE NO. PUR-2020-00010
MARCH 30, 2020

APPLICATION OF
ACHIEVE ENERGY SOLUTIONS, LLC

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On January 16, 2020, Achieve Energy Solutions, LLC ("Achieve" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia. The Company seeks authority to market electricity aggregation services to eligible commercial, industrial, governmental, and residential customers in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") and Appalachian Power Company ("APCo").[1] The Company also seeks authority to market natural gas aggregation services to the same classes of eligible customers in the service territories of Washington Gas and Light ("WGL") and Columbia Gas of Virginia ("Columbia").[2] The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services.[3]

On February 6, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on the appropriate utilities and providing an opportunity for interested persons to comment on the Application. By letter filed with the Commission on February 20, 2020, the Company certified that it had completed the service required by the Commission's Procedural Order. Dominion filed comments on February 28, 2020.

The Procedural Order also directed the Commission's Staff to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on March 11, 2020, which summarized Achieve's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Achieve be granted an aggregator's license to conduct business as a competitive service provider of electric and natural gas services to eligible commercial, industrial, governmental, and residential customers in the Virginia service territories proposed in the Application.

NOW THE COMMISSION, upon consideration of the Application, Staff's Report, and applicable law, finds that Achieve's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

---

[1] In its Application, Achieve indicated that it wished to provide service to a customer class that it identified as educational. For licensure purposes, publicly owned educational facilities are classified as governmental, and privately held educational facilities would be in a customer class other than governmental depending on the size of the customer.

[2] In its Application, Achieve indicated it wished to provide service in the territory of Shenandoah Gas. As a division of WGL, Shenandoah Gas and its service territory are identified as part of WGL.

[3] 20 VAC 5-312-10 *et seq*.

Accordingly, IT IS ORDERED THAT:

(1) Achieve is hereby granted license No. A-91 to provide competitive aggregation service of electricity and natural gas to commercial, industrial, governmental, and residential customers in the service territories of Dominion, APCo, WGL, and Columbia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUR-2020-00012
FEBRUARY 7, 2020

APPLICATION OF
TALK AMERICA SERVICES, LLC

For authority to discontinue local exchange telecommunications services

ORDER PERMITTING DISCONTINUANCE OF SERVICES

On January 16, 2020, Talk America Services, LLC ("Talk America" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to 20 VAC 5-423-20 of the Commission's Rules Governing the Discontinuance of Local Exchange Telecommunications Services Provided by Competitive Local Exchange Carriers, 20 VAC 5-423-10 *et seq*., for authority to discontinue providing local exchange, digital subscriber line, and intrastate and interstate long-distance services to all of its existing customers within the Commonwealth of Virginia and no longer offer these services to new customers.

In support of its Application, Talk America states that it is seeking authority to discontinue services because the Company's wholesale service provider will no longer provide or support the underlying services upon which the Company relies and that as a reseller of telecommunications services, Talk America has no ability to provide substitute services. The Company states that it is providing all affected customers with ample notice of the discontinuance and has established a dedicated toll-free customer service number to support customers impacted by the discontinuance. While the Company does not have plans to directly transfer the affected customers to other carriers, its customer service representatives will assist customers in identifying alternative providers, if requested. Talk America states that all existing customers were notified of the proposed discontinuance at least 30 days prior to the proposed February 27, 2020 effective date via notices that were mailed on January 6 and 13, 2020. A copy of the customer notice was filed with the Application, which Talk America represents includes the information required under 20 VAC 5-423-20 C.

Talk America requests the Commission allow the Company to retain the previsiouly issued certificates of public convenience and necessity so that the Company may pursue other potential opportunities to provide service in the future without requiring it to reapply for authority to do so.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that Talk America's Application should be granted. The Commission's primary concern with authorizing discontinuance of any telecommunications services is providing adequate notice to affected customers. We have reviewed the notice provided by the Company and find that it provides customers with sufficient notice.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2020-00012.

(2) Talk America is authorized to discontinue providing local exchange services to customers in Virginia as described in the Application.

(3) This case is dismissed.

CASE NO. PUR-2020-00013
JULY 2, 2020

PETITION OF
DIRECT ENERGY BUSINESS LLC — CASE NO. PUR-2020-00013

For a declaratory judgment and injunctive relief against Virginia Electric and Power Company d/b/a Dominion Energy Virginia

PETITION OF
DIRECT ENERGY BUSINESS LLC — CASE NO. PUR-2020-00044

For a declaratory judgment and injunctive relief against Virginia Electric and Power Company d/b/a Dominion Energy Virginia

ORDER

On January 21, 2020, Direct Energy Business LLC ("Direct Energy") filed a petition ("First Petition") with the State Corporation Commission ("Commission") for a declaratory judgment and injunctive relief against Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In the First Petition, Direct Energy sought an order (i) directing Dominion to immediately support the establishment of two electronic data interchange set-ups, also referred to as subaccounts, for use by Direct Energy customers; and (ii) finding that Dominion must support an unlimited number of subaccounts at the request of Direct Energy in the usual course of business. In the alternative, Direct Energy requested that the Commission initiate a rulemaking proceeding to establish the number of subaccounts that a competitive service provider ("CSP") may obtain and the process for obtaining them.

On January 30, 2020, the Commission directed Dominion and any interested party to file a response to the First Petition on or before February 17, 2020, and permitted Direct Energy to file a reply to any response on or before February 28, 2020. Dominion and Direct Energy each timely filed responses pursuant to the January 30, 2020 Order.

On March 11, 2020, the Commission entered an order appointing a Hearing Examiner to conduct further proceedings relative to the First Petition on behalf of the Commission and to file a final report.

On March 9, 2020, Direct Energy filed with the Commission a Petition for Declaratory Judgment and Request for Expedited Action ("Second Petition") against Dominion seeking an order finding that a customer of Dominion has the right to purchase 100% renewable energy from a CSP under § 56-577 A 5 of the Code of Virginia ("Code") as long as the customer has executed a service contract with the CSP prior to the effective date of a compliance filing submitted by Dominion associated with an approved tariff for Dominion's provision of 100% renewable energy.

On March 13, 2020, the Commission entered an Order ("March 13th Order") docketing the Second Petition as Case No. PUR-2020-00044. In addition, the March 13th Order combined Case Nos. PUR-2020-00013 and PUR-2020-00044 without consolidation and appointed a Hearing Examiner to conduct all further proceedings in the combined cases on behalf of the Commission and to file a final report. Among other things, the March 13th Order directed the Hearing Examiner to "establish a procedural schedule for the filing of any necessary additional testimony and a public hearing."[1] The March 13th Order also specified that the hearing in the combined cases should "include consideration of the technical requirements necessary for the relief requested in the [First and Second] Petitions and the capability of Dominion and affected CSPs to satisfy these requirements."[2]

On April 3, 2020, Direct Energy and Dominion filed a Joint Statement of Disputed and Undisputed Facts ("Joint Statement"). Among other things, Direct Energy and Dominion recognized Calpine Energy Solutions, LLC's ("Calpine") unopposed Notice of Participation and Motion to Intervene in Case No. PUR-2020-00044 and represented that Calpine participated in discussions regarding the disputed and undisputed facts.[3] Direct Energy, Dominion, and Calpine (collectively, the "Parties") also agreed to continue generally in Case No. PUR-2020-00044 issues relating to (1) Dominion's 60-day advanced notice requirement before initiating a large volume of customer activity; (2) the limited ability of Schedule 10 customers to switch to a different rate schedule during certain periods; and (3) the ability of Schedule GS-2T customers to switch to a new rate schedule before being eligible to purchase from a CSP.[4]

Furthermore, the Parties identified the following question as the "Threshold Issue" for resolution in Case No. PUR-2020-00044:

> Whether a retail customer may purchase 100% renewable energy from a CSP pursuant to [§ 56-577 A 5 b of the Code] if that customer has executed a service contract with the CSP before [Dominion] files an approved 100% renewable energy tariff with the Commission, even if such customer has not yet enrolled in or switched to the CSP's electric supply service at the time [Dominion] files an approved 100% renewable energy tariff with the Commission.[5]

Direct Energy, Dominion and Calpine recognized a series of undisputed facts relating to the Threshold Issue and represented that there appeared to be no disputed facts pertaining to the Threshold Issue. They also agreed to the resolution of the Threshold Issue based upon written briefs and, if necessary, oral argument conducted electronically or telephonically.[6]

---

[1] March 13th Order at 3.

[2] *Id*. at 3-4.

[3] Joint Statement at 2.

[4] *Id*. at 3.

[5] *Id*.

[6] *Id*. at 3-8.

On April 17, 2020, Direct Energy, Calpine, and Dominion filed opening briefs on the Threshold Issue, and on May 1, 2020, Direct Energy, Calpine and Dominion filed responses.

On May 12, 2020, Senior Hearing Examiner A. Ann Berkebile filed her Ruling and Certification to the Commission ("Ruling"). In her Ruling, the Senior Hearing Examiner made the following findings and recommendations:

(1) The Commission has the authority to resolve the Threshold Issue pursuant to 5 VAC 5-20-100 C and § 56-6 of the Code;

(2) Direct Energy and Calpine have standing to raise the Threshold Issue;

(3) The Commission's consideration of the Threshold Issue is not barred by *res judicata*;

(4) Section 56-577 A 5 b of the Code requires that a customer's enrollment and associated purchase of renewable energy from a CSP must be completed before the utility files an approved 100% renewable energy tariff as a condition of the CSP's continued ability to provide service to such customer.[7]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the recommendations of the Senior Hearing Examiner should be adopted, as discussed herein.

We agree with the Senior Hearing Examiner that the Commission has authority to resolve the Threshold Issue presented in these proceedings, that Direct Energy and Calpine have standing to raise the Threshold Issue, and that the Commission's consideration of the Threshold Issue is not barred by *res judicata*, for the reasons set forth in the Ruling.[8]

We further agree with the Senior Hearing Examiner that the plain language of the Code mandates that a customer must have already enrolled in or switched to the CSP's electric supply service at the time Dominion files an approved 100% renewable energy tariff with the Commission in order to take such service from the CSP after Dominion's tariff becomes effective. Section 56-577 A 5 b provides that:

> Individual retail customers of electric energy within the Commonwealth, regardless of customer class, shall be permitted … [t]o continue purchasing renewable energy pursuant to the terms of a power purchase agreement in effect on the date there is filed with the Commission a tariff for the incumbent electric utility that serves the exclusive service territory in which the customer is located to offer electric energy provided 100 percent from renewable energy, for the duration of such agreement.

As the Senior Hearing Examiner notes, § 56-577 A 5 a does not authorize customers to enter into agreements with CSPs, but instead "allows retail customers to purchase 100% renewable energy from CSPs if the incumbent does not offer a 100% renewable energy tariff."[9] Once the incumbent utility offers an approved 100% renewable energy tariff, customers are no longer allowed to purchase from CSPs *unless they are already purchasing* from a CSP pursuant to an effective power purchase agreement. The Code clearly states that such customers may "continue purchasing" renewable energy from the CSP. Consequently, the customer *must already be purchasing* from the CSP at the time Dominion files its tariff (and not merely have entered into an agreement to do so in the future), else there would not be any purchases to continue.

Accordingly, IT IS SO ORDERED and these matters are continued.

[7] Ruling at 13.

[8] *See, id*. at 8-10.

[9] *Id*. at 12.

CASE NO. PUR-2020-00014
JUNE 8, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: Chesterfield-Tyler 230 kV Transmission Lines #205 and #2003 Partial Rebuild Project

FINAL ORDER

On January 28, 2020, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and a certificate of public convenience and necessity ("CPCN") to construct and operate electric transmission facilities in Chesterfield County, Virginia ("Application"). Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq*.

Dominion proposes to rebuild, entirely within existing right-of-way or on Company-owned property in Chesterfield County, Virginia: 3.2 miles of existing 230 kilovolt ("kV") Chesterfield-Locks Line #205 and Chesterfield-Poe Line #2003 from the Company's existing Chesterfield Substation, located on Dominion's Chesterfield Power Station site, to Structure #205/19A, #2003/25, which is located approximately 0.6 mile south of the Company's existing Tyler Substation (collectively, the "Rebuild Project").[1]

[1] Application at 2.

The Rebuild Project includes the replacement of 25 structures, currently ranging in height from 42 feet to 160 feet, with an average height of 109.4 feet.[2] As proposed, the new structures[3] for the Rebuild Project would range in height from 50 feet to 160 feet, with an average height of 111.7 feet.[4]

Dominion explains that the lines that make up the Rebuild Project predominantly share double circuit COR-TEN® steel lattice towers that were constructed in 1962.[5] These towers have been identified for rebuild based on the Company's assessment consistent with its planning criteria, thereby enabling the Company to maintain the overall long-term reliability of its transmission system.[6] Dominion states that it retained Quanta Technology ("Quanta") to evaluate the condition of its COR-TEN towers.[7] According to Dominion, the 2016 Quanta Report confirms the need to rebuild the COR-TEN section of Lines #205 and #2003.[8]

Dominion seeks an in-service date for the Rebuild Project of December 31, 2022, subject to Commission approval and outage scheduling.[9] Dominion estimates the Rebuild Project to cost approximately $11.1 million, which includes approximately $10.8 million for transmission-related work and approximately $0.3 million for substation-related work (2019 dollars).[10]

On March 3, 2020, the Commission issued an Order for Notice and Comment ("Procedural Order"), which, among other things, docketed the Application, directed Dominion to publish notice of its Application, and invited comments, notices of participation, and requests for hearing from interested persons. The Order further directed the Commission Staff ("Staff") to investigate the Application and to file a Staff Report containing Staff's findings and recommendations.

The Commission received no public comments, requests for hearing, or notices of participation in this case.

As noted in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Rebuild Project by the appropriate agencies and to provide a report on the review. On March 31, 2020, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following Summary of Findings and Recommendations regarding the Rebuild Project. According to the DEQ Report, the Company should:

- Follow DEQ recommendations including the avoidance and minimization of impacts to wetlands and streams (Environmental Impacts and Mitigation, item 1(b), pages 8, 9, and 10).
- Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels (Environmental Impacts and Mitigation, item 6(c), page 15).
- Evaluate identified Pollution Complaint cases and their potential to impact the proposed project (Environmental Impacts and Mitigation, item 7(d)(*i*), page 18).
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable (Environmental Impacts and Mitigation, item 7(d)(*ii*), page 18).
- Coordinate with the Department of Conservation and Recreation for updates to the Biotics Data System database during the final design stage of engineering and upon any major modifications of the [Rebuild P]roject construction to avoid and minimize impacts to natural heritage resources (Environmental Impacts and Mitigation, item 8(c)(i), page 19).
- Coordinate with the Department of Game and Inland Fisheries as necessary regarding the general protection of wildlife resources (Environmental Impacts and Mitigation, item 8(c)(*ii*), page 19).
- Coordinate with the Virginia Outdoors Foundation should the Project change or if construction does not begin within 24 months of this response (Environmental Impacts and Mitigation, item 9(c), page 20).
- Employ best management practices (BMPs) and Spill Prevention and Control Countermeasures as appropriate for the protection of water supply sources (Environmental Impacts and Mitigation, item 10(d), page 20).
- Follow the principles and practices of pollution prevention to the extent practicable (Environmental Impacts and Mitigation, item 14, pages 22-23).

[2] Application, Appendix at 94.

[3] The new structures comprise 25 replacement structures and one new structure.

[4] Application, Appendix at 94.

[5] Application at 2.

[6] *Id.* at 2-3.

[7] *Id.* at 3.

[8] *Id.*

[9] *Id.*

[10] *Id.*

- Limit the use of pesticides and herbicides to the extent practicable (Environmental Impacts and Mitigation, item 15, page 23).[11]

On May 1, 2020, Staff filed its Staff Report summarizing the results of its investigation of Dominion's Application. Staff concludes that Dominion has reasonably demonstrated the need to construct the proposed Rebuild Project, which appears to reasonably minimize impacts to existing residences, scenic assets, historic districts, and the environment.[12] Staff does not oppose the Company's request that the Commission issue the CPCN required for the Rebuild Project.[13] However, Staff recommends that the cost associated with two specific components of the Rebuild Project not be included in the stated cost of the Rebuild Project: (i) a proposed pole replacement and conductor transfer associated with Line #211 and Line #228, and (ii) the proposed acquisition of a buffer easement near the Tyler Substation.[14]

On May 15, 2020, Dominion filed its Limited Response in Rebuttal ("Response"). The Company does not object to the recommendations set forth in the DEQ Report.[15] The Company also responded to the Staff Report and does not oppose Staff's recommendation of excluding the specified associated costs form the total project cost estimate.[16] Adopting Staff's recommendation would revise the estimated Project cost to $10.7 million.[17]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require that the Company construct the Rebuild Project. The Commission finds that a CPCN authorizing the Rebuild Project should be issued subject to certain findings and conditions contained herein.

Approval

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides that "it shall be unlawful for any public utility to construct . . . facilities for use in public utility service . . . without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

> Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, . . . and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned."

The Code further requires that the Commission consider existing right-of-way ("ROW") easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way.

Public Convenience and Necessity

The Commission finds that the Company's proposed Rebuild Project is needed to replace aging infrastructure to maintain the overall long-term reliability of the Company's transmission system.[18]

---

[11] DEQ Report at 6-7.

[12] *See, e.g.,* Staff Report at 14.

[13] *Id.*

[14] *See, e.g., id.* at 7-8, 10-11, 14.

[15] Dominion Response at 1.

[16] *Id.* at 2.

[17] *Id.*

[18] *See, e.g.,* Application at 2-3, Appendix at 2-5; Staff Report at 2-6.

Economic Development

We find that the evidence in this case demonstrates that the Rebuild Project will facilitate economic growth in the Commonwealth by continuing to provide reliable electric service in the Rebuild Project area.[19]

Rights-of-Way and Routing

We find that Dominion has adequately considered existing ROW and that the Company's selection of the route for the Rebuild Project is reasonable. The Rebuild Project, as proposed, would be constructed on existing ROW already owned and maintained by the Company.[20]

Scenic Assets and Historic Districts

We further find that use of the existing route would minimize adverse impacts on scenic assets and historic districts in the Commonwealth of Virginia as required by § 56-46.1 B of the Code.[21]

Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, we consider the Rebuild Project's impact on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides that the Commission shall receive and give consideration to all reports that relate to the Rebuild Project by state agencies concerned with environmental protection.

We find that there are no adverse environmental impacts that would prevent the construction or operation of the Rebuild Project. This finding is supported by the DEQ Report submitted in this case. The Company does not oppose any of the recommendations included in the DEQ Report for the Commission's consideration.[22] We find as a condition to this CPCN, Dominion shall comply with all recommendations included in the DEQ Report.

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Rebuild Project as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for a CPCN to construct and operate the Rebuild Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCN to Dominion:

> Certificate No. ET-73x, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Chesterfield County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00014, cancels Certificate No. ET-73w, issued to Virginia Electric and Power Company in Case No. PUR-2018-00082 on December 21, 2018.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation three copies of an appropriate map that shows the routing of the transmission line approved herein.

(5) Upon receiving the map directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (3) with the map attached.

(6) The Rebuild Project approved herein must be constructed and in service by December 31, 2022. No later than 90 days before the in-service date approved herein, except for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter hereby is dismissed.

---

[19] *See, e.g.,* Staff Report at 1, 6-7.

[20] *See, e.g.,* Application at 3.

[21] *See, e.g.,* Application at 4, Appendix at 117-120; Staff Report at 12-13.

[22] *See, e.g.,* DEQ Report at 6-7; Dominion Rebuttal at 1.

CASE NO. PUR-2020-00015
NOVEMBER 24, 2020

APPLICATION OF
APPALACHIAN POWER COMPANY

For a 2020 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia

FINAL ORDER

On March 31, 2020, Appalachian Power Company ("Appalachian" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Code § 56-585.1 A 3 and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings,[1] for a triennial review of the Company's rates, terms and conditions for the provision of generation, distribution and transmission services. Pursuant to Code § 56-585.1 A 8, the "Commission's final order regarding such triennial review shall be entered not more than eight months after the date of filing."

On April 13, 2020, the Commission issued an Order for Notice and Hearing that, among other things, established a procedural schedule, directed the Company to provide public notice of its Application, and permitted interested persons to file written or electronic comments on the Application or to participate in this proceeding as a respondent.

The following filed notices of intent to participate as a respondent: Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"); Steel Dynamics, Inc. ("SDI"); Virginia Municipal League ("VML") and Virginia Association of Counties ("VACo") Appalachian Power Company Steering Committee ("VML/VACo Steering Committee"); Walmart Inc. ("Walmart"); Appalachian Voices ("Environmental Respondent"); Sierra Club; Old Dominion Committee for Fair Utility Rates ("Committee"); The Kroger Co. ("Kroger"); and Virginia Poverty Law Center ("VPLC").

The hearing in this matter was convened via Skype for Business, with no party present in the Commission's physical courtroom, on September 14, 15, 16, 17, and 18, 2020. All parties and the Commission's Staff ("Staff") participated in the hearing. The Commission received testimony from one public witness, in addition to written and electronic public comments in this proceeding. The participants subsequently filed post-hearing briefs on October 16, 2020.[2]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.[3]

EARNED RETURN

Code § 56-585.1 A 1 directs as follows: "Pursuant to subsection A of § 56-585.1:1, the Commission shall conduct a review for a Phase I Utility in 2020, utilizing the three successive 12-month test periods beginning January 1, 2017, and ending December 31, 2019."[4] The Commission must determine the Company's earned return for this three-year period and then compare that to a 140 basis point band around Appalachian's currently approved return on equity ("ROE") of 9.42%.[5]

If the earned return is "more than 70 basis points" *above* 9.42% (*i.e.*, greater than 10.12%), then "70 percent of the amount of such earnings" above 10.12% "shall be credited to customers' bills."[6] If the earned return is "more than 70 basis points" *below* 9.42% (*i.e.*, less than 8.72%), then the Commission "shall order increases to the utility's rates necessary to provide the opportunity to fully recover the costs of providing the utility's services and to earn not less than such fair combined rate of return, using the most recently ended 12-month test period as the basis for determining the amount of the rate increase necessary."[7]

---

[1] 20 VAC-5-201-10 *et seq.*

[2] On October 23, 2020, Staff filed an unopposed Motion to Reopen the Record to File Corrected Exhibit, which we hereby grant.

[3] The Commission has fully considered the evidence and arguments in the record supporting and opposing the positions of all participants. *See also Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

[4] Appalachian is the Phase I Utility under the terms of Code § 56-585.1 A 1. Code § 56-585.1:1 similarly states that "reviews of the utility's rates for generation and distribution services shall resume for a Phase I Utility in 2020, with the first such proceeding utilizing the three successive 12-month test periods beginning January 1, 2017, and ending December 31, 2019."

[5] *See* Code §§ 56-585.1 A 8 and 56-585.1:1 C 3. *See also Application of Appalachian Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2018-00048, Doc. Con. Cen. No. 181120212, Final Order (Nov. 7, 2018) ("*2018 Appalachian ROE Order*").

[6] Code § 56-585.1 A 8 b.

[7] Code § 56-585.1 A 8 a.

As previously explained and implemented by the Commission, in order to determine earned return, "the Commission must make determinations on specific earnings adjustments related thereto."[8] Determining the utility's earned return as required by statute "is not simply a calculation of entries as booked by the utility during the [historical] period."[9] Rather, "the earned return under this regulatory statute must represent a utility's reasonable earned return, on a regulatory basis," for the period under review.[10] Thus, "to calculate earned return (which is generally net income divided by common equity), the Commission must determine the Company's reasonable revenues, expenses, and rate base for the historical" period, and this, "by necessity, requires the Commission to rule on regulatory earnings adjustments proposed by both the utility and other participants in the case."[11]

Appalachian asserts, as it did in its 2014 historical earnings review, that the Commission is prohibited by statute from making certain earnings adjustments as part of such review. In rejecting such assertion, the Commission explained in that case as follows:

> Section 56-585.1 in no manner requires the Commission to include unreasonable items in determining the earned return thereunder. The [historical] review is not a summation of previously-approved or booked items but, rather, is a review of the utility's actual performance during the prior [period]. As explained by the Supreme Court of Virginia, in order to determine earned return under this statute, the Commission must perform a "retrospective review" of the utility's "performance during the [] successive 12-month periods immediately prior to such review[]."[12]

Accordingly, in order to calculate the Company's earned return for purposes of Code § 56-585.1, the Commission must determine Appalachian's reasonable revenues, expenses, and rate base for 2017, 2018, and 2019. This necessity, which the Commission has consistently applied in implementing its statutory responsibility in historical earnings reviews under this statute, results (as set forth below) in regulatory accounting adjustments that both increase and decrease the Company's earned return for the triennial period. In this regard, the Commission makes the findings listed below, which we conclude are reasonable and supported by evidence in the record.[13]

2019 Asset Impairments

In 2011, the Company decided to retire its Sporn, Kanawha River, Glen Lyn 5, Glen Lyn 6, and Clinch River 3 generating units in 2015.[14] In 2012, the Company informed PJM Interconnection, L.L.C. ("PJM"), of this decision.[15] Appalachian's 2010 depreciation study reflected retirement dates for these facilities between 2015 and 2019.[16] Upon retirement in 2015, these facilities would have been in service from 54 to 71 years.[17]

---

[8] *Application of Virginia Electric and Power Company, For a 2015 biennial 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. PUE-2015-00027, 2015 S.C.C. Ann. Rept. 299, 300, Final Order (Nov. 23, 2015) ("*VEPCO 2015 Biennial Review*").

[9] *Application of Appalachian Power Company, For a 2014 biennial 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. PUE-2014-00026, 2014 S.C.C. Ann. Rept. 392, 393, Final Order (Nov. 26, 2014) ("*APCo 2014 Biennial Review*"); *VEPCO 2015 Biennial Review*, 2015 S.C.C. Ann. Rept. at 300.

[10] *VEPCO 2015 Biennial Review*, 2015 S.C.C. Ann. Rept. at 300.

[11] *APCo 2014 Biennial Review*, 2014 S.C.C. Ann. Rept. at 393; *VEPCO 2015 Biennial Review*, 2015 S.C.C. Ann. Rept. at 300.

[12] *APCo 2014 Biennial Review*, 2014 S.C.C. Ann. Rept. at 393 (citing *Virginia Elec. and Power Co. v. State Corp. Comm'n*, 284 Va. 726, 730, 736 (2012) (affirming the first order under Code § 56-585.1 in which the Commission made specific earnings adjustments – over the objection of the utility – which were necessary to determine the utility's reasonable earned return for the historical period under review)). In addition, we note that Code § 56-585.1 D specifically authorizes the Commission to

> determine, during any proceeding authorized or required by this section, the reasonableness or prudence of any cost incurred or projected to be incurred, by a utility in connection with the subject of the proceeding. A determination of the Commission regarding the reasonableness or prudence of any such cost shall be consistent with the Commission's authority to determine the reasonableness or prudence of costs in proceedings pursuant to the provisions of Chapter 10 (§ 56-232 et seq.).

[13] The Commission has not applied in this proceeding House Bill 528, which amended Code § 56-585.1 and became effective July 1, 2020. 2020 Va. Acts ch. 662. This amendment became effective *after* the initiation of the instant case and does not contain an express provision that it is to operate retroactively. *See, e.g., Washington v. Commonwealth of Virginia*, 216 Va. 185, 193 (1975) ("The general rule is that statutes are prospective in the absence of an express provision by the legislature. Thus when a statute is amended while an action is pending, the rights of the parties are to be decided in accordance with the law in effect when the action was begun, unless the amended statute shows a clear intention to vary such rights.") (citation omitted); *Town of Culpeper* v. *Virginia Elec. and Power Co.,* 215 Va. 189, 194 (1974) ("[T]he general rule is that statutes are to be construed to operate prospectively only unless a contrary intention is manifest and plain.") (citation omitted).

[14] *See, e.g.,* Ex. 100 (Welsh) at 13, Appendix B at 82.

[15] *See, e.g., id.*, Appendix B at 80.

[16] *See, e.g., id.* at 13-14.

[17] *See, e.g., id.* at 14.

In 2014, Appalachian confirmed that the Company viewed these upcoming 2015 retirements as "normal" retirements and included them in a new depreciation study filed in its 2014 biennial review proceeding.[18] Due to pending federal regulations that were expected to impact the Company's generating facilities, the Commission found that a new depreciation study should not be adopted at that time but, rather, should be addressed in the Company's statutorily required 2016 biennial review after the issuance of those federal regulations.[19]

In 2015, the General Assembly enacted legislation that canceled Appalachian's 2016 biennial review.[20]

In May 2015, the Company retired these units as planned.[21] Appalachian also ceased booking any depreciation for these units at that time.[22] The Company's July 2015 accounting memorandum documenting these retirements again confirmed that: (1) none of these units "were reported as probable of abandonment;" and (2) until a "final rate order addressing recovery of these costs," the retirements "will be treated as normal retirements."[23] Appalachian also did not conclude that the assets may be unrecoverable and did not record an impairment of the units' remaining net book value.[24]

In 2016, the Company continued to report that "[t]hese plants were normal retirements and not abandonments" and did not record an impairment.[25] As to the remaining cost recovery for these units, Appalachian further reported that it "intends to address the need for an increase in its Virginia depreciation rates in March 2020, as part of its 2018-2019 Virginia biennial filing."[26]

In 2017 and 2018, the Company similarly reported that "[t]hese plants were normal retirements at the end of their depreciable lives," and that "recovery of the remaining Virginia net book value for the retired plants will be considered in the [Commission's] 2020 triennial review of [Appalachian's] generation and distribution base rates."[27] Again, the Company did not, at that time, record an impairment of the remaining net book value of the retired plants.

In 2018, the General Assembly enacted legislation that transformed Appalachian's 2020 biennial review (2018-2019) into the instant triennial review (2017-2019).[28] That legislation also amended Code § 56-585.1 A 8 as follows:

> In any ~~biennial~~ *triennial* review proceeding*, for the purposes of reviewing earnings on the utility's rates for generation and distribution services*, the following utility generation and distribution costs not proposed for recovery under any other subdivision of this subsection, as recorded per books by the utility for financial reporting purposes and accrued against income, shall be attributed to the test periods under review *and deemed fully recovered in the period recorded*: costs associated with asset impairments related to early retirement determinations made by the utility ~~prior to December 31, 2012,~~ for utility generation ~~plant~~ *facilities fueled by coal, natural gas, or oil* ....[29]

In December 2019, Appalachian fundamentally changed course in its treatment of these assets and recorded these retired units as an asset impairment.[30] The Company states it impaired these assets because it concluded, *for the first time*, that the remaining costs of the units were no longer "probable of future recovery."[31] Prior to this moment, as noted above, the Company had regularly treated these units as normal retirements that were

[18] *See, e.g., id.* at 14, 22, Appendix B at 82.

[19] *See, e.g., id.* at 15; *APCo 2014 Biennial Review*, 2014 S.C.C. Ann. Rept. at 405.

[20] *See* 2015 Va. Acts ch. 6; Code § 56-585.1:1.

[21] *See, e.g.,* Ex. 100 (Welsh) at 15, Appendix B at 82; Ex. 132 (Allen Rebuttal) at 3.

[22] *See, e.g.,* Ex. 100 (Welsh) at 16-17; Ex. 132 (Allen Rebuttal) at 3; Tr. 934-35, 974; Ex. 104 (Retired Units Net Book Value Over Time).

[23] *See, e.g.,* Ex. 100 (Welsh), Appendix B at 82.

[24] The Company's accounting policy regarding potential asset impairments is further described in American Electric Power, Inc.'s ("AEP") 2015 annual financial report:

> In accordance with the requirements of "Property, Plant, and Equipment" accounting guidance, the Registrants evaluate long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of any such assets may not be recoverable. . . . If the carrying amount is not recoverable, the Registrants record an impairment to the extent that the fair value of the asset is less than its book value. . . . For regulated assets, the earnings impact of an impairment charge could be offset by the establishment of a regulatory asset, if rate recovery is probable.

See, e.g., Ex. 100 (Welsh) at 21-22, Appendix B at 29.

[25] *See, e.g., id.*, Appendix B at 36.

[26] *Id.*

[27] *See id.*, Appendix B at 41, 46.

[28] *See* 2018 Va. Acts ch. 296; Code § 56-585.1 A 1.

[29] 2018 Va. Acts ch. 296 (changes as noted in original).

[30] *See, e.g.,* Ex. 100 (Welsh) at 17-18; Ex. 132 (Allen Rebuttal) at 4.

[31] *See, e.g.,* Ex. 132 (Allen Rebuttal) at 4, 10-11.

probable of future recovery.[32] Appalachian asserts that the "main factor driving" its new conclusion was the 2018 statutory amendments quoted above.[33] The Company acknowledges it recorded the impairment when it discovered that its earnings over the triennial period were sufficient to cover the unamortized costs of the retired units.[34] Appalachian also states it considered 2018 correspondence from Staff indicating that these units should be dealt with in the instant proceeding.[35]

As a legal matter, the Company also asserts that the Commission has no discretion to review its December 2019 decision to book these units as an asset impairment.[36] As set forth above, however, since the onset of earnings reviews under Code § 56-585.1, the Commission's orders have consistently explained the difference between (1) the discretion that the Commission must exercise in determining the utility's reasonable earned return on a regulatory accounting basis, and (2) statutorily required outcomes resulting from the Commission's findings. In every historical earnings review under this statute, the Commission has necessarily been required to rule on the reasonableness of the utility's regulatory accounting entries, along with other proposed regulatory adjustments from both the utility and case participants. Once the Commission exercises that discretion, the statute dictates certain outcomes.

The Company's recorded 2019 impairment is no different in this regard. That is, (1) if the Commission finds that the Company's decision to record these assets as an impairment was reasonable on a regulatory accounting basis, then (2) the statute dictates how such costs are treated for purposes of the instant case. We again, however, reject Appalachian's assertion that the statute prohibits the Commission from exercising the first step and considering the reasonableness of the Company's regulatory accounting actions as part of our statutory obligations in an historical earnings review under Code § 56-585.1.

As a factual matter, we find Appalachian has not established that it was reasonable to conclude in December 2019 that the remaining costs of these retired units were no longer probable of future recovery. The Commission has never held that recovery of the undepreciated balance for these units would be disallowed. We also note that Staff has likewise never proposed disallowance of these costs.[37]

Staff further illustrates that the Commission has previously authorized regulatory asset treatment for significant depreciation reserve deficiencies such as those attendant to the retired units, which also would make such costs probable of future recovery.[38] The Company, however, did not seek such treatment from this Commission prior to abruptly concluding that cost recovery was no longer probable.[39] Moreover, Staff has never opposed such treatment for these costs and, to the contrary, proposes regulatory asset treatment as part of the instant case.[40] The Commission thus further finds it was not reasonable to conclude, for regulatory accounting purposes, that future recovery was not probable before potential avenues for such recovery had been reasonably explored.

The Commission also finds that the 2018 amendments to Code § 56-585.1 A 8, quoted above, did not make these costs no longer probable of future recovery. Those amendments speak to how certain impaired assets are treated in calculating the utility's earnings as part of an historical review. As noted by Staff, the pre-2018 version of this statute also permitted the Company to attribute the costs of impaired assets to historical periods under review.[41] Code § 56-585.1 A 8, however, does not (both before and after the 2018 amendments) in any manner prohibit the future recovery of, nor serve to impair, previously unimpaired assets.

The Commission similarly rejects the circularity of the Company's argument herein. Appalachian admits it impaired these assets because it "saw that it could expense the $88 million in Virginia jurisdictional costs of the Retired Units against its 2017-2019 earnings" under Code § 56-585.1 A 8.[42] The Company then argues that once expensed, Code § 56-585.1 A 8 makes these units no longer probable of future recovery.[43] Again, while the statute dictates the regulatory *outcome* of reasonably impaired assets, it neither required the Company to book this expense nor created an asset impairment. It was Appalachian's intentional act to impair these units, not the statute, that caused these costs to be no longer probable of future recovery. And it is that act that we find the Company has not established as reasonable.

---

[32] *See also* Appalachian's Post-hearing Brief at 12-13.

[33] *Id.* at 13.

[34] *See, e.g., id*. at 13-14.

[35] *See, e.g., id*. at 13.

[36] *See, e.g., id.* at 15-16.

[37] *See, e.g.,* Tr. 936.

[38] *See, e.g.,* Ex. 100 (Welsh) at 26-27; *Application of Washington Gas Light Company and Shenandoah Gas Division of Washington Gas Light Company, For general increase in natural gas rates and charges and approval of performance-based rate regulation methodology pursuant to Va. Code § 56-235.6*, Case No. PUE-2002-00364, 2003 S.C.C. Ann. Rept. 383, 388-89, Final Order (Dec. 18, 2003) ("*WGL 2003 Final Order*").

[39] *See also* Ex. 132 (Allen Rebuttal) at 4, 8 ("[T]he Company has not requested recovery of these costs related to the Retired Units under any other recovery mechanism.").

[40] *See, e.g.,* Ex. 100 (Welsh) at 24-28.

[41] *See, e.g.,* Staff's Post-hearing Brief at 8-9, 13-14.

[42] *See, e.g.,* Appalachian's Post-hearing Brief at 13.

[43] *See, e.g.,* Ex. 132 (Allen Rebuttal) at 8; Appalachian's Post-hearing Brief at 14.

Finally, the Commission finds that Staff's correspondence to the Company in 2018 – whereby Staff opposed including these units in Appalachian's 2017 depreciation study but, rather, indicated that the remaining costs of these units could be addressed in the instant proceeding – is not sufficient to justify Appalachian's decision to record an asset impairment.[44] Staff's position did not make these costs no longer probable of future recovery.[45] To the contrary, Staff's position confirmed that recovery thereof had not been denied and could be addressed in the instant case.[46] Moreover, Staff's position that these costs could be addressed in this triennial review was consistent with the Company's own regulatory reporting where, as noted above, Appalachian confirmed in 2016 that these were normal retirements for which the Company would address cost recovery in its March 2020 filing herein.

In sum, the Commission finds that the Company has not met its burden to establish it was reasonable to conclude that these costs were no longer probable of future recovery and record such as an asset impairment in December 2019. This finding increases the Company's triennial review earnings by $83,206,505.[47]

Depreciation Expense

As with other expenses, the Company has the burden to establish that its depreciation expenses during the historical period were reasonable for purposes of determining its reasonable earned return in this proceeding. The Commission finds that Appalachian has not met this burden. Rather, we find that Appalachian's 2017 Depreciation Study, as modified by Staff, represents reasonable expenses in this regard and, thus, shall be implemented as of the December 31, 2017 study date.[48] We likewise find that Staff's related regulatory accounting and depreciation treatment for the retired units discussed above – including removing such from the depreciation study, implementing a 10-year straight-line amortization from date of retirement, and creating a regulatory asset – is reasonable and based on sound professional judgment.[49]

Contrary to the Company's allegation, it is well settled that such findings do not represent a change in rates or retroactive ratemaking. As this Commission explained over 15 years ago, the utility has the burden to establish the reasonableness of its claimed depreciation expenses, including its decision *not* to update its depreciation study therefor.[50] If the utility has not met that burden, then the Commission must implement a reasonable depreciation expense as of a prior depreciation study date, which also may include the establishment of a regulatory asset for a significant reserve deficiency.[51] Moreover, the Commission has previously explained that a "change in costs must be recorded in the appropriate accounting period coincident with the change; this is true for depreciation expense as well as other costs."[52] On a regulatory accounting basis, it is accepted practice for new depreciation expenses to be implemented as of an historical depreciation study date, and for such to occur separate from a change in the rates charged to customers.[53]

The Commission also rejects Appalachian's assertion that these findings unlawfully change base rates for prior periods where they were otherwise frozen by Code §§ 56-585.1 or 56-585.1:1. As noted above, the Supreme Court of Virginia has affirmed the legality of the Commission's consistent regulatory accounting practice of establishing reasonable depreciation expenses and regulatory assets as ordered herein, including the Commission's explanation of why such does not constitute a retroactive change in rates.[54] In addition, the Court has more recently affirmed the Commission's subsequent explanation that the "rates" established or otherwise frozen by statute are limited to the specific "'rates' which are allowed to be charged by an electric utility" to its customers during the historical period (*i.e.*, not individual expenses, revenues, or earnings from such period).[55] Approving reasonable expenses for the historical period in determining the reasonable earned return, as the Commission has always done, is not a change in "rates" under these statutes.

---

[44] *See, e.g.,* Ex. 100 (Welsh), Appendix B at 1 ("Staff…recommends that the Company track depreciation related to the 2015 Retirements separately…[and] address its proposed accounting and ratemaking treatment of the 2015 Retirements in the Company's next triennial review.").

[45] *See, e.g., id.*

[46] In addition, Staff's position illustrates that regulatory assets not included in a depreciation study remain recoverable assets.

[47] *See, e.g.,* Staff's Post-hearing Brief at 18.

[48] *See, e.g., id.* at 21-23; Ex. 100 (Welsh) at 35-36; Tr. 941-42, 946-47.

[49] *See, e.g.,* Ex. 100 (Welsh) at 24-27; Tr. 938-39, 987, 1011. *See also WGL 2003 Final Order*, 2003 S.C.C. Ann. Rept. at 389. In addition, based on these findings the unamortized balance of the retired units shall also be reflected in rate base. *See, e.g.,* Ex. 100 (Welsh) at 24-25.

[50] *See WGL 2003 Final Order*, 2003 S.C.C. Ann. Rept. at 389. *See also* Ex. 100 (Welsh) at 38-39.

[51] *See, e.g., WGL 2003 Final Order*, 2003 S.C.C. Ann. Rept. at 389; Ex. 100 (Welsh) at 26-27.

[52] *Application of Washington Gas Light Company and Shenandoah Gas Division of Washington Gas Light Company, For general increase in natural gas rates and charges and approval of performance-based rate regulation methodology pursuant to Va. Code § 56-235.6,* Case No. PUE-2002-00364, 2004 S.C.C. Ann. Rept. 329, 331, Order on Reconsideration (Jan. 23, 2004) ("*WGL 2004 Order on Reconsideration*"), *aff'd Washington Gas Light Company v. State Corporation Commission*, Record No. 040878, 2004 WL 7331918 (Va. Oct. 8, 2004) (unpublished) ("*2004 WGL Opinion*").

[53] *See, e.g., WGL 2003 Final Order*, 2003 S.C.C. Ann. Rept. at 389; *WGL 2004 Order on Reconsideration*, 2004 S.C.C. Ann. Rept. at 331; *2004 WGL Opinion* (unpublished) ("The Commission…did not err in requiring WGL to implement new depreciation rates as of the date immediately following the most recent depreciation study."); Ex. 100 (Welsh) at 37-39, Appendix B at 20-21 (excerpt from the National Association of Regulatory Utility Commissioners, *Public Utility Depreciation Practices*); Tr. 939-43.

[54] *2004 WGL Opinion* (unpublished) ("The Commission did not err in treating [WGL's] depreciation reserve deficiency as a regulatory asset and subjecting the asset to an earnings test. This accounting adjustment did not constitute a retroactively applied rule and fell within the Commission's 'reasonably wide area of legislative discretion' in setting rates that are just and reasonable." (citation omitted)).

[55] *Virginia Elec. and Power Co. v. State Corp. Comm'n*, 284 Va. at 736. The Court subsequently repeated that "the term 'rates' as used in this statute refers to the rates that a utility is authorized to charge." *Id*. at 742.

The Company was not prevented from reasonably implementing new depreciation rates during the triennial period under review. As noted above, in 2014 the Commission ordered Appalachian to file a depreciation study in its 2016 biennial review due to pending federal regulations. The General Assembly subsequently canceled that biennial review.[56] The Company, however, knew that it was continuing to carry a significant, and growing, depreciation reserve deficiency.[57] Nothing prohibited Appalachian from seeking or implementing reasonable depreciation expenses once the General Assembly canceled the 2016 biennial review, or from requesting regulatory asset treatment for a significant reserve deficiency.[58]

Finally, although Appalachian has the burden to establish the reasonableness of its triennial expenses, it appears to place that burden on the Commission or its Staff in this instance. The Company took the risk that its triennial depreciation expenses, if not updated to address significant ongoing deficiencies, would be found unreasonable. The obligation is not on Staff. We approve Staff's effort, however, in requesting an updated depreciation study during the triennial period when it appeared evident that Appalachian was not going to prepare one on its own accord after the General Assembly canceled the 2016 biennial review.[59] This effort provided the Company with, among other things, an additional opportunity to implement revised depreciation schedules, prior notice of Staff's position regarding reasonable depreciation during this period, and an opportunity to initiate a case to resolve any disagreements; Appalachian, however, chose to wait until the instant proceeding to address this issue.[60]

These findings decrease the Company's triennial review earnings as follows: (1) the 2017 Depreciation Study as approved herein decreases earnings by $20,136,598; (2) the 10-year amortization of the retired units decreases earnings by $20,064,639; and (3) updating rate base for the unamortized balance of the retired units decreases earnings by $8,265,753.[61]

Joint-Use Assets

Joint-Use Assets are information technology assets that are jointly utilized by, and commonly benefit, multiple AEP-affiliated companies, including Appalachian.[62] In the Company's 2014 biennial review, the Commission's Final Order directed that "these Joint-Use Assets should be on AEP Service Company's [("AEPSC")] books, and that [Appalachian] should pay an appropriate facilities charge to [AEPSC]."[63]

In response to the Company's petition for reconsideration and clarification on this issue, the Commission authorized the Company "to comply with [this requirement] through ratemaking adjustments that are *functionally equivalent* to excluding the [Appalachian] Virginia share of future Joint-Use Assets on the Company's books and requiring such assets to be recorded on the books of [AEPSC]."[64] Thus, as an alternative to moving these Joint-Use Assets to AEPSC's books, the Commission authorized Appalachian to make regulatory accounting adjustments that achieve the same end result.[65]

The Company, however, failed to comply with the Commission's orders on this matter. Appalachian neither moved these Joint-Use Assets onto AEPSC's books, nor made functionally equivalent adjustments that would achieve the same end result for regulatory earnings analyses.[66] Accordingly, we approve Staff's recommended earnings test adjustments related to Joint-Use Assets necessary to comply with the Commission's orders in the 2014 biennial review. In addition, contrary to the Company's allegation, implementing a reasonable regulatory accounting adjustment necessary to remedy Appalachian's failure to comply with the Commission's orders is in no manner retroactive ratemaking.[67] This finding increases the Company's triennial review earnings by $3,580,276.[68]

---

[56] *See* Code § 56-585.1:1 (2015 Va. Acts ch. 6).

[57] *See, e.g.,* Ex. 100 (Welsh) at 36; Ex. 121 (Cash Rebuttal) at 4.

[58] *See, e.g.,* Ex. 100 (Welsh) at 26-27; Tr. 1241; *WGL 2003 Final Order*, 2003 S.C.C. Ann. Rept. at 388-89.

[59] *See, e.g.,* Ex. 100 (Welsh) at 33-34; Ex. 109 (Letter from Scott C. Armstrong to David A. Davis, dated October 2, 2017); Tr. 945-47.

[60] *See, e.g.,* Ex. 100 (Welsh) at 33, Appendix B at 8-9; Ex. 121 (Cash Rebuttal) at 3.

[61] *See, e.g.,* Staff's Post-hearing Brief at 18, 23. In addition, the Commission has considered the participants' varied requests regarding implementation of Appalachian's *next* depreciation study. We find that the Company should implement its 2019 Depreciation Study as of the study date, incorporating only the specific revisions recommended by Staff. The Commission concludes that the record in this case supports this finding and results in reasonable depreciation expenses. *See, e.g.,* Staff's Post-hearing Brief at 49-52; Appalachian's Post-hearing Brief at 35-36.

[62] *See, e.g.,* Ex. 3 (Lysiak Direct) at 4; Ex. 98 (Carr) at 2.

[63] *APCo 2014 Biennial Review*, 2014 S.C.C. Ann. Rept. at 406.

[64] *Application of Appalachian Power Company, For a 2014 biennial 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. PUE-2014-00026, 2015 S.C.C. Ann. Rept. 209, 210, Order on Petition for Reconsideration and Clarification (Feb. 3, 2015) (emphasis added). The Company did not appeal the Final Order or the Order on Petition for Reconsideration and Clarification.

[65] *See, e.g.,* Ex. 98 (Carr) at 3.

[66] *See, e.g., id.* at 3-4.

[67] *See, e.g.,* Appalachian's Post-hearing Brief at 46.

[68] *See, e.g.,* Staff's Post-hearing Brief at 38. The Commission does not herein address proposed adjustments to Rider TRR (involving tax credits for excess deferred income taxes as discussed by Appalachian and Staff). Any proposed adjustments thereto can be addressed, if raised, in a separate proceeding for Rider TRR.

Incentive Compensation

The Commission has consistently found that incentive plan expenses not benefitting a utility's customers should not be included in the utility's annual expenses for earnings test purposes.[69] We continue to make such finding and remove the following incentive plan expenses, as recommended by Staff, which the Company has not established benefit customers: (1) hypothetical expenses for 2017 that were not actually incurred;[70] (2) expenses related to the strategic initiative plan that are above 100% of target, as well as metrics that are above 100% of target or were not shown to benefit Virginia jurisdictional customers;[71] and (3) payroll tax expense associated with incentive plan costs disallowed herein.[72] This finding increases the Company's triennial review earnings by (1) $745,156, (2) $1,843,772, and (3) $191,825, respectively, for a total of $2,780,753.[73]

Cost and Balance of Long-Term Debt

The Commission must determine Appalachian's cost of capital, which includes its cost and balance of long-term debt, in order to calculate earned return. The Commission finds that the cost and balance of long-term debt, as recommended by Staff, shall be used for this purpose. Staff's proposed methodology is reasonable, fully compensates the Company for its debt-related costs, and, moreover, is consistent with longstanding Commission precedent.[74]

Specifically, to determine the annualized dollar costs for each debt security, the effective rate shall be multiplied by the net amount of the debt outstanding.[75] This methodology accounts for the time value of money by returning the cumulative amount of issuance cost incurred against principal over time (before it must be repaid) and provides recovery of all debt-related costs.[76] In addition, we agree with Staff that the balance of long-term debt in the capital structure needs to include unamortized gains or losses on reacquired debt that was not refunded by the Company.[77] These findings increase the Company's triennial review earnings by $4,809,600.[78]

Coal Inventory

As explained in Appalachian's 2014 biennial review, under long-standing regulatory practice the Commission permits the Company to include coal inventory in rate base and earn a return thereon.[79] The Commission further explained, however, that only a reasonable coal inventory amount will be included in rate base for this purpose.[80] Thus, "the Company will need to establish that it did not inventory unreasonable amounts of coal" during the historical review period and "will need to show that its actions to manage such inventory were reasonable based on the specific factual circumstances relevant to" that period.[81]

---

[69] *See, e.g., APCo 2014 Biennial Review*, 2014 S.C.C. Ann. Rept. at 393; *Application of Virginia Electric and Power Company, For a 2013 biennial 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*, 2013 S.C.C. Ann. Rept. 371, 373; *Application of Appalachian Power Company, For a 2011 biennial 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. PUE-2011-00037, 2011 S.C.C. Ann. Rept. 477, 483 n.52, Final Order (Nov. 30, 2011).

[70] *See, e.g.,* Ex. 65 (Kaufman) at 20; Ex. 98 (Carr) at 5. Consistent with Commission precedent, we find that incentive plan expenses exceeding a payout ratio of 100% do not benefit customers and should not be included in the earnings test. *See, e.g.,* Ex. 65 (Kaufman) at 15, 17; Ex. 98 (Carr) at 5. We further find that such annual expenses exceeding 100% of target in 2018 or 2019, which did not benefit customers, should not be treated as if they were incurred and recorded in 2017. *See, e.g.,* Tr. 583-84.

[71] *See, e.g.,* Ex. 65 (Kaufman) at 15-20.

[72] *See, e.g., id.* at 21.

[73] *See, e.g.,* Staff's Post-hearing Brief at 35, List of Issues – Appendix to Staff's Brief.

[74] *See, e.g.,* Staff's Post-hearing Brief at 41-43.

[75] *See, e.g.,* Ex. 80 (Pippert) at 36; Tr. 727-28.

[76] *See, e.g.,* Ex. 81 (Effective Cost of Debt Example); Ex. 82 (Pippert's revision of Hawkins Reb. Exh. 1); Tr. 729-32. Moreover, we find that Appalachian's proposed methodology inflates its annualized cost of debt by applying the effective rate to the higher face amount of the debt. *See, e.g.,* Ex. 82 (Pippert's revision of Hawkins Reb. Exh. 1); Tr. 727-28.

[77] *See, e.g.,* Ex. 80 (Pippert) at 35.

[78] *See, e.g.,* Ex. 101 (Corrected); Staff's Post-hearing brief at Appendix. In addition, the Commission admits Ex. 87 into the record, objections to which were taken under advisement during the hearing.

[79] *APCo 2014 Biennial Review*, 2014 S.C.C. Ann. Rept. at 397.

[80] *Id*. at 396.

[81] *Id*. at 397.

The Commission finds that the Company has established it acted reasonably in managing its coal inventory during the triennial period.[82] As a result, based on the specific facts of this case, we find that it is reasonable to use Appalachian's actual coal inventory for determining earned return in this proceeding. Thus, the Commission denies the requests by Consumer Counsel and Staff to reduce the amount of coal inventory in rate base during the triennial period, which Staff calculates would increase the Company's triennial earnings result by approximately $2.5 million.[83]

Inter-Company Power Agreement

Appalachian has executed an Inter-Company Power Agreement ("ICPA") with affiliated companies through which, among other things, it purchases power for its Virginia jurisdictional customers. Because the ICPA is with affiliated interests, the Company is statutorily prohibited from entering into such contract "until it shall have been filed with and approved by the Commission."[84] The Commission approved Appalachian's entry into the current version of the ICPA in 2011, and prior to that in 2004. Both approvals were subject to the requirement that any purchases made by Appalachian under the ICPA are at the "lower of" (a) the affiliate's actual cost, or (b) the market price of non-affiliated power.[85] Consumer Counsel asserts that the Company incurred triennial expenses under the ICPA that were greater than market price and, as a result, Appalachian's triennial expenses should be decreased accordingly.

During the triennial period, Appalachian's *energy* costs under the ICPA were approximately $49 million below comparable market energy costs.[86] Consumer Counsel, however, asserts that Appalachian's ICPA *capacity* costs during this period were significantly greater than market cost such that, even considering energy cost savings, the Company's triennial expenses should be decreased by $30.8 million.[87] In reaching this conclusion, Consumer Counsel compared ICPA capacity costs to PJM capacity costs.[88]

Based on the instant record, the Commission finds that it is not reasonable to compare ICPA capacity costs during the triennial period to PJM capacity costs for purposes of the instant earnings review.[89] The ICPA provides for long-term capacity, whereas the PJM costs are for short-term capacity.[90] We find that comparison to PJM capacity costs does not provide a reasonable basis to disallow expenses in this particular instance.[91] Accordingly, the Commission denies Consumer Counsel's request to decrease Appalachian's triennial expenses by $30.8 million.

Accumulated Deferred Income Taxes

The Commission approves Staff witness Morgan's three recommendations regarding the Company's treatment of Accumulated Deferred Income Taxes ("ADIT"): (1) the level of ADIT shall be consistent with the Pre-paid Pension/Other Post-Employment Benefit asset included in rate base; (2) West Virginia ADIT related to the 2015 Retired Units shall be excluded; and (3) ADIT shall be included in rate base consistent with Staff witness Welsh's depreciation proposals.[92] This finding decreases the Company's triennial review earnings by $2,325,994.[93]

---

[82] *See, e.g.,* Ex. 24 (Jeffries) at 8; Ex. 117 (Jeffries Rebuttal) at 3, 6-7; Tr. 167-68; Appalachian's Post-hearing Brief at 50-52.

[83] Staff's Post-Hearing Brief at 30-31.

[84] Code § 56-77.

[85] *Application of Appalachian Power Company, For consent to and approval of an extension and modification of an existing Amended and Restated Inter-Company Power Agreement with Ohio Valley Electric Corporation and other affiliates pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2011-00058, 2011 S.C.C. Ann. Rept. 509, Order Granting Approval (Aug. 3, 2011); *Application of Appalachian Power Company, For consent to and approval of an Extension and Modification of an existing Inter-Company Power Agreement, Modification No. 1 to an Extension and Modification of an existing Inter-Company Power Agreement, and Termination of First Supplementary Transmission Agreement with Ohio Valley Electric Corporation and other affiliates pursuant to Title 56, Chapter 4 of the Code of Virginia*, Case No. PUE-2004-00095, 2004 S.C.C. Ann. Rept. 510, Order Granting in Part Petition for Reconsideration (Dec. 23, 2004).

[86] *See, e.g.,* Ex. 32 (Vaughan Direct), Sched. 1; Appalachian's Post-hearing Brief at 74.

[87] *See, e.g.,* Consumer Counsel's Post-hearing Brief at 64-77.

[88] *See, e.g.,* Ex. 59 (Norwood) at 11.

[89] *See, e.g.,* Appalachian's Post-hearing Brief at 72-73.

[90] *See, e.g.,* Ex. 128 (Vaughan Rebuttal) at 2.

[91] For the limited purpose of this proceeding, we find that it is reasonable to compare the ICPA capacity costs to the 2011 Benchmark Study presented by the Company. *See, e.g., id.* at 2-4 and Rebuttal Sched. 1. The Commission also herein admits Ex. 36 (objections to which were taken under advisement during the hearing) for the limited purpose of cross-examining the witness thereon, not for the testimony included therein.

[92] *See, e.g.,* Ex. 18 (Morgan) at 4; Staff's Post-hearing Brief at 35-36.

[93] *See, e.g.,* Staff's Post-hearing Brief at 36.

Lead-Lag Study

The Commission approves the following Staff recommendations regarding Appalachian's lead-lag study: (1) in the income statement portion, reductions to Revenue Lag days, Other O&M Lead days, and Fuel and Deferred Fuel Lead days; and (2) in the balance sheet portion, adjustments to reflect the average balance for each year during the earnings test and to remove capital improvements associated with the Company's Dresden generating station rate adjustment clause.[94] This finding increases the Company's triennial review earnings by $449,836.[95]

Renewable Energy Certificates

The Commission approves Staff's adjustment to remove expenses for Renewable Energy Certificates associated with off-system sales; these expenses should be accounted for in the Company's fuel factor with the other costs and revenues associated with off-system sales.[96] This finding increases the Company's triennial review earnings by $274,703.[97]

Clinch River

The Commission approves Staff's adjustment to remove depreciation expense and rate base related to certain Clinch River coal assets retired in 2016 but inadvertently not removed from plant in service until 2017.[98] This finding increases the Company's triennial review earnings by $186,644.[99]

Plant Held for Future Use

The Commission approves Staff's exclusion of certain distribution plant held for future use not expected by the Company to be used and useful within four years.[100] This finding increases the Company's triennial review earnings by $139,321.[101]

Property Tax Expense

As explained by Staff, certain adjustments to property tax expense must be made to reflect adjustments approved herein related to net plant and accumulated depreciation. These adjustments increase the Company's triennial review earnings by $1,925,039.[102]

Amos and Mountaineer

Sierra Club recommended disallowance of certain capital expenditures incurred during the triennial review period for the Company's Amos and Mountaineer coal-fired generating facilities. Subsequently, Appalachian and Sierra Club filed a Stipulation, whereby Appalachian agreed to perform specific analyses of these two facilities for inclusion in its next integrated resource plan, and Sierra Club withdrew its recommended disallowance.[103] In addition, Staff witness Pratt identified two additional evaluation criteria for such analyses, to which the Company did not object.[104] The Commission approves both the Stipulation and Staff's recommended additional criteria.

Interest synchronization

Consumer Counsel explains that if the Commission approves lower rate base levels herein than proposed by Appalachian, it results in lower synchronized interest expense and higher income tax expense.[105] The Commission agrees and has reflected such in the results of the instant earnings analysis set forth immediately below.

---

[94] *See, e.g.,* Ex. 65 (Kaufman) at 12-14, Appendix A at 28-31.

[95] *See, e.g.,* Staff's Post-hearing Brief at 40.

[96] *See, e.g.,* Ex. 98 (Carr) at 8.

[97] *See, e.g.,* Staff's Post-hearing Brief at 40.

[98] *See, e.g.,* Ex. 100 (Welsh) at 48 n.59.

[99] *See, e.g.,* Staff's Post-hearing Brief at 40.

[100] *See, e.g.,* Ex. 100 (Welsh) at 48 n.59.

[101] *See, e.g.,* Staff's Post-hearing Brief at 40.

[102] *See, e.g.,* Ex. 100 (Welsh) at 51; Staff's Post-hearing Brief at 35.

[103] Stipulation signed by Sierra Club and Appalachian (filed Sep. 11, 2020). *See also* Sierra Club's Post-hearing Brief at 3-6; Appalachian's Post-hearing Brief at 121.

[104] *See, e.g.,* Staff's Post-hearing Brief at 77-78.

[105] *See, e.g.,* Consumer Counsel's Post-hearing Brief at 58-59.

Test Period Earnings and Earned Return

Based on our findings in this case, Appalachian earned an ROE of 9.48% during the 2017-2019 triennial review period. As noted above, the fair rate of return for purposes of this proceeding is 9.42%. Thus, for the 2017-2019 triennial period under review, Appalachian earned 6 basis points above the fair ROE, which equates to approximately $1,992,987 in excess earnings for such period.

Statutory Outcome

Pursuant to Code § 56-585.1 A 8, customers do not receive a refund of any excess earnings because Appalachian's earned return was not "more than 70 basis points" above 9.42% (*i.e.*, greater than 10.12%).[106] Similarly, because Appalachian did not earn "more than 70 basis points" below 9.42% (*i.e.*, less than 8.72%), the alternate directive in Code § 56-585.1 A 8 to "order increases to the utility's rates" is likewise inapplicable.[107]

The Company asserts that the latter outcome – *i.e.*, no prospective rate increase – "cannot be reconciled with the protections afforded by the federal and state Constitutions."[108] Appalachian, however, advises that "[t]he Commission need not entangle itself in such a controversy."[109] Specifically, according to the Company, the Commission can avoid such entanglement by agreeing with (and thereby necessarily giving greater weight to) the Company's proffered "evidence in the record" in order "to determine that Appalachian earned below its authorized return during the Earnings Test Period and is thus eligible for a rate increase under the Code."[110]

The Company also alleges that Staff's regulatory earnings adjustments are "deliberately engineered to block the Commission from granting a rate increase…."[111] In rejecting this claim, Staff states that it "proposed many changes to the Company's Earnings Test analysis, some of which result in a higher earned return and some of which result in a lower earned return," and that "Staff's recommendations are all consistent with proper ratemaking and Commission precedent."[112]

As explained above, and as with every prior earnings review under this statute, the Commission has necessarily exercised its discretion to make findings on the reasonableness of the Company's expenses and revenues during the triennial period. Once the reasonable earned return is determined, the next steps attendant to this case are dictated by statute. The Commission recognizes that the public interest is not well served if a utility is permitted to charge its customers more than necessary to earn a reasonable return. Likewise, the public interest is also not well served if a utility is unable to earn a reasonable return.[113] We must reject, however, the Company's invitation to abdicate the Commission's statutory duty and discretion in this proceeding by purposefully giving greater weight to certain evidence in an effort to engineer Appalachian's desired historical earnings result. We further note that our findings herein are well within the constitutional standards set forth in, among other pertinent cases, the decisions of the United States Supreme Court in *Bluefield Waterworks & Improvement Co. v. Public Service Comm'n of West Virginia et al.*, 262 U.S. 679 (1923), *Federal Power Comm'n et al. v. Hope Natural Gas Co.*, 320 U.S. 591 (1944), and *Duquesne Light Co. v. Barasch*, 488 U.S. 299 (1989).

FAIR RATE OF RETURN ON COMMON EQUITY

The Commission must determine in this triennial review the Company's fair ROE pursuant to the requirements set forth in Code § 56-585.1 A 2. This ROE will be used for rate adjustment clauses approved under Code §§ 56-585.1 A 5 and A 6, and for Appalachian's next triennial review.[114]

---

[106] Code § 56-585.1 A 8 b.

[107] Code § 56-585.1 A 8 a. Because the statutory outcome does not result in a prospective change in rates, the Commission does not herein address issues related thereto and likewise need not address the treatment of regulatory assets, for potential future rate purposes, as part of the instant historical earnings review. Similarly in this regard, the Commission does not herein address Consumer Counsel's request for a ruling – "without prejudice" – on Appalachian's advanced metering infrastructure ("AMI") replacement program. Consumer Counsel's Post-hearing Brief at 77. Consumer Counsel notes that the Company previously petitioned for specific approval thereof, but then withdrew its request upon concluding it was not yet meeting the Commission's prudency requirements for such a program. *See, e.g.,* Tr. 119. In response, Appalachian states that it has developed a plan to maximize the benefits of AMI, and that by inducing customers to shift usage, these programs will reduce costs for all retail customers by: (1) lowering Appalachian's PJM capacity requirement; (2) lowering transmission costs allocated to the Company; (3) lowering the allocation of costs to the Company's Virginia jurisdiction; and (4) lowering marginal fuel and market energy costs. *See, e.g.,* Ex. 21 (Castle Direct) at 21-22. As this issue represents approximately 38 basis points and, thus, does not change the statutory outcome of the instant triennial review, any findings on this matter *without prejudice* is not necessary.

[108] Appalachian's Post-hearing Brief at 7.

[109] *Id*. at 10.

[110] *Id*. at 10-11. In this particular statement, it is unclear whether the Company is referencing Code § 56-585.1 A 2 g, a specific petition under which was not included in its Application.

[111] *Id*. at 8.

[112] Staff's Post-hearing Brief at 7.

[113] Among other things, such could result in higher borrowing costs or

hinder the provision of reasonably adequate service.

[114] *See, e.g.,* Code §§ 56-585.1 A 2 and A 8 a.

In determining a fair ROE, the Commission must follow the directives set forth in Code § 56-585.1 A 2 and "may use any methodology to determine such [ROE] it finds consistent with the public interest."[115] We herein employ the same process repeatedly used by the Commission in approving a fair ROE under this statute; we first determine the market cost of equity, and then establish a peer group majority ROE.

Market Cost of Equity

Company witness McKenzie calculated Appalachian's cost of equity to be between 9.2% and 10.3%, or 9.3% to 10.4% after incorporating an adjustment to account for the impact of common equity flotation costs, and determined that, taking into account Appalachian's specific risks and requirements for financial strength, an ROE of 9.9% represents Appalachian's cost of equity.[116] Consumer Counsel witness Woolridge calculated Appalachian's market cost of equity to be between 7.6% and 8.85% and determined that 8.75% represents Appalachian's market cost of equity.[117] Staff witness Pippert calculated Appalachian's market cost of equity to be between 8.0% and 9.0% and determined that establishing the Company's cost of equity at the midpoint of 8.5% was appropriate.[118]

The Commission recognizes that "[t]here is no single scientific correct rate of return."[119] Based on the evidence herein, the Commission finds that a market cost of equity within a range of 8.3% to 9.3% fairly represents the actual cost of equity in capital markets for companies comparable in risk to Appalachian seeking to attract equity capital. We find that a market cost of equity of 8.3% to 9.3% is supported by reasonable proxy groups, growth rates, discounted cash flow ("DCF") methods, and risk premium analyses.

The Commission further concludes, under the circumstances of this case and for purposes of implementing Code § 56-585.1:1, that approving a specific ROE of 9.2% from this range is "consistent with the public interest" under Code § 56-585.1 A 2 a and reasonably balances the interests of the Company, its customers, and its investors. The Company's currently approved ROE is 9.42%. We find that lowering such ROE to 9.2% at this time is supported by the concept of gradualism in ROE determinations. The Commission finds that an ROE of 9.2% is fair and reasonable, supported by evidence in the record, and satisfies the following constitutional standards as stated by Staff witness Pippert: "maintenance of financial integrity, the ability to attract capital on reasonable terms, and earnings commensurate with returns on investments of comparable risk."[120]

Conversely, the Commission finds that Appalachian's proposed cost of equity represents neither the actual cost of equity in the marketplace nor a reasonable ROE for the Company. We find that Appalachian's proposed market cost of equity is not supported by reasonable growth rates, DCF methods, or risk premium analyses. For example, Mr. McKenzie relied on unreasonably high projected earnings per share growth rates for his DCF analysis, which upwardly skews his results.[121] Mr. McKenzie's resulting analyses were also inflated by his asymmetric exclusion of utilities from his DCF analysis that are below his low-end threshold of 6.8%.[122] The Company also inappropriately relies on a mix of actual and projected interest rates in his risk premium analysis.[123] The Commission has explicitly rejected the use of projected interest rates in prior cases, stating that inclusion of these projected rates inflates the results of the utility's risk premium analysis.[124]

Peer Group Majority ROE

Code §§ 56-585.1 A 2 a and b require the Commission to establish a peer group majority ROE as follows:

> a. The Commission may use any methodology to determine such return it finds consistent with the public interest, but for applications received by the Commission on or after January 1, 2020, such return shall not be set lower than the average of either (i) the returns on common equity reported to the Securities and Exchange Commission for the three most recent annual periods for which such data are available by not less than a majority, selected by the Commission as specified in subdivision 2 b, of other investor-owned electric utilities in the peer group of the utility subject to such triennial review or (ii) the authorized returns on common equity that are set by the applicable regulatory commissions for the same selected peer group, nor shall the Commission set such return more than 150 basis points higher than such average.

---

[115] Code § 56-585.1 A 2 a.

[116] *See, e.g.,* Ex. 29 (McKenzie Direct) at 13.

[117] *See, e.g.,* Ex. 52 (Woolridge) at 4.

[118] *See, e.g.,* Ex. 80 (Pippert) at 21.

[119] *Commonwealth ex rel. Div. of Consumer Counsel v. Potomac Edison Co.*, 233 Va. 165, 171 (1987) (quoting *Central Tel. Co. of Va. v. State Corp. Comm'n*, 219 Va. 863, 874 (1979)).

[120] Ex. 80 (Pippert) at 23.

[121] *See, e.g.,* Ex. 29 (McKenzie Direct) at 35.

[122] *See, e.g., id*. at 45. Mr. McKenzie asserts that, in theory, results at the high end of the range should also be excluded but claims that in this case "no such values exist." *Id*. at 46.

[123] *See, e.g., id*. at 50.

[124] *See, e.g., 2018 Appalachian ROE Order* at 5; *Application of Appalachian Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUE-2016-00038, 2016 S.C.C. Ann. Rept. 393, 395, Final Order (Oct. 6, 2016); *Application of Aqua Virginia, Inc., For an increase in rates*, Case No. PUE-2014-00045, 2016 S.C.C. Ann. Rept. 206, 209, Final Order (Jan. 7, 2016); *Application of Appalachian Power Company, For an increase in electric rates*, Case No. PUE-2006-00065, 2007 S.C.C. Ann. Rept. 321, 327, Final Order (May 15, 2007).

> b. In selecting such majority of peer group investor-owned electric utilities for applications received by the Commission on or after January 1, 2020, the Commission shall first remove from such group the two utilities within such group that have the lowest reported or authorized, as applicable, returns of the group, as well as the two utilities within such group that have the highest reported or authorized, as applicable, returns of the group, and the Commission shall then select a majority of the utilities remaining in such peer group. In its final order regarding such triennial review, the Commission shall identify the utilities in such peer group it selected for the calculation of such limitation. For purposes of this subdivision, an investor-owned electric utility shall be deemed part of such peer group if (i) its principal operations are conducted in the southeastern United States east of the Mississippi River in either the states of West Virginia or Kentucky or in those states south of Virginia, excluding the state of Tennessee, (ii) it is a vertically-integrated electric utility providing generation, transmission and distribution services whose facilities and operations are subject to state public utility regulation in the state where its principal operations are conducted, (iii) it had a long-term bond rating assigned by Moody's Investors Service of at least Baa at the end of the most recent test period subject to such triennial review, and (iv) it is not an affiliate of the utility subject to such triennial review.

As reflected in prior Commission orders on ROE, the above statute – although highly prescriptive in numerous respects – also requires the Commission to exercise its reasonable discretion on specific matters not addressed or otherwise limited in this statutory grant of authority. The Commission must exercise such discretion in determining a peer group majority ROE, which establishes the ROE floor. For this purpose, the Commission has consistently found that it is reasonable and rational to exercise such discretion in a manner that supports the actual market cost of equity found fair and consistent with the public interest based on the record.[125]

The Commission must first identify the specific utilities that comprise the peer group under the above statute. Company witness McKenzie, Consumer Counsel witness Woolridge, and Staff witness Lee identify the same statutory peer group of 12 utilities, which we likewise find complies with the above statute.[126]

The Commission must next determine the earned return for each utility in the peer group, which will then be used in calculating the peer group majority's average earned return.[127] Such calculation can be based on either year-end common equity or average common equity,[128] and the choice is left to the Commission's discretion.[129] The Commission has previously found that it is reasonable to use *either* year-end equity or average equity for this purpose,[130] and we find that there is evidence in this proceeding supporting the use of both methods.[131]

In exercising its statutory discretion on this issue, the Commission has consistently chosen the calculation method that better supports the market cost of equity found fair and consistent with the public interest.[132] Consistent therewith, the Commission will use year-end equity to calculate the peer group's earned return in this case. As a result, the five-member peer group majority that the Commission herein selects had an average earned return of 8.73%, which is near the midrange of the market cost of equity range found fair and reasonable above.[133] The Commission continues to conclude, as we have in prior cases, that establishing the peer group majority ROE in this manner is reasonable, has a rational basis, and does not violate any constitutional or statutory provision.

---

[125] *See, e.g.*, *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, 404, Final Order (Nov. 21, 2019) ("*2019 DEV ROE Order*").

[126] *See, e.g.,* Ex. 29 (McKenzie Direct) at 75, Schedule 13 at 5; Ex. 79 (Lee) at 5; Ex. 52 (Woolridge) at 109.

[127] To calculate ROE for a peer group utility under the statute, "net income available for common shareholders is divided by common shareholders' equity." Ex. 79 (Lee) at 11.

[128] *Id*.

[129] The Commission has previously explained that, "[a]s with selecting the peer group majority, if the General Assembly wanted the Commission to apply a particular approach or methodology in calculating peer group returns, it could have directed as such; it did not. Indeed, as with the Commission's previous observation in establishing the peer group majority ROE, 'the lack of a particular evaluation methodology for [calculating peer group ROEs] directly contrasts with the very specific criteria prescribed by the General Assembly in other parts of § 56-585.1 A 2 of the Code.'" *2019 DEV ROE Order*, 2019 S.C.C. Ann. Rept. at 405 n.56 (quoting *Application of Virginia Electric and Power Company, For a 2011 biennial 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. PUE-2011-00027, 2011 S.C.C. Ann. Rept. 456, 463 n.62, Final Order (Nov. 30, 2011)).

[130] *2018 Appalachian ROE Order* at 6 ("Based on the record herein, the Commission finds that it is reasonable to calculate the statutory peer group floor using either average or year-end common equity.").

[131] *See, e.g.,* Ex. 79 (Lee) at 5; Ex. 52 (Woolridge) at 109.

[132] *See, e.g., 2019 DEV ROE Order*, 2019 S.C.C. Ann. Rept. at 406.

[133] The peer group majority comprises the following five companies: Georgia Power; Entergy Mississippi; Duke Energy Progress; Louisville Gas & Electric; and Kentucky Utilities. *See* Ex. 79 (Lee) at 5. The Commission also notes that, in this instance, use of average equity would not alter the 9.2% ROE approved in this case; using average equity results in the same five companies above and a statutory peer group floor of 9.02%. *See, e.g., id.*

The General Assembly has recently added an additional step to this process.[134] In addition to calculating the selected peer group majority's average *earned* return, the Commission must also calculate the average *authorized* return for that same selected peer group majority.[135] Then, the Commission must choose either the selected peer group majority's average (i) earned, or (ii) authorized, return as the statutory ROE floor in this proceeding. The average *authorized* return for the same selected five peer group majority is approximately 9.9%.[136] Thus, in continuing to exercise the Commission's delegated discretion in a manner that supports the actual market cost of equity found fair and consistent with the public interest, we choose the peer group majority's average *earned* return as the statutory ROE floor in this instance.

In sum, the Commission concludes that the fair ROE in this proceeding for Appalachian is 9.2%, which is above the selected peer group majority ROE floor of 8.73%. The Commission finds that the ROE approved herein is supported by the record, is fair and reasonable to the Company within the meaning of the Code, permits the attraction of capital on reasonable terms, fairly compensates investors for the risks assumed, enables the Company to maintain its financial integrity, is consistent with the public interest, and satisfies all applicable statutory and constitutional standards.

TARIFF ADJUSTMENTS

The Company proposes specific tariff-related changes as part of this proceeding.[137] Accordingly, the Commission makes the findings listed below, which we conclude are reasonable and supported by evidence in the record.[138]

Monthly Service Charge

The Company seeks to increase its Residential Basic Service Charge, which collects customer-related fixed costs, from $7.96 to $14.00. Having been persuaded by evidence and arguments opposing this change, the Commission denies this request.[139]

Winter Heating Block Rate

The Company proposes to implement declining winter block rates for residential customers. Having been persuaded by evidence and arguments opposing this change, the Commission denies this request.[140]

Smart Demand and Smart Time of Use

The Commission approves Appalachian's proposed voluntary rates schedules, Residential Smart Demand and Residential Smart Time of Use.[141] In addition, as recommended by Staff, the Company shall evaluate the effectiveness of these two tariff offerings and report the findings in its next triennial review proceeding.[142]

Small General Service

The Company proposes to increase the customer charge for the Small General Service (Secondary Service) Rate Schedule. Having been persuaded by evidence and arguments opposing this change, the Commission denies this request.[143]

---

[134] *See* 2020 Va. Acts ch. 1108. The Commission notes that like House Bill 528, discussed above, this amendment did not become effective until *after* the Company filed its Application. Unlike House Bill 528, however, the General Assembly directed that this particular statute shall apply retroactively to "applications received by the Commission on or after January 1, 2020." *Id*.; Code § 56-585.1 A 2 a.

[135] The Commission must determine "the average of … the *authorized* returns on common equity that are set by the applicable regulatory commissions for the *same selected peer group*" majority used to calculate the average earned return immediately above. Code § 56-585.1 A 2 a (emphasis added).

[136] *See, e.g.,* Ex. 79 (Lee) at 14; Ex. 29 (McKenzie Supplemental Direct) at 6, Schedule 15 at 1.

[137] Although this triennial review does not result in an overall change in base rates, the Code still permits Appalachian to "propose an adjustment to one or more tariffs that are revenue neutral to the utility." Code § 56-585.1 A 3.

[138] The Commission reaches the conclusions herein without consideration of Ex. 91, objections to which were taken under advisement during the hearing.

[139] *See, e.g.,* Staff's Post-hearing Brief at 70-72; Consumer Counsel's Post-hearing Brief at 88-90; VPLC's Post-hearing Brief at 3-4, 7; Environmental Respondent's Post-hearing Brief at 21-24; Sierra Club's Post-hearing Brief at 1-2, 9-10.

[140] *See, e.g.,* Staff's Post-hearing Brief at 72; Consumer Counsel's Post-hearing Brief at 90-91; VPLC's Post-hearing Brief at 5-7; Environmental Respondent's Post-hearing Brief at 26-28. The Commission also finds that it is reasonable not to adopt Environmental Respondent's alternative rate design proposal in this regard.

[141] *See, e.g.,* Ex. 1 (Application) at 18-19; Ex. 38 (Walsh) at 9, 17-20.

[142] *See, e.g.,* Staff's Post-hearing Brief at 73-74.

[143] *See, e.g., id.* at 74-75.

Coal Amortization Rider

Appalachian describes its proposed Coal Amortization Rider ("Rider CAR") as a "savings account" that will reduce the remaining plant balances of the Amos and Mountaineer coal plants "if, at some point in the future, [the Company] cannot use these resources to serve its Virginia customers[,]" thus "minimizing large remaining balances and generational subsidies."[144] Appalachian also asserts that Rider CAR could be approved with a zero revenue requirement, and then the Company subsequently could seek approval to recover specific revenues thereunder.[145]

The Commission finds that it is not appropriate to create a separate rider, at this time, to address a situation that may or may not occur.[146] For example, if the expected service lives of these units materially change, the depreciation impacts could be addressed through subsequent regulatory accounting and ratemaking.[147] In addition, our finding herein does not preclude the Company from subsequently requesting a specific recovery mechanism or rider for these costs if a material change occurs.[148]

Partial Stipulation

Appalachian, Staff, Kroger, SDI, and Walmart filed a Partial Stipulation, which provided for resolution of issues related to: (1) Rate Schedules GS, MGS, LGS, OL, and ATOD; (2) Riders DRS, EDR, SBS, NMS, DIR, DRS RTO Capacity, RPR, ERCRS, and T-RAC; (3) AMI Opt-Out Charges; and (4) Terms and Conditions of Service.[149] The Commission approves the resolution of these issues as set forth in the Partial Stipulation.

Cost Allocation and Revenue Apportionment

As to class cost of service and revenue apportionment, the Commission finds that it is reasonable not to shift costs or reapportion revenues among service functions or customer classes at this time in the various manners proposed herein,[150] wherein such changes could result in detrimental rate impacts on residential and other customer classes,[151] and when rates would not otherwise be changing as part of the instant case.

ENVIRONMENTAL JUSTICE

Staff witness Carr testified that "[i]n recognition of the importance of environmental justice and [recent] General Assembly actions, Staff propounded several interrogatories to the Company regarding environmental justice considerations contained in its Application and business processes," but that "[u]fortunately, the Company objected to each of these interrogatories."[152] Appalachian asserts that it opposed Staff's inquiries because, among other things, the recent Environmental Justice Act[153] was enacted after it filed its Application in this matter.[154]

Notwithstanding the Company's objections, Staff confirmed that it "will continue its environmental justice inquiries of [Appalachian] and other Virginia utilities in other formal and informal venues going forward."[155] During the hearing Company President and Chief Operating Officer, Christian T. Beam, testified that Appalachian considers environmental justice on an ongoing basis and "would be welcome to having any discussion with the Staff or the Commissioners in that matter, and how do we adapt that to the overall operation of the Company."[156]

The Commission strongly supports Staff's efforts in this regard and trusts that the Company will follow through on Mr. Beam's commitment to coordinate discussions with Staff on how Appalachian addresses environmental justice issues in the Company's operations.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application is granted in part and denied in part as set forth in this Final Order.

---

[144] Ex. 1 (Application) at 12-13.

[145] *See, e.g.,* Appalachian's Post-hearing Brief at 79.

[146] *See, e.g.,* Staff's Post-hearing Brief at 61; VML/VACo Steering Committee's Post-hearing Brief at 14-15; Committee's Post-hearing Brief at 18-19; Consumer Counsel's Post-hearing Brief at 87-88; Environmental Respondent's Post-hearing Brief at 24-26; Sierra Club's Post-hearing Brief at 6-9.

[147] *See, e.g.,* Ex. 100 (Welsh) at 47.

[148] The Commission is not herein ruling on any legal or factual issues that may be raised attendant to any such request.

[149] Partial Stipulation and Motion to Accept Partial Stipulation (Sep. 14, 2020).

[150] *See, e.g.,* Ex. 8 (Fischer Direct) at 2-12; Ex. 37 (Spaeth Direct) at 2-7 and (MMS) Schedule 1; Ex. 129 (Spaeth Rebuttal) at 2, 9; Committee's Post-hearing Brief.

[151] *See, e.g.,* Ex. 1 (Application) at Schedule 40C; Ex. 21 (Castle Direct) at 6-8; and Ex. 39 (Baron) at 15-16 (Tables 2 and 3) (illustrating the directions in which costs would be shifted upon reallocation and reapportionment).

[152] Ex. 98 (Carr) at 10.

[153] 2020 Va. Acts. chs. 1212 and 1257.

[154] Appalachian's Post-hearing Brief at 120.

[155] Ex. 98 (Carr) at 11.

[156] Tr. 1029-30.

(2) The Company shall comply with the directives set forth in this Final Order.

(3) The Company shall forthwith file revised tariffs and terms and conditions of service and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Energy Regulation and Utility Accounting and Finance, as necessary to comply with the directives and findings set forth in this Final Order. The Clerk of the Commission shall retain such filing for public inspection in person and on the Commission's website: scc.virginia.gov/pages/Case-Information.

(4) This case is dismissed.

CASE NO. PUR-2020-00015
DECEMBER 15, 2020

APPLICATION OF
APPALACHIAN POWER COMPANY

For a 2020 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia

ORDER GRANTING RECONSIDERATION

On November 24, 2020, the State Corporation Commission ("Commission") issued a Final Order in this docket. On December 14, 2020, Appalachian Power Company filed a Petition for Reconsideration, and the Office of the Attorney General's Division of Consumer Counsel filed a Petition for Reconsideration, Clarification, and Rehearing (collectively, "Petitions for Reconsideration").

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petitions for Reconsideration. The Final Order is hereby suspended pending the Commission's reconsideration.

Accordingly, IT IS ORDERED THAT:

(1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter and considering the Petitions for Reconsideration.

(2) Pending the Commission's reconsideration, the Final Order is suspended.

(3) This matter is continued generally.

CASE NO. PUR-2020-00016
MARCH 17, 2020

JOINT PETITION OF
GTT COMMUNICATIONS, INC., GTT AMERICAS, LLC, GC PIVOTAL, LLC d/b/a GLOBAL CAPACITY, and
THE SPRUCE HOUSE PARTNERSHIP LP

For approval for The Spruce House Partnership LP to acquire a 25 percent or greater indirect ownership interest in GC Pivotal, LLC d/b/a Global Capacity, pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On January 23, 2020, GTT Communications, Inc. ("GTT Parent"), GTT Americas, LLC, GC Pivotal, LLC d/b/a Global Capacity ("Global Capacity"), and The Spruce House Partnership LP ("Spruce House") (collectively, "Petitioners"), completed the filing of a Joint Petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[1] requesting approval for Spruce House to acquire a 25 percent or greater indirect ownership interest in Global Capacity ("Transfer"). The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

Global Capacity is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to its certificates of public convenience and necessity issued by the Commission.[2] As described in the Petition, the proposed Transfer will be completed through the acquisition by Spruce House of 25 percent or more of the shares of Global Capacity's current ultimate parent, GTT Parent, on the open market, which will ultimately result in the transfer of indirect control of Global Capacity to Spruce House.

The Petitioners assert that the proposed Transfer will occur at the holding company level only and will not involve any change in assignment of operating authority, assets, or customers. The Petitioners further state that Global Capacity will continue to provide services to its customers in Virginia without any immediate changes to the rates, terms or conditions of service as currently provided. Lastly, the Petitioners represent that Global Capacity will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the proposed Transfer as key members of the current management team are expected to continue post Transfer.

[1] Code § 56-88 *et seq*.

[2] *See Application of GC Pivotal, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services*, Case No. PUC-2011-00029, 2011 S.C.C. Ann. Rept. 255, Final Order (May 16, 2011).

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the above-described Transfer should be approved. The Commission also finds that the Petitioners' Motion is no longer necessary and, therefore, should be denied.[3]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(3) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

[3] The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2020-00018
FEBRUARY 7, 2020

APPLICATION OF
WEST SAFETY COMMUNICATIONS OF VIRGINIA INC.

For amended and reissued certificates of public convenience and necessity to provide local exchange telecommunications services to reflect a company name change

ORDER REISSUING CERTIFICATES

On January 28, 2020, West Safety Communications of Virginia Inc. ("West" or "Company") filed an application with the State Corporation Commission ("Commission") requesting that the certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia issued to West [1] be amended to reflect a company name change ("Application"). The Company submitted proof of its name change to Intrado Safety Communications of Virginia, Inc.

NOW THE COMMISSION, having considered the Application and applicable law, is of the opinion and finds that the existing certificates in the name of West should be cancelled and reissued in the name of Intrado Safety Communications of Virginia, Inc.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUR-2020-00018.

(2) The certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia, Certificate No. T-578a, heretofore issued to West, hereby is cancelled and shall be reissued as Certificate No. T-578b in the name Intrado Safety Communications of Virginia, Inc.

(3) The certificate of public convenience and necessity to provide interexchange telecommunications services in the Commonwealth of Virginia, Certificate No. TT-170B, heretofore issued to West, hereby is cancelled and shall be reissued as Certificate No. TT-170C in the name Intrado Safety Communications of Virginia, Inc.

(4) Any tariffs on file with the Commission's Division of Public Utility Regulation or product guide available online in the name of West, shall be replaced reflecting the name change within forty-five (45) days of the date of entry of this Order.

(5) This case is dismissed.

[1] *See Application of Intrado Communications of Virginia Inc., For amended and reissued certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services to reflect a company name change,* Case No. PUC-2016-00012, 2016 S.C.C. Ann. Rept. 168, Order Reissuing Certificates (Mar. 4, 2016).

CASE NO. PUR-2020-00019
FEBRUARY 14, 2020

PETITION OF
APPALACHIAN POWER COMPANY

For approval to transfer utility assets pursuant to Chapter 5 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On January 30, 2020, Appalachian Power Company ("APCo") filed a petition with the State Corporation Commission ("Commission") to request approval to transfer utility assets pursuant to Chapter 5[1] of Title 56 of the Code of Virginia ("Code"). APCo seeks specific approval to transfer the APCo electric distribution facilities ("Facilities") used to serve the Roanoke Regional Water Pollution Control Plant ("Plant")[2] to Western Virginia Water Authority ("WVWA") (collectively, "Transfer").

WVWA seeks the Transfer in order to upgrade the Plant to 138 kilovolt transmission-level service, which would increase the Plant's resilience and reliability while allowing WVWA to centrally locate the Plant's backup generation. APCo represents that the proposed Transfer will not affect its provision of electric service to customers, and any impact on customer rates will be negligible. The Facilities will be transferred "as is" at their estimated net book value of $53,669. APCo has requested expedited consideration by February 15, 2020, in order to align the Transfer with WVWA's Plant upgrade project schedule.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief, is of the opinion and finds that the Transfer will not impair or jeopardize adequate service at just and reasonable rates and therefore should be approved.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-89 and § 56-90, the Transfer is approved subject to the requirements listed below.

(2) The Transfer shall have no accounting or ratemaking implications;

(3) Within 30 days of the consummation of the Transfer, APCo shall file a Report of Action with the Commission that provides: (1) the date of closing; (2) the actual accounting entries recording the Transfer for APCo and for WVWA; and (3) a photograph of the transferred Facilities.

(4) This case is dismissed.

[1] Code § 56-88 *et seq*.

[2] The Plant is a regional wastewater treatment plant owned and operated by WVWA and is located in Roanoke, Virginia.

CASE NO. PUR-2020-00020
APRIL 9, 2020

APPLICATION OF
TMGES, INC.

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On February 4, 2020, TMGES, Inc. ("TMGES" or "Company"), filed an application ("Application") with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia.[1] The Company seeks authority to offer electricity and natural gas aggregation services to eligible commercial, industrial, and governmental customers throughout Virginia.[2] TMGES attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[3]

[1] On February 19, 2020, the Company filed supplemental information to correct an error in its Application.

[2] Retail choice for natural gas service only presently exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[3] 20 VAC 5-312-10 *et seq*.

On February 25, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on the appropriate utilities and providing an opportunity for interested persons to comment on the Application. By letter filed with the Commission on March 9, 2020, the Company certified that it had completed the service required by the Commission's Procedural Order. Dominion filed comments on March 17, 2020.

The Procedural Order also directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on March 27, 2020, which summarized TMGES's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that TMGES be granted an aggregator's license to conduct business as a competitive service provider of electric and natural gas services to eligible commercial, industrial, and governmental customers in the Virginia service territories that are open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, the record in this case, and applicable law, finds that TMGES's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) TMGES is hereby granted license No. A-93 to provide competitive aggregation service of electricity and natural gas to commercial, industrial, and governmental customers throughout the service territories open to competition in Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUR-2020-00021
APRIL 14, 2020

JOINT PETITION OF
LOGAN PARENT, LLC, LOGMEIN, INC., and GETGO COMMUNICATIONS VIRGINIA LLC

For approval of the transfer of control of GetGo Communications Virginia LLC pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On March 10, 2020, Logan Parent, LLC ("Logan Parent"), LogMeIn, Inc. ("LogMeIn"), and GetGo Communications Virginia LLC ("GetGo") (collectively, "Petitioners")[1] completed the filing of a Joint Petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[2] requesting approval of the transfer of indirect control of GetGo to Logan Parent ("Transfer").

GetGo is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to its certificates of public convenience and necessity issued by the Commission.[3] Pursuant to an agreement entered into on December 17, 2019, LogMein and its subsidiary companies, including GetGo, will be acquired by Logan Parent. Immediately following the consummation of the Transfer, GetGo will remain a subsidiary of LogMeIn, but will become an indirect subsidiary of Logan Parent and its ultimate owners.

The Petitioners assert that the proposed Transfer will occur at the holding company level and will not involve any change in assignment of operating authority, assets, or customers. The Petitioners further state that GetGo will continue to provide services to its customers without any immediate changes to the rates, terms or conditions of service as currently provided. Lastly, information provided with the Petition indicates that GetGo will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the proposed Transfer.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the above-described Transfer should be approved.

---

[1] LMI GP, Inc., LMI Holding, L.P., LMI Parent, LLC, LMI GP, LLC, Elliott Advisors Holdings, LLC, and Francisco Partners V, L.P., are also considered Petitioners and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] *See Application of Citrix Communications Virginia LLC, For amended and reissued certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services to reflect a company name change,* Case No. PUC-2016-00054, 2017 S.C.C. Ann. Rept. 274, Order Reissuing Certificates (Jan. 11, 2017).

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(3) This case is dismissed.

CASE NO. PUR-2020-00022
NOVEMBER 23, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting new rules of the State Corporation Commission governing utility rate applications by investor-owned electric utilities

ORDER ADOPTING REGULATIONS

On April 17, 2020, the State Corporation Commission ("Commission") issued an Order for Notice and Comment ("Procedural Order") in this docket establishing a proceeding to promulgate new rules governing utility rate applications and annual informational filings of investor-owned electric utilities ("Investor-owned Electric Utility Rate Case Rules"). In connection therewith, the Commission determined it would also consider limited revisions to the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings, 20 VAC 5-201-10 *et seq.* ("Existing Rate Case Rules") (together with Investor-owned Electric Utility Rate Case Rules, "Proposed Rules" or "Rules"). Draft Proposed Rules and Form Schedules prepared by the Commission Staff ("Staff") were appended to the Procedural Order.

The Procedural Order permitted interested persons to submit comments on or before June 9, 2020, which were permitted to include proposals and hearing requests. The Procedural Order further permitted Staff to file, on or before June 30, 2020, a report ("Staff Report") providing any response to comments, proposals, or requests for hearing submitted to the Commission on the Proposed Rules.

Comments concerning the Proposed Rules were filed by: (i) Virginia Electric and Power Company and Appalachian Power Company, jointly (individually, "Dominion" and "APCo," collectively, "Joint Commenters"); (ii) Kentucky Utilities Company; and (iii) the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"). No requests for hearing were received.

On June 30, 2020, Staff filed a Staff Report including certain revisions to the Proposed Rules and Form Schedules proposed by Staff after reviewing the comments provided. Staff also proposed a modification to proposed Schedule 45 in response to legislation ("Senate Bill 731") passed by the 2020 General Assembly.[1]

On July 27, 2020, Joint Commenters filed a motion ("Motion") for leave to file limited supplemental comments to the Staff Report. In support of the Motion, Joint Commenters stated that they had not previously had an opportunity to comment on the Staff Report's proposed modification to Schedule 45. Joint Commenters also represented that Staff does not oppose incorporating the Joint Commenters' proposed language into Schedule 45 in place of the language included in the Staff Report related to Senate Bill 731.

NOW THE COMMISSION, upon consideration of the foregoing, finds that we should adopt the rules appended hereto as Attachment A, effective January 1, 2021.[2] As an initial matter, the Commission expresses appreciation to those who have submitted written comments for our consideration.

The regulations we adopt herein contain a number of modifications to those that were first proposed by Staff and published in the *Virginia Register of Regulations* on May 11, 2020.[3] These modifications follow our consideration of further proposed changes made by the Staff in its Staff Report, the comments filed in this proceeding, and the Motion. Although we will not comment on each rule in detail, particularly where there is limited or no disagreement, there were several contested issues that we will address further herein. In this regard, we further note that the Rules, as modified herein, continue to permit requests for waiver based on good cause shown.[4]

As stated in the Procedural Order, since the most recent revisions to the Existing Rate Case Rules, the electric utilities, interested parties and the Commission have obtained significant actual experience in implementing Chapter 23 of Title 56 of the Code of Virginia ("Regulation Act"). Among other things, subsequent legislative amendments have modified the Regulation Act to require triennial reviews rather than biennial reviews of base rate earnings;

[1] 2020 Acts of Assembly, ch. 1108.

[2] The Rules were originally planned to become effective October 1, 2020. Joint Commenters requested the Rules become effective January 1, 2021 "to allow sufficient time for utilities to adopt to the final revisions once implemented." Joint Commenters Comments at 3. Staff did not oppose this request, and we find this modification to be reasonable.

[3] Other than minor edits to 20 VAC5-201-15 and 20 VAC 5-201-20 C, no additional modifications to the Existing Rate Case Rules beyond those previously attached to the Procedural Order are being adopted. Accordingly, all references for the remainder of the Order to Proposed Rules or Rules refer to the Investor-owned Electric Utility Rate Case Rules.

[4] 20 VAC 5-204-10 E.

expanded the number and types of rate adjustment clauses ("RACs") that may be sought by utilities; and permitted the filing of limited prudency reviews under Code §§ 56-585.1 A 6 and 56-585.1:4 F. Importantly, the Regulation Act also establishes various statutory deadlines for the Commission to issue a final order in various types of cases, ranging from 90 days to nine months after filing. As stated by Consumer Counsel, these time periods limit the time available for discovery and analysis of requested rate changes, and "enormous amounts of ratepayers dollars are typically at issue in these cases."[5]

20 VAC 5-204-10 B – Testimony summaries

The Joint Commenters suggested that testimony summaries be permitted to be two pages in length, rather than only one page as proposed.[6] With regard to testimony summaries, the Commission finds that a summary of up to two pages is appropriate for base rate and triennial review proceedings. For all other proceedings, summaries should be limited to one page in length.

20 VAC 5-204-10 H – Requirements for electronic submission of documents

Proposed 20 VAC 5-204-10 H expands on current requirements to provide Staff with electronic versions of documents including the application, direct testimony and schedules on the day of filing, with the exception of schedules that do not have calculations derived from formulas, which would be required to be provided to Staff within five business days. Joint Commenters state they "fully support" moving toward increased use of electronic media, but request more time to provide such electronic copies, ranging from one to five additional business days after filing an application.[7] Staff argues that the additional time requested by the Joint Commenters is unnecessary given that the Existing Rate Case Rules require that such electronic schedules be provided on the application filing date and applicants have generally complied with this rule for over a decade without any issues.[8] We agree and approve the timelines as originally proposed.

With regard to providing electronic versions of documents to Consumer Counsel, we agree with the clarification suggested by Joint Commenters that applicants need only provide Consumer Counsel with the public version of the application and direct testimony, consistent with current practice.[9]

We also note that the Joint Commenters requested to provide certain information to Staff, including information required by Schedules 18, 28 and 36, within 10 business days.[10] Staff disagreed with this proposal, noting the Proposed Rules already provide up to five business days for certain information.[11] The Commission declines to extend further the time for providing required information as requested by Joint Commenters. The Rules, as approved, strike a balance between tight statutory deadlines and the burden of producing information that can be voluminous and time consuming to prepare.

20 VAC 5-204-10 I – Filing of paper copies

Several comments supported, to varying degrees, reducing the number of paper copies of documents filed with the Clerk of the Commission and provided to Staff.[12] As a general matter, we share the desire to reduce the filing of unnecessary paper copies. We also recognize, however, that the copies filed with the Clerk's office are distributed to the Commission's various divisions for internal use in investigating each application. In addition, the copies of Schedules 29 and 40 required to be provided to Staff are also for internal use in investigating each application. At this time, we will retain the number of copies required by the Proposed Rules.[13]

20 VAC 5-204-10 J – Electronic service on local officials

We agree with the Joint Commenters that electronic service on local officials should be permitted under the Rules, consistent with the limited waiver the Commission granted Dominion related to electronic service on Commonwealth officials.[14] We will, however, adopt the alternative language proposed in the Staff Report which provides as follows:

> Service specified by this paragraph shall be made electronically to the extent the applicant has official email addresses for such officials. If not, such service shall be made either by (i) personal delivery or (ii) first class mail to the customary place of business or to the residence of the person served.[15]

[5] Consumer Counsel Comments at 2.

[6] Joint Commenters Comments at 5.

[7] *Id.* at 6-8.

[8] Staff Report at 13.

[9] Joint Commenters Comments at 6.

[10] *Id.* at 17-23.

[11] Staff Report at 15.

[12] *See, e.g.,* Joint Commenters Comments at 8-9; Kentucky Utilities Comments at 1-2;

[13] We note that the Rules reduce the number of copies to be filed with the Clerk of the Commission that would otherwise be required under our Rules of Practice and Procedure.

[14] Joint Commenters Comments at 9 (citing *Petition of Virginia Electric and Power Company, For a continuing waiver of 20 VAC 5-201-10 J of the Rules Governing Utility Rate Applications and Annual Informational Filings to permit electronic service to local officials upon request*, Case No. PUE-2016_00039, Doc. Con. Cen. No. 160420194, Order (Apr. 19, 2016)).

[15] Staff Report at 7.

Schedules 3, 4 and 5

Schedules 3, 4 and 5 of the Rules provide information related to an applicant's historical capital structure and cost of capital information. The Rules would require these schedules to be filed in RAC proceedings, which is not currently required. Joint Commenters oppose providing these schedules in RAC proceedings, asserting it is unnecessary, cost additive and redundant.[16] We adopt Schedules 3, 4 and 5 as originally proposed and will require them to be filed in RAC proceedings. In making this determination, we find the following persuasive: (i) the information in these schedules is necessary to calculate the RAC revenue requirement in each case; and (ii) delaying the provision of these schedules for 10 business days, or requiring that they be obtained through discovery, is contrary to the need for the Rules to provide important information at the beginning of the case given tight statutory deadlines.[17]

Schedule 8

Schedule 8 requires an applicant to file its proposed capital structure and cost of capital statement in various rate proceedings. Joint Commenters propose to make Schedule 8 optional for triennial reviews and RAC proceedings, arguing that the Code requires the use of end-of-test period capital structure, and the information is duplicative of information provided in Schedule 3.[18] Staff argued, however, that Schedule 8 has value because it "provides clarity as to the specific capital structures and overall cost of capital used to compute various components of an applicants' proposed revenue requirement."[19] In addition, Staff notes that, compared to Schedule 3, Schedule 8 provides a simplified presentation of the proposed capital structure and cost of capital, providing greater transparency, and assists Staff in auditing the applicant's revenue requirement calculations.[20] Weighing the burden of producing Schedule 8 against its value in triennial reviews and RAC proceedings, we find that Schedule 8 should be a required schedule and not optional.

Schedules 10, 13, 20, 23 and 44

The Rules modify the way an applicant presents the removal of prospective RACs and the associated impact on base rates cost of service. Under the Proposed Rules, applicants would remove the impact of both current and future RACs in Schedules 10, 13, 20, and 23. Schedule 44 will present detailed information for each current and future RAC removed through Schedules 10, 13, 20, and 23. The Joint Commenters state a preference to continue existing practice. Currently, future RAC activity is eliminated in the earnings test and ratemaking schedules through regulatory accounting adjustments.[21] Staff, however, represents that elimination of RAC costs and revenues consumes a lot of Staff's time when auditing and states that Schedules 10, 13, 20, 23, and 44 are intended to increase transparency.[22] We agree with Staff that these revised schedules will increase transparency and will adopt Schedules 10, 13, 20, 23 and 44 with only minor revisions. In doing so, we are mindful of the 8-month statutory deadline applicable to triennial review proceedings.

Schedules 18 and 28 – Balance Sheet Analysis Section of the Lead/Lag Study

Schedules 18 and 28 provide details of all balance sheet accounts included in the balance sheet analysis section of the applicant's lead/lag study. Associated Accumulated Deferred Income Taxes ("ADIT") are required to be included in the balance sheet analysis in both Schedules 18 and 28. Joint Commenters opposed including the ADIT information in Schedules 18 and 28, stating it is redundant, as this information is already included as cost-free capital in Schedules 12 and 22, respectively.[23]

Staff acknowledged that for utilities that complete a lead/lag study, the inclusion of ADIT-related information in Schedules 18 and 28 is a matter of presentation.[24] For a utility that does not complete a lead/lag study, however, Staff states that ADIT associated with the accounts included in the balance sheet analysis are only appropriate to include in rate base if an applicant completes a lead/lag study.[25] Staff states that for audit and tracking, it prefers the balance sheet analysis-related ADIT to be included within the balance sheet analysis itself.[26] We agree and will retain the proposed language in Schedules 18 and 28 related to inclusion of ADIT-related information.

Schedule 45 – Peer Group Information

We grant the Motion and adopt the Joint Commenters' proposed revisions to Schedule 45 to reflect the passage of Senate Bill 731.

---

[16] Joint Commenters Comments at 13.

[17] *See* Staff Report at 17-18.

[18] Joint Commenters Comments at 13.

[19] Staff Report at 19.

[20] *Id.* at 18-19.

[21] Joint Commenters Comments at 15.

[22] Staff Report at 20.

[23] Joint Commenters Comments at 18.

[24] Staff Report at 21.

[25] *Id.* at 22.

[26] *Id.*

Schedule 46 – Filing Requirements for RACs and Prudency Determinations

The Proposed Rules included significant changes to broaden existing Schedule 46 to address all the currently permissible types of RACs and prudency determinations. Joint Commenters proposed to reorganize Schedule 46 into (i) transmission RACs; (ii) initial RAC applications; (iii) RAC update applications; and (iv) prudence determination Filings,[27] which Staff did not oppose.[28]

Joint Commenters also proposed to delete certain categories of information required by Schedule 46 including (i) materials used by senior management to make major cost decisions; (ii) long-term revenue requirements on a total company basis; and (iii) transaction-level details to facilitate Staff's sampling and audit of actual costs.[29]

With respect to materials used by senior management to make major cost decisions, Staff explained that these materials, which have been provided through the discovery process in the past, are valuable in a RAC or prudency determination proceeding because they provide insight into the justification for a proposed project or major cost decision.[30] The Joint Commenters, on the other hand, state this type of material is competitively sensitive and will add an unnecessary administrative burden to ensure appropriate protection.[31] They also assert this language is vague and subjective and could inject unnecessary dispute regarding the meaning of "major."[32] In response to these concerns, and to avoid future disputes, Staff suggested the Commission clarify this requirement by adding "as determined by the applicant."[33]

We find that the senior management materials should be required by Schedule 46. The Commission has protocols in place to protect confidential and extraordinarily sensitive material. Moreover, provision of this information at the outset of a proceeding will allow for a more streamlined review of applications and audit of financial information.

With respect to providing the long-term revenue requirement on a total company basis in RAC proceedings, Joint Commenters state that it creates an unnecessary administrative burden to provide this information as part of a filing that is not justified by the usefulness of the information.[34] Staff disagreed, stating, among other things, that the long-term revenue requirement is valuable information because it provides an estimate of the all-in cost of a program or project, including financing costs.[35] We agree this information should be required by the Rules and will include this requirement in Schedule 46.

Joint Commenters also objected to providing "transaction-level details to facilitate the sampling and audit of [] actual costs electronically to [UAF]" within five business days of an application filing date.[36] The Joint Commenters suggest that the Proposed Rules contain insufficient description of what sort of details the applicant must provide based on the type of case to facilitate this sampling and audit.[37] Staff disagreed, stating this language requires an applicant to provide detailed, actual cost information, at a transaction-level, such that Staff can use the information to select a sample of transactions to audit.[38] Moreover, Staff explained that:

> The purpose of this requirement is to provide Staff with a starting point for its audit and review of actually incurred costs in connection with a RAC filing. Providing this information to Staff upfront at the beginning of a proceeding is very helpful given the quantity of proceedings on-going simultaneously and tight statutory timeframes for review. Having this information within five business days will help Staff do a thorough audit and investigation of potentially very significant costs.[39]

Balancing the burden of providing this information with its usefulness, we find that Schedule 46 should include the requirement to provide transaction level details to facilitate sampling and audit of actual costs.

For economic studies required by Schedule 46, the Joint Commenters propose to add qualifying language "to the extent required by statute." Staff and Consumer Counsel oppose inclusion of this language.[40] We agree it should not be included and so find. To the extent the Company believes an economic study is not required by a statute to support a particular resource, the Company may seek a waiver of the Rules, as appropriate.

---

[27] Joint Commenters Comments at 25.

[28] Staff Report at 24.

[29] Joint Commenters Comments at 26-28.

[30] Staff Report at 25.

[31] Joint Commenters Comments at 26.

[32] *Id*.

[33] Staff Report at 26.

[34] Joint Commenters Comments at 27.

[35] Staff Report at 27

[36] Joint Commenters Comments at 28.

[37] *Id.*

[38] *See* Staff Report at 29.

[39] *Id.* at 28.

[40] *See* Staff Report at 28-29; Consumer Counsel Comments at 3-4.

Finally, Consumer Counsel proposes to extend the applicability of Schedule 46 to apply to new energy storage facilities.[41] Staff notes that Schedule 46, as proposed, would apply to all initial RAC and prudency reviews which would encompass RACs for energy storage facilities.[42] At this time, we find it is not necessary to include additional requirements in the Rules related to energy storage facilities.

Accordingly, IT IS ORDERED THAT:

(1) The Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-owned Gas and Water Utilities, 20 VAC 5-201-10 *et seq*., and the Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-owned Electric Utilities, 20 VAC 5-204-10 *et seq.*, as shown in Attachment A to this Order, are hereby adopted and are effective as of January 1, 2021.

(2) The Commission's Division of Information Resources shall forward a copy of this Order, with Attachment A, to the Registrar of Regulations for appropriate publication in the Virginia Register of Regulations.

(3) An electronic copy of this Order with Attachment A shall be made available on the Division of Public Utility Regulation's section of the Commission's website: scc.virginia.gov/pages/Rulemaking.

(4) This docket is dismissed.

NOTE: A copy of Attachment A entitled "Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-owned Gas and Water Utilities, and the Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-owned Electric Utilities" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

[41] *See* Consumer Counsel Comments at 3.

[42] *See* Staff Report at 30-31.

CASE NO. PUR-2020-00023
OCTOBER 8, 2020

APPLICATION OF
THE VIRGINIA, MARYLAND & DELAWARE ASSOCIATION OF ELECTRIC COOPERATIVES

For Rulemaking to Amend the Commission's Streamlined Rate Case Rules for Electric Cooperatives

ORDER ADOPTING REGULATIONS

On February 10, 2020, the Virginia, Maryland and Delaware Association of Electric Cooperatives (the "Association")[1] filed an Application for Rulemaking ("Application") requesting that the State Corporation Commission ("Commission") initiate a rulemaking to revise the Commission's Streamlined Rate Case Rules, at 20 VAC 5-200-21(C).

On April 28, 2020, the Commission issued an Order Establishing Proceeding, which, among other things, directed that the revisions proposed by the Association (hereafter, "Proposed Rules") be forwarded to the Registrar of Regulations for publication in the *Virginia Register of Regulations*, and invited comments from the public on the Proposed Rules. Ordering Paragraph (5) of the Order Establishing Proceeding required that "[o]n or before June 1, 2020, each of the Association's Virginia members shall serve a copy of this Order upon each of their customers and file a certificate of service no later than June 15, 2020…."

On April 30, 2020, the Association filed a Motion to Amend Notice Requirements and Procedural Schedule ("Motion"), in which the Association requested that the Commission modify the public notice required in the Order Establishing Proceeding and permit the Association's members to provide notice by publication. On May 6, 2020, the Commission entered an Order granting the Motion.

Notice of the proceeding and the Proposed Rules were published in the *Virginia Register of Regulations* on May 25, 2020. Interested persons were directed to file any comments and requests for hearing on the Proposed Rules on or before September 8, 2020.[2]

[1] The Virginia members of the Association include A&N Electric Cooperative, BARC Electric Cooperative, Central Virginia Electric Cooperative, Community Electric Cooperative, Craig-Botetourt Electric Cooperative, Mecklenburg Electric Cooperative, Northern Neck Electric Cooperative, Northern Virginia Electric Cooperative, Prince George Electric Cooperative, Rappahannock Electric Cooperative, Shenandoah Valley Electric Cooperative, and Southside Electric Cooperative.

[2] The Commission's Order inadvertently set the comment date for September 7, 2020, which was Labor Day, a state holiday. Pursuant to 5 VAC 5-20-140, comments were thus due on the next business day, September 8, 2020. The deadline for comments published in the *Virginia Register of Regulations* was September 8, 2020.

On September 4, 2020, the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel") filed comments on the Proposed Rules. Consumer Counsel stated that it neither supported nor opposed the Proposed Rules but offered "comments on several of the proposed changes to provide additional context for the Commission in its consideration of the Application."[3] On September 8, 2020, the Association filed comments.[4]

The Commission has considered the comments of Consumer Counsel but does not believe that modifications to the Proposed Rules are necessary at this time.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the regulations attached hereto as Appendix A should be adopted as final rules, as discussed herein.

Accordingly, IT IS ORDERED THAT:

(1) The Rules Governing Streamlined Rate Proceedings for Electric Cooperatives Subject to the State Corporation Commission's Rate Jurisdiction, as shown in Appendix A to this Order, are hereby adopted and are effective as of November 1, 2020.

(2) A copy of this Order with Appendix shall be forwarded to the Registrar of Regulations for publication in the Virginia Register of Regulations.

(3) On or before January 4, 2021, each of the Association's Virginia members shall file with the Clerk of the Commission, in this docket, one (1) original document containing any revised tariff provisions necessary to implement the regulations adopted herein, and shall also file a copy of the document containing the revised tariff provisions with the Commission's Division of Public Utility Regulation. The Clerk of the Commission need not distribute copies but shall make such filings available for public inspection in the Clerk's Office and post them on the Commission's website at: scc.virginia.gov/pages/Case-Information.

(4) This docket shall remain open to receive the filings to be made pursuant to Ordering Paragraph (3).

NOTE: A copy of Appendix A entitled "Streamlined Rate Case Rules" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

[3] Consumer Counsel Comments at 8.

[4] The Association's comments were filed in response to Consumer Counsel's comments. As the Commission's April 28, 2020 Order Initiating Comments did not invite reply comments, the Commission has not considered the Association's comments in this order.

CASE NO. PUR-2020-00024
APRIL 22, 2020

APPLICATION OF
BUDDERFLY, INC.

For a license as an electricity aggregator

ORDER GRANTING LICENSE

On February 18, 2020, Budderfly, Inc. ("Budderfly" or "Company"), filed an application ("Application") with the State Corporation Commission ("Commission") for a license to do business as an electricity aggregator in the Commonwealth of Virginia. The Company seeks authority to offer electricity aggregation services to eligible commercial customers throughout Virginia.[1] Budderfly attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services.[2]

On March 16, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on the appropriate utilities and providing an opportunity for interested persons to comment on the Application. By letter filed with the Commission on March 25, 2020, the Company certified that it had completed the service required by the Commission's Procedural Order.

On April 6, 2020, Dominion filed comments on the Application.

[1] Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[2] 20 VAC 5-312-10 *et seq*.

The Procedural Order directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on April 14, 2020,[3] which summarized Budderfly's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Budderfly be granted an aggregator's license to conduct business as a competitive service provider of electricity to eligible commercial customers in the Virginia service territories that are open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Budderfly's Application for a license to provide electric aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Budderfly is hereby granted license No. A-97 to provide competitive aggregation service of electricity to commercial customers throughout the service territories open to competition in Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

[3] On April 14, Staff filed its Motion to File Staff Report Out of Time ("Motion") and attached the Staff Report. The Commission hereby grants Staff's Motion and accepts the Staff Report into the record in this proceeding.

CASE NO. PUR-2020-00027
APRIL 14, 2020

APPLICATION OF
SUNWAVE USA HOLDINGS, INC.

For a license to conduct business as a competitive service provider of electricity supply and natural gas supply

ORDER GRANTING LICENSE

On March 4, 2020, Sunwave USA Holdings, Inc. ("Sunwave" or "Company") completed an application with the State Corporation Commission ("Commission") for a license to do business as a competitive service provider of electricity supply service pursuant to § 56-587 of the Code of Virginia ("Electricity Application"). Sunwave contemporaneously completed an application for a license to do business as a competitive service provider of natural gas supply service pursuant to § 56-235.8 of the Code of Virginia ("Natural Gas Application"). In its Electricity Application and Natural Gas Application, the Company seeks authority to market electricity supply services and natural gas supply services to eligible commercial, industrial, governmental, and residential customers throughout Virginia.[1] Sunwave attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[2]

On March 16, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") combining the review of the Natural Gas Application and the Electricity Application (collectively "Application" hereafter) into Case No. PUR-2020-00027 and closing Case No. PUR-2020-00026. Additionally, the Procedural Order required the Company to serve a copy of the Procedural Order on the appropriate utilities and provided an opportunity for interested persons to comment on the Application. By letter filed with the Commission on March 24, 2020, the Company certified that it had completed the service required by the Commission's Procedural Order. Dominion filed comments on March 30, 2020.

The Procedural Order directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on April 6, 2020, which summarized Sunwave's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application and comments received, Staff recommended that Sunwave be granted a license to conduct business as a competitive service provider of electric and natural gas services to eligible residential, commercial, industrial, and governmental customers in the Virginia service territories that are open to retail competition subject to several recommendations.[3]

On April 13, 2020, Sunwave filed a letter in lieu of comments addressing the Staff Report. Sunwave indicated it did not object to the Staff's recommendations.

NOW THE COMMISSION, upon consideration of the Application, the record in this case, and applicable law, finds that Sunwave's Application for a license to provide competitive natural gas and electric services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

[1] Retail choice for natural gas service only presently exists in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[2] 20 VAC 5-312-10 *et seq*.

[3] Staff Report at 5-6.

(1) Sunwave is hereby granted license No. G-55 to provide competitive natural gas service to residential, commercial, industrial, and governmental customers throughout the service territories open to competition in Virginia. This license to act as a competitive service provider is subject to the provisions of the Retail Access Rules, this Order, and other applicable law.

(2) Sunwave is hereby granted license E-42 to provide competitive electric service to residential, commercial, industrial, and governmental customers throughout service territories open to competition in Virginia, pursuant to the customer classes, load parameter, and renewable energy resources as set forth in the Code of Virginia. This license to act as a competitive service provider is subject to the provisions of the Retail Access Rules, this Order, and other applicable law.

(3) Sunwave shall provide proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of $50,000.

(4) The Staff shall conduct a periodic review of the level of financial security that is commensurate with Sunwave's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction.

(5) Sunwave shall establish an escrow account with a Virginia financial institution to comply with the requirements in Retail Access Rule 20 VAC 5-312-90 for the protection of any customer deposits or prepayments.

(6) Sunwave shall file proof of its ability to obtain pipeline capacity to the city gate no less than thirty (30) days prior to serving any natural gas customers in Virginia.

(7) Sunwave shall file proof it has contracted for firm delivery service to meet the requirements of essential human needs customers no less than thirty (30) days prior to supplying natural gas to such customers.

(8) Along with the filings required in Ordering Paragraphs (6) and (7), Sunwave shall provide the effective dates of natural gas supply service, the number of customers in each customer class it plans to serve, and the estimated volume to be supplied.

(9) This license is not valid authority for the provision of any product or service not identified within the license itself.

(10) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUR-2020-00028
MAY 14, 2020

APPLICATION OF
AES SOLUTIONS MANAGEMENT, LLC

For a license to conduct business as a provider of electric competitive energy services

ORDER GRANTING LICENSE

On March 26, 2020, AES Solutions Management, LLC ("AES" or "Company") completed an application ("Application") with the State Corporation Commission ("Commission") for a license to act as an aggregator for electricity service.[1] AES seeks authority to provide electricity aggregation services to eligible commercial and industrial customers in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") and Northern Virginia Electric Cooperative ("NOVEC").[2] In its Application, AES attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[3]

On March 31, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on Dominion and NOVEC and providing an opportunity for interested persons to comment on the Application. On April 15, 2020, AES filed its proof of service, as required by the Procedural Order. Dominion filed comments on the Application on April 22, 2020.

The Procedural Order also directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report"). The Staff filed its Report on April 29, 2020, which summarized AES's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that the Commission grant AES a license to act as an aggregator for electricity service to eligible commercial and industrial customers in the Virginia service territories of Dominion and NOVEC.

NOW THE COMMISSION, upon consideration of the Application, the record in this case, and applicable law, finds that AES's Application for a license to conduct business as a provider of electric aggregation services should be granted, subject to the conditions set forth below.

[1] AES initially filed its Application on February 13, 2020. On March 5, 2020, and March 26, 2020, the Company filed additional information to complete its Application.

[2] Retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources set forth in the Code of Virginia and exists only in the service territories of Dominion, Appalachian Power Company, and the electric cooperatives.

[3] 20 VAC 5-312-10 *et seq*.

Accordingly, IT IS ORDERED THAT:

(1) AES is hereby granted license No. A-98 to provide competitive aggregation service of electricity to commercial and industrial customers in the service territories of Dominion and NOVEC. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUR-2020-00028
NOVEMBER 5, 2020

APPLICATION OF
AES SOLUTIONS MANAGEMENT, LLC

For a license to conduct business as a provider of electric competitive energy services

ORDER GRANTING ADDITIONAL LICENSE

On August 26, 2020, AES Solutions Management, LLC ("AES" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to act as a supplier of electricity. Through its Application, AES seeks authority to provide electricity supply service to eligible commercial and industrial customers in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV") and Northern Virginia Electric Cooperative ("NOVEC").[1] AES attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[2]

On September 17, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") that, among other things, required the Company to serve a copy of the Procedural Order upon DEV and NOVEC, provided an opportunity for interested persons to comment on the Application, and directed the Commission's Staff ("Staff") to analyze the Application and present its findings in a report ("Report").

On October 5, 2020, AES filed proof of service in accordance with the Commission's Procedural Order.

On October 14, 2020, DEV filed comments on the Application. DEV's comments urged the Commission and Staff to investigate and closely examine AES's financial and technical fitness.[3] DEV noted that AES is a newly formed, privately owned company with no Virginia office location and no credit history.[4] DEV also stated that it does not believe that an affiliate's membership in PJM Interconnection, L.L.C., is sufficient to satisfy the criteria necessary for AES to obtain a license in Virginia.[5] DEV added that it's CSP Coordination Tariff requires the applicant to provide "[p]roof of a fully executed PJM agreement(s) applicable to the Electricity Supply Service to Retail Customers."[6]

On October 21, 2020, Staff filed its Report, which summarized the Application and evaluated the Company's technical fitness and financial condition. Based on its review of the Application, Staff asserted that AES appears to have the financial resources necessary to operate as a competitive electricity supplier in Virginia.[7] Staff also stated that it believes that AES has the technical experience required to function as a competitive electricity supplier.[8]

---

[1] On May 14, 2020, in this docket, the Commission granted License No. A-98 to AES to provide competitive aggregation service of electricity to commercial and industrial customers in the service territories of DEV and NOVEC ("May 14, 2020 Order").

[2] 20 VAC 5-312-10 *et seq*.

[3] DEV Comments at 1.

[4] *Id.* at 1-2.

[5] *Id.* at 2.

[6] *Id.*

[7] Report at 5.

[8] *Id.*

Staff recommended that the Commission grant AES a license to conduct business as a competitive electricity supplier contingent upon proof of a performance bond or other acceptable financial security instrument made payable to the Commonwealth of Virginia in the amount of $25,000.[9] Staff also recommended that AES establish an escrow account with a Virginia financial institution to comply with the requirements of 20 VAC 5-312-90 for the protection of any customer deposits or prepayments.[10] Finally, Staff recommended a periodic review of the level of financial security that is commensurate with AES's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction.[11]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that AES's Application for a license to provide electricity supply service to eligible commercial and industrial customers in the service territories of DEV and NOVEC should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) AES hereby is granted license No. E-46 to provide competitive supply service of electricity to eligible commercial and industrial customers in the service territories of DEV and NOVEC contingent upon the Company providing proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of $25,000. This license to act as a supplier is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) License No. A-98 shall remain valid and in full effect in accordance with the terms of the Commission's May 14, 2020 Order.

(3) AES forthwith shall file with the Commission a performance bond or other acceptable financial security instrument made payable to the Commonwealth of Virginia in the amount of $25,000.

(4) AES forthwith shall establish an escrow account with a Virginia financial institution, to comply with the requirements in Retail Access Rule 20 VAC 5-312-90, for the protection of any customer deposits or prepayments.

(5) Staff shall conduct a periodic review of the level of financial security that is commensurate with AES's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction.

(6) This license is not valid authority for the provision of any product or service not identified within the license itself.

(7) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

[9] *Id.*

[10] *Id.*

[11] *Id.*

CASE NO. PUR-2020-00029
JUNE 23, 2020

APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia

ORDER ESTABLISHING FUEL FACTOR

On February 14, 2020, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Company") filed with the State Corporation Commission ("Commission"), pursuant to § 56-249.6 of the Code of Virginia ("Code"), its application, written testimony, and exhibits proposing to decrease its levelized fuel factor by $0.00440 per kilowatt-hour ("kWh") from $0.02623 per kWh to $0.02183 per kWh, effective for service rendered on and after April 1, 2020 ("Application").[1] According to KU/ODP, the proposed fuel factor represents a decrease of $4.40 per month for a customer using 1,000 kWh per month.[2] In addition, KU/ODP filed a Motion for Protective Order in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*

On March 3, 2020, the Commission issued an Order Establishing 2020-2021 Fuel Factor Proceeding that, among other things: (1) assigned a Hearing Examiner to conduct all further proceedings; (2) scheduled a hearing on the Company's Application; (3) required KU/ODP to provide public notice of its Application; and (4) directed the Company to place its proposed fuel factor into effect on an interim basis for service rendered on and after April 1, 2020.

On April 3, 2020, the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation in this proceeding. No other parties filed to participate as respondents, and no respondent testimony was filed in this proceeding.

[1] Ex. 1 (Application) at 1, 5.

[2] *Id.* at 5; Ex. 3 (Fackler Direct) at 10.

On May 5, 2020, the Staff of the Commission ("Staff") filed testimony concluding that the Company's projected Virginia jurisdictional fuel expenses and sales for the forecast period were reasonable.[3] After the Company provided an updated recovery balance, Staff recommended an adjustment to change the correction factor and recommended that the Commission approve a further decrease to the fuel factor to $0.02168 per kWh,[4] instead of the $0.02183 per kWh as initially proposed by KU/ODP and put into effect on an interim basis for service rendered on and after April 1, 2020.[5]

On May 20, 2020, KU/ODP filed a letter advising that it would not file rebuttal testimony in this proceeding and requesting that the Hearing Examiner issue a report accepting the recommendations in Staff's prefiled testimony.[6] The Company also requested that the Commission issue an order on or before June 26, 2020, approving the revised fuel factor recommended by Staff effective for service rendered on and after July 1, 2020.[7]

On May 29, 2020, a Hearing Examiner's Ruling was entered which, citing the ongoing public health emergency related to the spread of the novel coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels, modified the procedural schedule so that the June 10, 2020 hearing would be conducted via Skype for Business ("Skype"), with no one present in the Commission's courtroom. This ruling also extended the period for submitting written comments from June 3 to June 10, 2020.

On June 4, 2020, a Joint Stipulation was filed by KU/ODP, Consumer Counsel, and Staff, which, in part, reflected an agreement among the three for admission of prefiled testimony and documents into the record without need for witnesses to appear and be subject to cross-examination.[8] The Joint Stipulation also documents the agreement between Staff and the Company that the revised fuel factor as described in the prefiled testimony of Staff witness Tufaro should be recommended to the Commission and placed into effect for service rendered on and after July 1, 2020, or as soon thereafter as is authorized by a Commission order in this proceeding.[9]

The Joint Stipulation also documents that while Consumer Counsel supports the agreement between the Company and Staff to reduce the interim fuel factor of 2.1830 cents per kWh to 2.1680 cents per kWh, Consumer Counsel further recommends that the Commission consider additional reductions to the fuel factor reflecting updated current fuel period forecasts related to the economic impacts of the COVID-19 pandemic as described in discovery responses provided by KU/ODP and made a part of the record pursuant to Joint Stipulation.[10] As stated in the Joint Stipulation, and in the discovery responses at issue, KU/ODP asserts that it is premature to project with a reasonably high level of confidence the duration and scope of the pandemic, and so the Company asserts that any projection on a revised fuel factor and the effect on the fuel recovery balance based upon the effect of, and recovery from, the pandemic would be premature and may lead to a greater swing in the Company's recovery balance in 2021.[11]

The evidentiary hearing was conducted on June 10, 2020, with counsel for KU/ODP, Consumer Counsel, and Staff all appearing via Skype. No public witnesses appeared to testify.

On June 12, 2020, the Report Michael D. Thomas, Senior Hearing Examiner ("Report") was issued. After summarizing the record in this proceeding, the Senior Hearing Examiner found Staff's proposed levelized fuel factor to be reasonable and consistent with the requirements of Code § 56-249.6 A 1.[12] Accordingly, the Senior Hearing Examiner recommended that the Commission approve for KU/ODP a levelized fuel factor of $0.02168 per kWh to be effective for service rendered on and after on and after July 1, 2020, or as soon thereafter as is practicable.[13]

As to Consumer Counsel's request that further reductions be considered, the Senior Hearing Examiner stated that he agreed with the Company that any economic forecast of the effects of the COVID-19 pandemic on the economy and the Company's business going forward would be premature and speculative; and therefore, he found that further reductions in the Company's Fuel Factor would not be warranted at this time.[14] The Senior Hearing Examiner found that until issues outside the Company's control, such as testing, tracing, and treatment are resolved by federal, state, and local governments, COVID-19 will continue to have an impact on the economy, and no one knows for certain what that impact will be.[15] The Senior Hearing Examiner also documented that, under current Virginia law, if the Company is in an over-recovery position by more than five percent during the upcoming fuel year, or likely to be so, the Commission is authorized pursuant to Code § 56-249.6 A 2 to reduce the fuel cost tariffs to correct the over-recovery.[16]

---

[3] Ex. 7 (Tufaro Direct) at 12-13.

[4] *Id.* at 13.

[5] *Id.* at 2.

[6] Ex. 9.

[7] *Id.*

[8] Ex. 10 (Joint Stipulation) at 1-3.

[9] *Id.* at 4-5.

[10] *Id.* at 4.

[11] *Id.* at 3.

[12] Report at 12.

[13] *Id.* at 13.

[14] *Id.* at 12.

[15] *Id.*

[16] *Id.*

In his Report, the Senior Hearing Examiner provided an opportunity for the parties to file, by June 17, 2020, any comments on the Report.[17] On June 17, 2020, the Company, Consumer Counsel and Staff filed comments in response to the Senior Hearing Examiner's Report. Staff asked that the Commission adopt the findings and recommendations contained in the Report.[18] KU/ODP's comments provide one clarification to a description of the effect of the as filed reduction to the fuel factor but otherwise take no exceptions to the Report.[19] KU/ODP asks the Commission to adopt the findings and recommendations contained in Report and enter an order by June 26, 2020, approving the revised proposed fuel factor of $0.02168 per kWh for service rendered on and after July 1, 2020.[20] Consumer Counsel's comments reiterate the request that the Commission consider a further reduction to the proposed revised fuel factor recommended in the Joint Stipulation and by the Senior Hearing Examiner.[21] Consumer Counsel recommends that the Commission reject the Report's finding that "further reductions in the Company's Fuel Factor would not be warranted at this time."[22] Instead, Consumer Counsel recommends that the Commission approve a fuel factor of $0.02080 per kWh or $0.02076 per kWh to account for the effect of the COVID-19 pandemic on sales during the 2020-2021 fuel year.[23]

NOW THE COMMISSION, upon consideration of the record herein and the applicable law, is of the opinion and finds that the findings and recommendations in the Senior Hearing Examiner's Report should be adopted. As to the issues raised by Consumer Counsel, and the request that we approve a fuel factor lower than the one currently recommended by the Company, Staff, and the Senior Hearing Examiner, we agree with the reasoning and findings of the Senior Hearing Examiner that such a decision is not currently warranted given the uncertainty surrounding the public health emergency related to the COVID-19 pandemic; that Staff regularly monitors the monthly fuel expenses of KU/ODP; and the Commission has authority, pursuant to Code § 56-249.6 A 2, to reduce the fuel cost tariffs if an over-recovery of more than five percent is likely to occur during the fuel year. Accordingly, we find that setting the Company's fuel factor at $0.02168 per kWh is reasonable and appropriate. We find that this rate should be approved and effective for service rendered on and after July 1, 2020, pending further order of the Commission.

We note that the fuel factor we approve herein is projected to decrease, by $4.55 per month, the bill of a residential customer using 1,000 kWh per month compared to the fuel factor rate such a customer paid during the 2019-2020 fuel year.[24]

Our approval of the fuel factor, however, should not be construed as approval of KU/ODP's actual fuel expenses. No finding in this Order Establishing Fuel Factor is final, as this matter is continued pending the Staff's audit of actual fuel expenses and the Commission's entry of a final order addressing the Company's fuel recovery position. Should the Commission find that (1) any component of KU/ODP's actual fuel expenses or credits has been included or excluded inappropriately, or (2) KU/ODP has failed to make every reasonable effort to minimize costs or has made decisions resulting in unreasonable fuel costs, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position at the time of KU/ODP's next fuel factor proceeding.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Senior Hearing Examiner hereby are adopted.

(2) The proposed revised fuel factor of $0.02168 per kWh hereby is approved and shall be effective for service rendered on and after July 1, 2020.

(3) This case is continued.

---

[17] *Id.* at 13.

[18] Staff Comments at 1.

[19] KU/ODP Comments at 1

[20] *Id.*

[21] Consumer Counsel Comment at 2-4.

[22] *Id.* at 4 (quoting Report at 12).

[23] Consumer Counsel Comments at 4-6.

[24] Report at 10. *See also* Ex. 7 (Tufaro Direct) at 3-4. The approved revenue requirement also reflects an additional $0.15 monthly decrease for a residential customer using 1,000 kWh per month, when compared to the bill impact of a $4.40 monthly decrease for such a customer, as presented in the Company's direct testimony. Report at 4; *see also* Ex. 3 (Fackler Direct) at 10; Ex. 7 (Tufaro Direct) at 4.

CASE NO. PUR-2020-00030
FEBRUARY 24, 2020

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of a revised service agreement

ORDER GRANTING INTERIM APPROVAL

On February 14, 2020, Washington Gas Light Company ("WGL" or "Applicant") filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval, pursuant to Chapter 4[1] of Title 56 of the Code of Virginia, of a proposed revised service agreement ("Revised Agreement") between WGL and SEMCO Energy, Inc. ("SEMCO Energy"). The proposed revisions reflect specific additional services that WGL will provide or receive from SEMCO Energy as a result of a corporate realignment to optimize operations. The Applicant requests interim authority to operate under the Revised Agreement pending the Commission's disposition of this Application.

NOW THE COMMISSION, upon consideration of the foregoing and being advised by the Staff of the Commission, finds that granting interim approval while the Application is under review is not detrimental to the public interest. Therefore, WGL's request for interim authority is granted subject to the Commission's final order in this proceeding.

Accordingly, IT IS SO ORDERED.

[1] Code § 56-76 *et seq*.

CASE NO. PUR-2020-00030
MARCH 18, 2020

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of a revised service agreement

ORDER GRANTING APPROVAL

On February 14, 2020, Washington Gas Light Company ("WGL" or "Applicant") filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval, pursuant to Chapter 4[1] of Title 56 of the Code of Virginia ("Code"), of a proposed revised service agreement ("Revised Agreement") between WGL and SEMCO Energy, Inc. ("SEMCO Energy").[2] The proposed revisions reflect specific additional services that WGL will provide to and receive from SEMCO Energy as a result of a corporate realignment to optimize operations. The Applicant also requested interim authority to operate under the Revised Agreement pending the Commission's disposition of this Application.[3]

The Commission approved the current WGL-SEMCO Energy agreement ("Current Agreement") in Case No. PUR-2019-00055.[4] Under the Current Agreement, WGL provides fifteen categories of Services to SEMCO Energy.[5]

WGL represents that the Current Agreement requires revision for two reasons. First, WGL's Vice President of Human Resources, Executive Vice President and Chief Administrative Officer, and Chief Executive Officer retired effective December 2019, January 2020, and February 2020, respectively. Colleen Starring, President of SEMCO Energy, has been appointed to serve as Senior Vice President & Chief Operating Officer, Utilities, at WGL and at AltaGas's American parent holding company, AltaGas Service (U.S.) ("ASUS"). Also, Ann Forster, Vice President Human Resources Utilities at SEMCO Energy, has received an additional title as Vice President Human Resources at ASUS. These two officers will be providing oversight across ASUS's American utilities and will be shouldering some of the responsibilities of the retired WGL executives. Therefore, WGL requests approval to receive four new Services – (1) Executive Services for Utility Operations; (2) Human Resources and Benefits Strategy Services; (3) Accounting and Tax Services; and (4) Legal Services - from SEMCO Energy.

[1] Code § 56-76 *et seq*. ("Affiliates Act").

[2] WGL and SEMCO Energy are affiliates pursuant to the Affiliates Act because they are owned by the same senior parent company, AltaGas, Ltd. ("AltaGas"), a Canadian corporation.

[3] On February 24, 2020, the Commission issued an Order Granting Interim Approval in this docket.

[4] *Application of Washington Gas Light Company, For approval of service agreements*, Case No. PUR-2019-00055, Doc. Con. Cen. No. 190640076, Order Granting Approval (June 27, 2019).

[5] The Current Agreement service categories include: (1) Office of the General Counsel; (2) Supply Chain; (3) Strategy and Corporate Development; (4) Internal Audit; (5) Finance; (6) Operations, Engineering, Construction and Safety; (7) Information Technology; (8) Executive Officers; (9) Human Resources; (10) Payroll and Benefits; (11) Corporate Communications; (12) Regulatory Affairs; (13) Sustainability; (14) Security; and (15) Business Continuity Planning.

Second, WGL began the implementation of Hyperion Enterprise Performance Management ("EPM"), a cloud-based financial planning and analysis tool, during 2018. To assist with ASUS's efforts to roll out EPM and utilize resources enterprise-wide, WGL requests approval to add one additional service – Accounting and Tax Services – to the list of Services that WGL currently provides to SEMCO Energy.

WGL represents that the Revised Agreement is in the public interest because it will allow ASUS and its affiliates, including WGL, to leverage enterprise resources more efficiently. Ms. Starring's and Ms. Forster's additional Executive and Human Resources Service costs will be offset by the reduction in corporate costs related to the retiring WGL executives. Overall, the proposed changes to the Revised Agreement are expected to produce a net reduction to WGL's cost of service.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief and having considered the Applicant's comments thereon, is of the opinion and finds that the proposed Revised Agreement is in the public interest and, therefore, is approved subject to the requirements listed in the Appendix attached to this order.

Accordingly, IT IS SO ORDERED.

APPENDIX

1) The Commission's approval of the Revised Agreement shall extend through December 16, 2023. If WGL wishes to continue under the Revised Agreement beyond that date, separate approval shall be required.

2) The Commission's approval shall have no accounting or ratemaking implications.

3) The Commission's approval is limited to the specific Services identified and described in the Revised Agreement. If WGL wishes to provide or receive Services not specifically identified and described in the Revised Agreement, separate approval shall be required.

4) Separate Commission approval shall be required for WGL to provide Services to or receive Services from SEMCO Energy via the engagement of any affiliated third parties under the Revised Agreement.

5) WGL shall maintain records, available to Staff upon request, verifying that the Services it provides to and receives from SEMCO Energy under the Revised Agreement are priced at cost.[1]

6) The approval granted in this case does not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

7) Separate Commission approval is required for any changes in the terms and conditions of the Revised Agreement.

8) The Commission reserves the right to examine the books and records of WGL and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

9) WGL shall file a copy of the approved Revised Agreement within 30 days after the effective date of the order granting approval in this case, subject to administrative extension by the Director of the Division of Utility Accounting and Finance ("UAF Director").

10) WGL shall include all transactions associated with the Revised Agreement in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall:

(a) List the latest case number in which the Revised Agreement was approved;
(b) List WGL, the affiliate(s), and the Services provided and received; and
(c) Include schedule(s) in Excel electronic spreadsheet format with formulas intact, listing the prior year's Services provided and received by month, type of service, FERC account, and dollar amount (as the transactions are recorded in WGL's books).

11) The Commission's approval granted herein shall supplement the approval granted in Case No. PUR-2019-00055.[2]

---

[1] Since both WGL and SEMCO Energy are rate-regulated utilities, Services shall be exchanged at cost.

[2] *See supra* n.4.

CASE NO. PUR-2020-00031
JUNE 30, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia

ORDER ESTABLISHING 2020-2021 FUEL FACTOR

On February 21, 2020, Virginia Electric and Power Company ("Company" or "Dominion") filed with the State Corporation Commission ("Commission") its application ("Application") pursuant to § 56-249.6 of the Code of Virginia ("Code") seeking a decrease in its fuel factor from 2.3254 cents per kilowatt-hour ("¢/kWh") to 1.7357¢/kWh, effective for usage on and after May 1, 2020.[3]

The Company's proposed fuel factor, reflected in Fuel Charge Rider A, consists of both current and prior period factors. The Company's proposed current period factor for Fuel Charge Rider A of 1.8569¢/kWh is designed to recover the Company's estimated Virginia jurisdictional fuel expenses, including purchased power expenses, of approximately $1.24 billion for the period July 1, 2020, through June 30, 2021. The Company's proposed prior period factor for Fuel Charge Rider A of (0.1212)¢/kWh is designed to return approximately $80.7 million, which represents the net of two projected June 30, 2020 fuel balances.[4]

In total, Dominion's proposed fuel factor represents a 0.5897¢/kWh decrease from the fuel factor rate presently in effect of 2.3254¢/kWh, which was approved in Case No. PUR-2019-00070.[5] According to the Company, this proposal would result in an annual fuel revenue decrease of approximately $392.6 million between May 1, 2020, and June 30, 2021.[6] The total proposed fuel factor would decrease the average weighted monthly bill of a residential customer using 1,000 kWh of electricity by $5.89, or approximately 4.8%.[7]

In response to the Commission's directive in the 2019 Fuel Factor Order, Dominion also provided testimony addressing how the Company monetizes the unused portion of its natural pipeline capacity portfolio on days when the system is not constrained.[8]

On March 4, 2020, the Commission issued its Order Establishing 2020-2021 Fuel Factor Proceeding that, among other things, established a procedural schedule for this matter; required the Company to provide public notice of its Application; scheduled an evidentiary hearing; and allowed the Company's proposed fuel factor of 1.7357¢/kWh to be placed into effect on an interim basis for usage on and after May 1, 2020.

The following parties filed notices of participation: Appalachian Voices ("Environmental Respondent"); Virginia Committee for Fair Utility Rates ("Committee"); and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On May 27, 2020, the Commission convened a public evidentiary hearing. Dominion, Environmental Respondent, Consumer Counsel, the Committee, and the Commission's Staff ("Staff") participated at the hearing. The Commission received evidence from witnesses for Dominion, Environmental Respondent, and Staff. The Commission received no public comments in this proceeding.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows. The Commission has considered the entire record in this proceeding, including the specific issues raised by each participant, and finds that Dominion's Application to revise its fuel factor shall be approved with the requirements set forth herein.

Code § 56-249.6 D 2 states as follows:

> The Commission shall disallow recovery of any fuel costs that it finds without just cause to be the result of failure of the utility to make every reasonable effort to minimize fuel costs or any decision of the utility resulting in unreasonable fuel costs, giving due regard to reliability of service and the need to maintain reliable sources of supply, economical generation mix, generating experience of comparable facilities, and minimization of the total cost of providing service.

The Commission finds that Dominion shall continue to demonstrate in its next fuel factor proceeding how it monetizes the unused portion of its natural gas pipeline capacity portfolio on days when the system is not constrained. This information, among other things, will further inform the Commission's analysis under the above statute.

---

[3] Ex. 2 (Application) at 2. The Company explains that it has filed its 2020-2021 fuel factor two months early and is requesting a rate reduction effective for usage on and after May 1, 2020, through June 30, 2021, on an interim basis "[t]o facilitate the accelerated implementation of a fuel rate reduction, ..." *Id.*

[4] Ex. 2 (Application) at 2-3. The first balance is the projected June 30, 2020 over-recovery balance of approximately $105.7 million associated with recovery of the July 1, 2019 through June 30, 2020 current period expense. The second balance is the projected June 30, 2020 under-recovery balance of approximately $25.1 million associated with recovery of the remaining portion of the June 30, 2019 prior period expense. *Id.* at 3.

[5] Ex. 2 (Application) at 2. *Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia*, Case No. PUR-2019-00070, Doc. Con. Cen. No. 190830012, Order Establishing 2019-2020 Fuel Factor (Aug. 15, 2019) ("2019 Fuel Factor Order").

[6] Ex. 2 (Application) at 2.

[7] Ex. 16 (Beasley Direct) at 5.

[8] *See, e.g.,* Ex. 12 (Hinson Direct) at 4-7; 2019 Fuel Factor Order at 3, 4.

We further find that Dominion shall not be required at this time, as requested by Environmental Respondent, to provide notification to the Commission before taking actions that will result in more than a 5% increase in the fixed costs of the Company's pipeline capacity contracts, or before the expiration of one or more of the Company's firm pipeline capacity contracts.[9] While not requiring pre-notification, we agree that such issues may represent relevant avenues of discovery and inquiry for future fuel rate proceedings.[10] In addition, the Commission finds that the Company shall continue to provide auditable details of any monetization transactions in its annual fuel procurement strategy report.

Staff noted in its prefiled testimony and at hearing that Dominion had updated its forecasted June 2020 over-recovery balance to $103 million, which is approximately $22.3 million greater than Dominion's forecast of $80.7 million included in its Application.[11] We find that the prior period factor should be updated to reflect Dominion's most recent forecasted June 2020 over-recovery balance.[12] Accordingly, we approve a prior period factor credit increase from 0.1212¢ per kWh to 0.1548¢ per kWh. This credit decreases Dominion's 2020-2021 fuel factor from 1.7357¢ per kWh to 1.7021¢ per kWh.[13] As a result of this change, the 2020-2021 fuel factor will decrease the seasonal weighted-average monthly bill of a residential customer using 1,000 kWh by $6.23, or approximately 5.1%.[14]

Finally, pursuant to Code § 56-249.3 and the Commission's June 26, 2007 Order Establishing Fuel Factor in Case No. PUE-2007-00025,[15] Dominion submits monthly fuel monitoring reports to Staff. Both Consumer Counsel and the Committee expressed concerns regarding the potential volatility of fuel factor recovery in the current economic climate.[16] We find based on the record herein, and the unique circumstances affecting the Commonwealth and Dominion's customers at this time, for the 2020-2021 fuel year at issue in this proceeding, beginning September 1, 2020, Staff shall file a report approximately every 60 days setting forth: (1) the Company's expected fuel factor recovery position; (2) the Company's actual fuel recovery position; (3) the reason for any variance; and (4) a recommendation of whether the Company should file an interim fuel case.

Accordingly, IT IS ORDERED THAT:

(1) The Company's fuel factor shall be 1.7021¢/kWh, for usage on and after August 1, 2020.

(2) The Company shall comply with the directives set forth in this Order.

(3) This case is continued generally.

---

[9] *See, e.g.,* Ex. 18 (Lander Direct) at 14-15; Environmental Respondent's Statement of Issues filed June 3, 2020.

[10] The Commission also does not find that the Company should be directed to implement Environmental Respondent's other requested changes. *See, e.g.,* Ex. 18 (Lander Direct). For example, based on the instant record (including but not limited to the testimony of Staff witness Johnson), we find that at the current time: the overall deliverability of Dominion's portfolio is reasonably sized for the size of its generation fleet, and Dominion appears to be conducting best efforts to monetize its pipeline capacity. At this time, the Commission concludes that Dominion need not collect hourly megawatt generation data by unit and fuel type; monitor the pressure data at its Transco delivery points and request hourly flow data from Transco; or provide deal-level data for all pipeline capacity release transactions, as proposed by Mr. Lander.

[11] Ex. 22 (Gravely Direct) at 4.

[12] This finding is consistent with our recent ruling in the 2019 Kentucky Utilities fuel factor proceeding, where the Commission updated Kentucky Utilities' prior period factor to reflect an updated forecast. *See Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia,* Case No. PUR-2019-00029, Order Establishing Fuel Factor (June 20, 2019).

[13] Ex. 22 (Gravely Direct) at 4, 11, Attachment 1.

[14] *Id.* at 4.

[15] *Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to Va. Code § 56-249.6,* Case No. PUE-2007-00025, 2007 S.C.C. Ann. Rept. 414, Order Establishing Fuel Factor (June 26, 2007).

[16] *See, e.g.,* Consumer Counsel's Issue List filed June 3, 2020; Committee's Issues Matrix filed June 3, 2020.

CASE NO. PUR-2020-00032
APRIL 21, 2020

APPLICATION OF
DYNAMIS ENERGY, LLC

For a license as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On March 2, 2020, Dynamis Energy, LLC ("Dynamis" or "Company") completed an application ("Application") with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia.[1] The Company seeks authority to offer electricity and natural gas aggregation services to eligible commercial and industrial customers throughout Virginia.[2] Dynamis attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[3]

On March 13, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on the appropriate utilities and providing an opportunity for interested persons to comment on the Application. On March 24, 2020, the Company certified that it had completed the service required by the Commission's Procedural Order. The Commission received comments from Dominion.

The Procedural Order also directed Staff to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on April 10, 2020, which summarized the Company's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Dynamis be granted an aggregator's license to conduct business as a competitive service provider of electricity and natural gas services to commercial and industrial customers in the Virginia service territories that are open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, the record in this case, and applicable law, finds that Dynamis' Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Dynamis is hereby granted license No. A-96 to provide competitive aggregation services of electricity and natural gas to commercial and industrial customers throughout the service territories open to competition in Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] Dynamis initially filed its Application on February 18, 2020, but the Staff of the Commission ("Staff") deemed the Company's Application incomplete as filed. Dynamis provided supplemental information on March 2, 2020, completing its Application.

[2] Retail choice for natural gas service presently exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[3] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2020-00033
MARCH 18, 2020

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE and CENTRAL VIRGINIA SERVICES, INC.

For approval pursuant to Title 56, Chapter 3 and Chapter 4 of the Virginia Code

ORDER GRANTING AUTHORITY

On February 21, 2019, Central Virginia Electric Cooperative ("CVEC") and Central Virginia Services, Inc. ("CVSI") (jointly, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3[1] and Chapter 4[2] of Title 56 of the Code of Virginia ("Code"). CVEC and CVSI are affiliated interests within the meaning of Code § 56-76 of the Affiliates Act. CVEC has paid the requisite filing fee of $250.

---

[1] Va. Code. § 56-55 *et seq.*

[2] Va. Code § 56-76 *et seq.* ("Affiliates Act").

The authority requested in the instant case is related to the construction, ownership, and service arrangements between Applicants for the fiber optic broadband network ("Broadband Network") approved by the Commission in Case No. PUR-2018-00113.[3] With respect to the Broadband Network, the Commission considered and approved specific financing arrangements between CVEC and CVSI in Case No. PUR-2018-00152,[4] which included approval for CVEC to obtain a letter of credit ("LOC") on behalf of CVSI for the initial distribution of funds from a federal grant of $28,602,437 awarded to CVSI ("CVSI Grant 1") from the Connect America Phase II Auction. As noted in the Application, Applicants now seek authority for CVEC to obtain an LOC on behalf of CVSI in the amounts required each year to receive remaining annual distributions from CVSI Grant 1.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-55 and 56-77 of the Code, the Applicants hereby are granted approval for CVEC to obtain an LOC on behalf of CVSI as described herein and subject to the requirements set forth in Appendix A attached hereto.

(2) There appearing nothing further to be done, this case hereby is dismissed from the Commission's docket of active cases, and the papers filed herein shall be placed in the Commission's file for ended cases.

APPENDIX A

1. CVEC is authorized to make annual amendments to its LOC to align with the amount required for CVSI to receive distributions from Connect America under the terms of CVSI Grant 1. This authority shall extend through the period ending December 31, 2025, and is limited to a maximum amount of $16,000,000.

2. Separate approval shall be required for any changes to the LOC with respect to the approved term and maximum amount stated in Requirement 1.

3. Separate Commission approval shall be required for any changes to the LOC to support any grant funding other than from CVSI Grant 1.

4. The Commission's approval shall have no accounting or ratemaking implications.

5. All costs, inclusive of attorney fees and filing fees, associated with obtaining and maintaining the LOC for the benefit of CVSI, shall be charged to CVSI, and the dates, accounts, and amounts of such transactions, as recorded on the books of CVEC and CVSI, shall be reported in CVEC's Annual Report of Affiliate Transactions ("ARAT") submitted to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") on May 1 of each year, subject to administrative extension by the UAF Director.

6. Included with its annual ARAT, CVEC also shall report the amount of the LOC maintained by CVEC on behalf of CVSI for CVSI Grant 1 distributions in the prior year. In addition, the report shall indicate the LOC amount required to be in effect for the instant year to support distributions to be received for that year. This reporting requirement will end after a report is filed stating that LOC support for distributions is no longer required.

7. The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of Code § 56-76 *et seq*. hereafter.

8. The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

---

[3] *See, Application of Central Virginia Electric Cooperative and Central Virginia Services, Inc., For approval of affiliate arrangements*, Case No. PUR-2018-00113, 2018 S.C.C. Ann. Rept. 476, Final Order (Oct. 23, 2018).

[4] *See, Joint Application of Central Virginia Electric Cooperative and Central Virginia Services, Inc., For approval pursuant to Chapter 3 and Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2018-00152, 2018 S.C.C. Ann. Rept. 530, Final Order (Dec. 3, 2018).

CASE NO. PUR-2020-00036
MAY 20, 2020

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval of its 2020 annual update to Rate Schedule PT-1

FINAL ORDER

On February 28, 2020, pursuant to Ordering Paragraph (6) of the Final Order issued by the State Corporation Commission ("Commission") in Case No. PUR-2019-00039 on May 29, 2019,[1] and in accordance with Rule 80 of the Commission's Rules of Practice and Procedure,[2] 5 VAC 5-20-80, Virginia Natural Gas, Inc. ("VNG" or "Company"), filed its application ("Application") for approval of its annual adjustment to Rate Schedule PT-1 and requested that the adjusted PT-1 rate be approved effective June 1, 2020.

VNG states that Section III.A of the Company's Tariff permits the Company to adjust the PT-1 rate annually to reflect any changes in the cost of service components going forward and to refund or recover any difference between actual and recovered operations and maintenance ("O&M") expenses.[3] According to the Company, for each year the PT-1 rate is in effect, the Company will update the plant in service, accumulated depreciation, and projected O&M expenses, as well as property tax expense and federal and state tax rates.[4] The Company will also update changes to its depreciation rates and rate of return to reflect the results in each base rate case while the PT-1 rate is in effect.[5] At the end of each 12-month period the PT-1 rate is in effect, VNG will reconcile the difference between the actual O&M expenses and the amounts recovered through the PT-1 rate.[6] The Company will also include an adjustment to the subsequent year's PT-1 rate to recover or refund the difference in these O&M costs.[7]

In its Application, the Company proposes a revised PT-1 rate of $0.81640 per dekatherm ("Dth").[8] According to the Company, the primary drivers for the decrease in the PT-1 rate from $0.92695 per Dth to $0.81640 per Dth is the true-up of the over-recovered O&M costs for the period January 1, 2019, through December 31, 2019.[9] The Company also included an estimated level of total monthly fixed O&M costs of $94,323, compared to an actual level of $58,398, resulting in an over-recovery of $35,924 per month.[10] The Company further states that the monthly projected fixed O&M decreased from $93,151 in 2019 to $72,119 in 2020.

On March 10, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order")[11] that, among other things, docketed the case, suspended the proposed update to Rate Schedule PT-1 pursuant to § 56-238 of the Code of Virginia to and through June 1, 2020, or until further order of the Commission, whichever is earlier; required the Company to serve a copy of the Application and the Procedural Order on Doswell Limited Partnership, the City of Richmond, Columbia Gas of Virginia, Inc., and Virginia Electric and Power Company (collectively, "Customers"); provided any interested person or entity affected by the Company's Application an opportunity to file comments or request a hearing on the Company's Application; provided the Commission Staff ("Staff") an opportunity to investigate the Application and file with the Commission a report ("Report") or testimony, as appropriate, setting forth the Staff's findings and recommendations on VNG's Application; and permitted the Company to file a response or testimony, as appropriate, in rebuttal to Staff's Report or testimony or any comments or requests for hearing.

---

[1] *Application of Virginia Natural Gas For approval of its 2019 annual update to Rate Schedule PT-l*, Case No. PUR-2019-00039, Doc. Con. Cen. No. 190560091, Final Order (May 29, 2019).

[2] 5 VAC 5-20-10 *et seq.*

[3] Application at 7.

[4] *Id.*

[5] *Id.*

[6] *Id.*

[7] *Id.*

[8] *Id* at 8.

[9] *Id.*

[10] *Id.*

[11] *Application of Virginia Natural Gas, Inc., For approval of its 2020 annual update to Rate Schedule PT-1,* PUR-2020-00036, Doc. Con. Cen. No. 200320035, Order for Notice and Comment (March 10, 2020).

No comments, requests for hearing, or notices of participation were filed. On May 7, 2020, Staff filed its Report on the Application. In its Report, Staff did not oppose the proposed rate but noted that the Company's distribution ratepayers should be held harmless from any deficient returns produced by the PT-1 class in the future.[12] Staff recommended that the Commission approve the proposed rate and that the proposed rate be applied to all customers in the PT-1 rate class. On May 14, 2020, the Company filed its Comments on the Report, supporting Staff's conclusions and the recommendations in the Report.[13]

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the Application should be approved, including the proposed rate, effective June 1, 2020, and the proposed rate shall apply to all customers in the PT-1 rate class.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application is approved.

(2) Within thirty (30) days of the date of this Order, the Company shall file a copy of the tariff, Rate Schedule PT-1, with the Commission. The Company simultaneously shall submit a copy of the tariff, Rate Schedule PT-1, to the Commission's Division of Public Utility Regulation.

(3) Rate Schedule PT-1 shall apply to all customers in the PT-1 rate class.

(4) The Company's distribution ratepayers shall be held harmless from any deficient returns produced by the PT-1 class.

(5) On or before March 1, 2021, the Company shall file with the Commission its annual adjustment to Rate Schedule PT-1.

(6) This case hereby is dismissed.

[12] *Application of Virginia Natural Gas, Inc., For approval of its 2020 annual update to Rate Schedule PT-1,* PUR-2020-00036, Doc. Con. Cen. No. 200510081, Staff Report (May 7, 2020) at 5.

[13] *Application of Virginia Natural Gas, Inc., For approval of its 2020 annual update to Rate Schedule PT-1,* PUR-2020-00036, Doc. Con. Cen. No. 200530124, Comments of Virginia Natural Gas on the Staff Report (May 14, 2020) at 1.

CASE NO. PUR-2020-00037
MARCH 20, 2020

JOINT PETITION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE and RICKLY HYDROLOGICAL CO., INC.

For approval to transfer utility assets pursuant to Chapter 5 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On March 2, 2020, Central Virginia Electric Cooperative ("CVEC") and Rickly Hydrological Co., Inc. ("Rickly"), filed a joint petition with the State Corporation Commission ("Commission") to request approval to transfer utility assets pursuant to Chapter 5[1] of Title 56 of the Code of Virginia ("Code"). CVEC seeks to transfer the run-of-river hydroelectric generation unit (the "Hydro Plant") located on the Rockfish River in Nelson County, Virginia, from CVEC to Rickly pursuant to the Utility Transfers Act.

On December 10, 2019, CVEC and Rickly entered into a Purchase and Sale Agreement wherein CVEC has agreed to transfer ownership of the Hydro Plant to Rickly in exchange for consideration in the amount of $225,000 ("Transfer"). Rickly intends to operate the Hydro Plant and will sell to CVEC the generated electricity pursuant to the purchase power agreement terms in the Purchase and Sale Agreement.

CVEC represents that the transfer of the Hydro Plant will not impair or jeopardize CVEC's provision of adequate service to its members at just and reasonable rates. The Hydro Plant is a minor portion of CVEC's power supply portfolio, and the Transaction will relieve CVEC of further responsibility for capital investments and maintenance expenses for maintaining the Hydro Plant while continuing to provide generation at a fixed price over the next ten years.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief, is of the opinion and finds that the Transfer will not impair or jeopardize adequate service at just and reasonable rates and, therefore, should be approved.

[1] Code § 56-88 *et seq.* ("Utility Transfers Act").

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-89 and § 56-90, the Transfer is approved subject to the requirements listed below.

(2) The Transfer shall have no accounting or ratemaking implications;

(3) Within thirty (30) days of the consummation of the Transfer, CVEC shall file a Report of Action ("Report") with the Commission that provides: (1) the date of closing; (2) the actual accounting entries recording the Transfer from CVEC to Rickly; and (3) the actual final write-off accounting entries.

(4) This case is dismissed.

CASE NO. PUR-2020-00038
JULY 31, 2020

JOINT APPLICATION OF
FUSION CONNECT, INC., FUSION LLC, and FUSION COMMUNICATIONS, LLC

For consent to transfer of control of Fusion LLC and Fusion Communications, LLC pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On June 17, 2020, Fusion Connect, Inc. ("Fusion Connect"), Fusion LLC,[1] and Fusion Communications, LLC ("Fusion Communications") (collectively, "Applicants"),[2] completed the filing of a Joint Application ("Application") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[3] requesting consent to a transaction that will result in a material change to the ownership and control of Fusion LLC and Fusion Communications, LLC ("Transfer").

Fusion LLC is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity ("Certificate") issued by the Commission.[4] Fusion Communications is authorized to provide local exchange telecommunications services in Virginia pursuant to its Certificate issued by the Commission.[5]

The Applicants state that following an approved plan of reorganization arising from a voluntary bankruptcy petition, the Commission approved a transfer of control in Case No. PUR-2019-00129, which approved the acquisition of control over Fusion LLC and Fusion Communications (collectively, "Fusion VA Licensees") by Telecom Holdings LLC.[6] The present proposed Transfer involves transferring additional shares of Fusion Connect stock to certain lenders involved in the bankruptcy proceeding and removing Telecom Holdings LLC's controlling interest in Fusion Connect and thereby, in the Fusion VA Licensees.[7] According to the Application, Fusion Connect will become a widely held corporation, with all its common stock held by the holders of Fusion Connect's first and second lien secured debt.[8]

The Applicants assert that the proposed Transfer will not have any impact on the organization and operations of the Fusion VA Licensees. The Applicants further state that the Fusion VA Licensees will continue providing the same services to their customers without any interruption or diminishment of service quality, pursuant to the same rates, terms, and conditions of service as currently provided. Lastly, information provided with the Application indicates that the Fusion VA Licensees will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the proposed Transfer.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Staff of the Commission through the Staff's action brief, is of the opinion and finds that the above-described Transfer should be approved.

---

[1] Fusion LLC does business in Virginia as Fusion Connect LLC (USED IN VA BY: Fusion LLC).

[2] Telecom Holdings LLC, Vector Fusion Holdings (Cayman) Ltd., Vector Capital V, L.P., Vector Capital Partners V, L.P., Vector Capital Partners V, Ltd., Vector Capital Management, L.P., and Vector Capital, LLC, are also considered Applicants and have provided the statutorily required verifications.

[3] Code § 56-88 *et seq*.

[4] *See Application of Network Billing Systems, L.L.C., For cancellation and issuance of a certificate of public convenience and necessity to provide local exchange telecommunications services to reflect a company name change,* Case No. PUR-2019-00074, Doc. Con. Cen. No. 191030174, Order Reissuing Certificate (Oct. 31, 2019).

[5] *See Application of Cbeyond Communications, LLC, For cancellation and issuance of a certificate of public convenience and necessity to provide local exchange telecommunications services to reflect a company name change,* Case No. PUR-2019-00101, Doc. Con. Cen No. 190810079, Order Reissuing Certificate (Aug. 2, 2019).

[6] Application at 5.

[7] *Id.* at 6.

[8] *Id*. at 4-6.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Applicants hereby are granted approval of the Transfer as described herein.

(2) The Applicants shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(3) This case is dismissed.

CASE NO. PUR-2020-00041
APRIL 6, 2020

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For approval to issue debt securities pursuant to Chapter 3 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On March 6, 2020, Virginia-American Water Company ("VAWC" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapter 3[1] of Title 56 of the Code of Virginia ("Code") requesting authority to incur up to $11 million of long-term debt and to incur its proportionate share of costs associated with financial swaps, hedges, and other derivative instruments executed in connection with such long-term debt. VAWC paid the requisite fee of $250.

The Application states that the Company is requesting authority to borrow up to $11 million of long-term debt in the form of promissory notes ("Notes") from its affiliate, American Water Capital Corp. ("Capital Corp."), through December 31, 2020.[2] In addition, the Application notes that by order issued on August 4, 2017, the Commission granted the Company authority to issue up to $50 million in debt securities through December 31, 2020.[3] The Company represents that, to date, it has issued debt securities in an aggregate amount of $47.7 million. However, based on the Company's plans to issue additional debt in May 2020, the Company now seeks to increase the amount of debt securities it is authorized to issue through the remainder of 2020.

The Application states that Notes will reflect the terms of the long-term debt to be issued by Capital Corp. and subsequently loaned to VAWC and other affiliated participants. The Notes may therefore reflect a fixed or variable debt rate with any interest rates to be determined by the prevailing market conditions when VAWC issues the underlying long-term debt. The Company further requests authority to incur its proportionate share of all costs related to the issuance of the underlying long-term debt by Capital Corp. Such cost may include one or more interest swaps, hedges, or other derivative agreements or arrangements entered into in connection with the Notes.

NOW THE COMMISSION, upon consideration of the Application and having been advised by the Commission Staff, is of the opinion and finds that, subject to the requirements set forth in the Appendix attached hereto, approval of the authority requested in the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) VAWC is authorized to incur long-term debt through December 31, 2020, in the form of one or more Notes from Capital Corp. up to the aggregate maximum of $11 million with a maturity of 30 years, under the terms and conditions and for the purposes as described in the Application. This approval is subject to the requirements set forth in the Appendix attached hereto.

(2) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

APPENDIX

1. VAWC shall file with the Clerk of the Commission a report of action within ten (10) days after the execution of any Notes pursuant to this case, with such report stating the following:

a. the date of the borrowing;
b. the amount borrowed;
c. the applicable interest rate;

[1] § 56-55 *et seq*.

[2] Capital Corp. is a Delaware corporation and is a wholly-owned subsidiary of American Water Works Company, Inc. ("AWW"). The Application states that Capital Corp. has been established to provide financial services to AWW and its water utility subsidiaries. The Commission previously authorized VAWC to participate in a Financial Services Agreement with Capital Corp. through December 31, 2020. *See Application of Virginia-American Water Company and American Water Capital Corp., To extend authority for continued participation in a Financial Services Agreement pursuant to the Affiliates Act,* Case No. PUE-2016-00124, 2016 S.C.C. Ann. Rep. 468, Order Granting Authority (Dec. 13, 2016).

[3] *See Application of Virginia-American Water Company, For authority to issue debt securities,* Case No. PUR-2017-00097, 2017, S.C.C. Ann. Rep. 539, Order Granting Authority (Aug. 4, 2017).

d. the maturity date;
e. all issuance costs incurred and the associated accounting treatment for such costs; and
f. the proceeds to VAWC.

2. VAWC shall file a final report of action on or before March 1, 2021, which summarizes the information detailed in Appendix Item 2 for all authority exercised in this case.

3. The approval granted in this case shall have no accounting or ratemaking implications.

CASE NO. PUR-2020-00044
JULY 2, 2020

PETITION OF
DIRECT ENERGY BUSINESS LLC CASE NO. PUR-2020-00013

For a declaratory judgment and injunctive relief against Virginia Electric and Power Company d/b/a Dominion Energy Virginia

PETITION OF
DIRECT ENERGY BUSINESS LLC CASE NO. PUR-2020-00044

For a declaratory judgment and injunctive relief against Virginia Electric and Power Company d/b/a Dominion Energy Virginia

ORDER

On January 21, 2020, Direct Energy Business LLC ("Direct Energy") filed a petition ("First Petition") with the State Corporation Commission ("Commission") for a declaratory judgment and injunctive relief against Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In the First Petition, Direct Energy sought an order (i) directing Dominion to immediately support the establishment of two electronic data interchange set-ups, also referred to as subaccounts, for use by Direct Energy customers; and (ii) finding that Dominion must support an unlimited number of subaccounts at the request of Direct Energy in the usual course of business. In the alternative, Direct Energy requested that the Commission initiate a rulemaking proceeding to establish the number of subaccounts that a competitive service provider ("CSP") may obtain and the process for obtaining them.

On January 30, 2020, the Commission directed Dominion and any interested party to file a response to the First Petition on or before February 17, 2020, and permitted Direct Energy to file a reply to any response on or before February 28, 2020. Dominion and Direct Energy each timely filed responses pursuant to the January 30, 2020 Order.

On March 11, 2020, the Commission entered an order appointing a Hearing Examiner to conduct further proceedings relative to the First Petition on behalf of the Commission and to file a final report.

On March 9, 2020, Direct Energy filed with the Commission a Petition for Declaratory Judgment and Request for Expedited Action ("Second Petition") against Dominion seeking an order finding that a customer of Dominion has the right to purchase 100% renewable energy from a CSP under § 56-577 A 5 of the Code of Virginia ("Code") as long as the customer has executed a service contract with the CSP prior to the effective date of a compliance filing submitted by Dominion associated with an approved tariff for Dominion's provision of 100% renewable energy.

On March 13, 2020, the Commission entered an Order ("March 13th Order") docketing the Second Petition as Case No. PUR-2020-00044. In addition, the March 13th Order combined Case Nos. PUR-2020-00013 and PUR-2020-00044 without consolidation and appointed a Hearing Examiner to conduct all further proceedings in the combined cases on behalf of the Commission and to file a final report. Among other things, the March 13th Order directed the Hearing Examiner to "establish a procedural schedule for the filing of any necessary additional testimony and a public hearing."[1] The March 13th Order also specified that the hearing in the combined cases should "include consideration of the technical requirements necessary for the relief requested in the [First and Second] Petitions and the capability of Dominion and affected CSPs to satisfy these requirements."[2]

On April 3, 2020, Direct Energy and Dominion filed a Joint Statement of Disputed and Undisputed Facts ("Joint Statement"). Among other things, Direct Energy and Dominion recognized Calpine Energy Solutions, LLC's ("Calpine") unopposed Notice of Participation and Motion to Intervene in Case No. PUR-2020-00044 and represented that Calpine participated in discussions regarding the disputed and undisputed facts.[3] Direct Energy, Dominion, and Calpine (collectively, the "Parties") also agreed to continue generally in Case No. PUR-2020-00044 issues relating to (1) Dominion's 60-day advanced notice requirement before initiating a large volume of customer activity; (2) the limited ability of Schedule 10 customers to switch to a different rate schedule during certain periods; and (3) the ability of Schedule GS-2T customers to switch to a new rate schedule before being eligible to purchase from a CSP.[4]

---

[1] March 13th Order at 3.

[2] *Id*. at 3-4.

[3] Joint Statement at 2.

[4] *Id*. at 3.

Furthermore, the Parties identified the following question as the "Threshold Issue" for resolution in Case No. PUR-2020-00044:

> Whether a retail customer may purchase 100% renewable energy from a CSP pursuant to [§ 56-577 A 5 b of the Code] if that customer has executed a service contract with the CSP before [Dominion] files an approved 100% renewable energy tariff with the Commission, even if such customer has not yet enrolled in or switched to the CSP's electric supply service at the time [Dominion] files an approved 100% renewable energy tariff with the Commission.[5]

Direct Energy, Dominion and Calpine recognized a series of undisputed facts relating to the Threshold Issue and represented that there appeared to be no disputed facts pertaining to the Threshold Issue. They also agreed to the resolution of the Threshold Issue based upon written briefs and, if necessary, oral argument conducted electronically or telephonically.[6]

On April 17, 2020, Direct Energy, Calpine, and Dominion filed opening briefs on the Threshold Issue, and on May 1, 2020, Direct Energy, Calpine and Dominion filed responses.

On May 12, 2020, Senior Hearing Examiner A. Ann Berkebile filed her Ruling and Certification to the Commission ("Ruling"). In her Ruling, the Senior Hearing Examiner made the following findings and recommendations:

(1) The Commission has the authority to resolve the Threshold Issue pursuant to 5 VAC 5-20-100 C and § 56-6 of the Code;

(2) Direct Energy and Calpine have standing to raise the Threshold Issue;

(3) The Commission's consideration of the Threshold Issue is not barred by *res judicata*;

(4) Section 56-577 A 5 b of the Code requires that a customer's enrollment and associated purchase of renewable energy from a CSP must be completed before the utility files an approved 100% renewable energy tariff as a condition of the CSP's continued ability to provide service to such customer.[7]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the recommendations of the Senior Hearing Examiner should be adopted, as discussed herein.

We agree with the Senior Hearing Examiner that the Commission has authority to resolve the Threshold Issue presented in these proceedings, that Direct Energy and Calpine have standing to raise the Threshold Issue, and that the Commission's consideration of the Threshold Issue is not barred by *res judicata*, for the reasons set forth in the Ruling.[8]

We further agree with the Senior Hearing Examiner that the plain language of the Code mandates that a customer must have already enrolled in or switched to the CSP's electric supply service at the time Dominion files an approved 100% renewable energy tariff with the Commission in order to take such service from the CSP after Dominion's tariff becomes effective. Section 56-577 A 5 b provides that:

> Individual retail customers of electric energy within the Commonwealth, regardless of customer class, shall be permitted … [t]o continue purchasing renewable energy pursuant to the terms of a power purchase agreement in effect on the date there is filed with the Commission a tariff for the incumbent electric utility that serves the exclusive service territory in which the customer is located to offer electric energy provided 100 percent from renewable energy, for the duration of such agreement.

As the Senior Hearing Examiner notes, § 56-577 A 5 a does not authorize customers to enter into agreements with CSPs, but instead "allows retail customers to purchase 100% renewable energy from CSPs if the incumbent does not offer a 100% renewable energy tariff."[9] Once the incumbent utility offers an approved 100% renewable energy tariff, customers are no longer allowed to purchase from CSPs *unless they are already purchasing* from a CSP pursuant to an effective power purchase agreement. The Code clearly states that such customers may "continue purchasing" renewable energy from the CSP. Consequently, the customer *must already be purchasing* from the CSP at the time Dominion files its tariff (and not merely have entered into an agreement to do so in the future), else there would not be any purchases to continue.

Accordingly, IT IS SO ORDERED and these matters are continued.

---

[5] *Id*.

[6] *Id*. at 3-8.

[7] Ruling at 13.

[8] *See, id*. at 8-10.

[9] *Id*. at 12.

CASE NO. PUR-2020-00045
APRIL 22, 2020

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of an affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On March 10, 2020, Appalachian Power Company ("APCo") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of an affiliate transaction pursuant to Chapter 4[1] of Title 56 of the Code of Virginia ("Code"). APCo seeks renewed approval of a support agreement ("Support Agreement") with American Electric Power Service Corporation ("AEPSC") that facilitates APCo's master services agreement with HomeServe USA Corp. ("HomeServe USA") ("HomeServe Agreement").[2]

In 2015, APCo entered into the HomeServe Agreement with HomeServe USA, a non-affiliated home protection services company. HomeServe USA markets by direct mail several programs covering the repair of residential customers' domestic infrastructure and related systems ("Home Warranty Programs") in Virginia and West Virginia.[3] The Home Warranty Programs cover any or all of the following systems: (1) exterior electrical line; (2) interior electrical line; (3) heating system; (4) cooling system; (5) water heater; (6) exterior water service line; (7) exterior sewer/septic line; (8) interior plumbing and drainage system; (9) surge protection; and (10) other systems as appropriate.

According to the Company, HomeServe USA owns HomeServe USA Repair Management Corp., which sells and administers home service warranty contracts issued by North American Warranty, Inc. ("NAW"), in APCo's Virginia service territory. The home service warranty contracts are backed by a contractual liability insurance policy issued by a Virginia admitted insurer with an AM Best Rating of "A". HomeServe USA does not perform any home warranty service repair work itself. Rather, repairs are performed by locally licensed independent contractors. NAW is the obligor for any service repair work performed under the relevant home service warranty contracts.[4]

APCo represents that since HomeServe USA is an unaffiliated third party, the HomeServe Agreement is not subject to the Affiliates Act. However, APCo engages AEPSC through the Support Agreement to facilitate the administration of the HomeServe Agreement.

Under the Support Agreement, AEPSC will provide to APCo the following Support Services.

Business Services

(1) Provide support in compiling residential customer information pursuant to the HomeServe Agreement;

(2) Provide support in applying charges to bills of customers subscribing to the HomeServe Agreement home warranty programs;

(3) Review HomeServe USA marketing materials;

Accounting

(4) Collect, account for and remit payments from customers to and receive payments from HomeServe USA under the HomeServe Agreement;

(5) Maintain the books and records of APCo with regard to the HomeServe Agreement and prepare all monthly entries to the ledgers and develop and maintain any accounting and business systems that support APCo in fulfilling its obligations under the HomeServe Agreement; and

Customer Assistance

(6) Supervise, manage, and support APCo personnel providing customer service assistance to and/or train APCo personnel to provide customer service assistance to APCo customers who subscribe to HomeServe Agreement home warranty programs.

APCo represents that the APCo-HomeServe USA relationship is in the public interest because the HomeServe Agreement offers its customers access to home warranty and repair services to protect their electrical lines and other important residential infrastructure. APCo represents that the Support Agreement is critical to that relationship because it allows APCo to fulfill its obligations to HomeServe USA at a lower cost than if APCo were to rely on third-party contractors or to provide the Support Services itself.

---

[1] Code § 56-76 *et seq*. ("Affiliates Act").

[2] *See Application of Appalachian Power Company and American Electric Power Service Corporation, For authority to enter into an affiliate transaction pursuant to Title 56, Chapter 4 of the Code of Virginia*, Case No. PUE-2015-00032, 2015 S.C.C. Ann. Rept. 315, Order Granting Approval (Apr. 24, 2015) ("2015 Order").

[3] The Home Warranty Programs are offered to residential customers only. There are no plans to market the Home Warranty Programs to commercial or industrial customers.

[4] *See* APCo Response to Staff Data Request No. 2-7, (a) and (b), dated April 8, 2020, attached to the Commission Staff's April 10, 2020 action brief filed concurrently with this Order.

NOW THE COMMISSION, upon consideration of this matter, having been advised by its Staff through Staff's action brief and having considered APCo's comments thereon,[5] is of the opinion and finds that the proposed Support Agreement is in the public interest and, therefore, is approved subject to the requirements listed in the Appendix attached to this order. We will continue to direct APCo to provide a verification ("Verification") that any home protection service(s) provided to APCo's customers pursuant to the HomeServe Agreement and Support Agreement comply with any and all applicable provisions of the Code regarding the establishment, licensing, operation, or marketing of home protection companies in the Commonwealth of Virginia ("Commonwealth").[6] We are cognizant that APCo is not affiliated with HomeServe and the Home Warranty Programs. However, APCo does share customer information, receive remuneration, and provide billing services pursuant to the HomeServe Agreement and Home Warranty Programs. The Verification provides assurance that APCo is monitoring the HomeServe relationship. Should the Commission discover that HomeServe is not complying with the Commonwealth's statutes, or any of the requirements imposed herein, the Commission's continuing supervisory control pursuant to Code § 56-80 permits us to revisit the public interest finding herein.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, APCo is granted approval of the Support Agreement subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is dismissed.

APPENDIX

(1) APCo shall verify that any home protection services provided to APCo's customers pursuant to the HomeServe Agreement and Support Agreement is in compliance with any and all applicable provisions of the Code regarding the establishment, licensing, operation, or marketing of home protection companies in the Commonwealth. This Verification shall be regularly affirmed or updated as appropriate and included in APCo's Annual Report of Affiliate Transactions ("ARAT").[7]

(2) Any marketing material sent to APCo's Virginia customers pursuant to the HomeServe Agreement and Support Agreement shall indicate clearly that: (1) HomeServe USA is providing the Home Warranty Programs and is unaffiliated with APCo; (2) any such programs offered by HomeServe USA are optional; and (3) APCo has no direct involvement in, and bears no legal responsibility for, the Home Warranty Programs.

(3) The Commission's approval of the Support Agreement is limited to five years from the effective date of the order in this case.

(4) The Commission's approval shall have no accounting or ratemaking implications.

(5) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

(6) The Commission's approval is limited to the Services specifically identified and described in the Application. Should APCo wish to receive additional services from AEPSC other than those described in the Application, separate Commission approval shall be required.

(7) Separate Commission approval shall be required for APCo to receive Services from affiliated third parties (other than AEPSC) under the Support Agreement.

(8) Separate Commission approval shall be required for any changes in the terms and conditions of the Support Agreement.

(9) The Commission reserves the right to examine the books and records of APCo and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(10) APCo is required to maintain records demonstrating that the service costs charged to APCo are cost beneficial to Virginia ratepayers. For all service costs charged to APCo where a market may exist, APCo shall investigate whether comparable market prices are available, and if they exist, APCo shall compare the market price to cost and pay the lower of cost or market to AEPSC. Records of such investigations and comparisons shall be available to Staff upon request. APCo shall bear the burden of proving, in any rate proceeding, that all AEPSC services costs charged to APCo are priced at the lower of cost or market where a market for such service exists.

(11) APCo shall file an executed copy of the approved Support Agreement within 30 days after the effective date of the Order Granting Approval in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

---

[5] In comments on Commission Staff's April 10, 2020 action brief, filed concurrently with this Order, APCo requests that Appendix paragraph (10) be amended to conform to the wording of Appendix paragraph (8) of the 2015 Order. The Commission notes that this language, which regularly appears in orders granting approval for applications filed pursuant to the Affiliates Act, has evolved over time to the present language and is intended to clarify the sort of records the Staff expects to see when it requests records related to affiliate service costs. *See, e.g.,* Appendix paragraph (11) of *Application of Virginia Electric and Power Company and Dominion Generation, Inc., Dominion Energy Kewaunee, Inc., Dominion Energy Nuclear Connecticut, Inc., Dominion Energy Technical Solutions, Inc., Dominion Energy Transmission, Inc., and Dominion Energy Fuel services, Inc., For approval of Revised Affiliate Services Agreements and future exemptions from the filing and prior approval requirements under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2018-00162, 2018 S.C.C. Ann. Rept. 539, Order Granting Approval (Dec. 19, 2018).

[6] *See* Appendix paragraph (1). The form and reporting of the Verification shall be consistent with that directed in the 2015 Order.

[7] The form and reporting of the Verification shall be consistent with that directed in the 2015 Order.

(12) APCo shall include all transactions associated with the Support Agreement in its ARAT submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. APCo shall report the Support Agreement transactions in its ARAT by: (1) case number; (2) affiliate; (3) service category, (4) FERC account, and (5) amount as the transactions are recorded in APCo's books.

CASE NO. PUR-2020-00046
MAY 14, 2020

APPLICATION OF
KINECT ENERGY INC.

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On March 17, 2020, Kinect Energy, Inc., ("Kinect" or "Company") completed an application ("Application") with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia.[1] The Company seeks authority to offer electricity aggregation service to eligible commercial, industrial, and governmental customers in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company ("APCo"), and Kentucky Utilities Company d/b/a Old Dominion Power Company.[2] Kinect also seeks authority to offer natural gas aggregation service to eligible commercial, industrial, and governmental customers throughout Virginia.[3] The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[4]

On April 1, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring, among other things, the Company to serve a copy of the Procedural Order upon each of the utilities listed in Attachment A to the Procedural Order. On April 7, 2020, Kinect filed proof of service. The Commission also directed through its Procedural Order that any written comments in the matter may be filed with the Clerk of the Commission on or before April 22, 2020, but no comments were filed in this case.

In addition, the Procedural Order directed the Staff to analyze the Application and present its findings in a report ("Report"). The Staff filed its Report on April 29, 2020, which summarized Kinect's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, the Staff recommended that Kinect be granted an aggregator's license to conduct business as a competitive service provider of electricity to eligible commercial, industrial, and governmental customers in the service territories of Dominion and APCo. The Staff also recommended that Kinect be granted an aggregator's license to conduct business as a competitive service provider of natural gas service to eligible commercial, industrial, and governmental customers in the Virginia service territories open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, the record in this case, and applicable law, finds that Kinect's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Kinect is hereby granted License No. A-99 to provide competitive aggregation service of (i) electricity to commercial, industrial, and governmental customers in the service territories of Dominion and APCo; and (ii) natural gas to eligible commercial, industrial, and governmental customers throughout Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] The Company initially filed its Application on March 11, 2020, but the Commission's Staff ("Staff") deemed the Application incomplete as filed. Kinect provided supplemental information on March 17, 2020, completing its Application.

[2] Retail choice for electricity exists only in the service territories of Dominion, APCo, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[3] Retail choice for natural gas service presently exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s.

[4] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2020-00047
MARCH 31, 2020

JOINT PETITION OF
APPALACHIAN POWER COMPANY and AEP CREDIT, INC.

For authority to continue account factoring program under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On March 12, 2020, Appalachian Power Company ("APCo") and AEP Credit, Inc. ("AEP Credit") (collectively, "Applicants"), filed with the State Corporation Commission ("Commission") an Application requesting authority for APCo to continue factoring its accounts receivables to its affiliate, AEP Credit, under Chapter 4 of Title 56 of the Code of Virginia ("Code").[1]

The Commission first authorized APCo to sell accounts receivables to an affiliate beginning in 2000.[2] Following this initial approval, the Applicants have subsequently requested, and received Commission approval, to extend the account factoring program through March 31, 2020.[3]

Under the existing agreement for the program, APCo sells its accounts receivables at a discount to AEP Credit on a daily basis. APCo acts as a collection agent for the receipt of customer payments and remits these payments to AEP Credit. According to the Applicants, this process allows APCo to finance its accounts receivable at a lower cost of capital than it otherwise could.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff, is of the opinion and finds that approval of the Application is in the public interest and should be approved, subject to the conditions in the attached Appendix.

Accordingly, IT IS ORDERED THAT:

(1) The Application is approved. Pursuant to Code § 56-77, APCo is granted approval to continue its factoring program with AEP Credit, under the terms and conditions and for the purposes as detailed in the Application, through March 31, 2025. This approval is subject to the requirements listed in the Appendix attached hereto.

(2) This case is dismissed.

APPENDIX A

1) Commission approval is required for any changes in the terms and conditions of the factoring program including, but not limited to, any changes in services received, pricing practices, or successors or assigns.

2) The approval granted herein does not preclude the Commission from exercising the provisions of Code §§ 56-78 and 56-80 hereafter.

3) The Commission reserves the right to examine the books and records of any affiliate in connection with the approvals granted herein, whether or not such affiliate is regulated by this Commission.

4) The approval granted in this case shall have no ratemaking implications.

5) APCo shall include the transactions associated with the factoring program approved herein in its Annual Report of Affiliate Transactions submitted to the Commission's Director of Utility Accounting and Finance on or before May 1 of each year, which deadline may be extended administratively by the Commission's Director of Utility Accounting and Finance.

6) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then APCo shall include the affiliate factoring program information contained in the Annual Report of Affiliate Transactions in such filings.

---

[1] Code § 56-76 *et seq*.

[2] *Application of Appalachian Power Company d/b/a American Electric Power, For authority to factor its accounts receivables to an affiliate*, Case No. PUF-2000-00027, 2000 S.C.C. Ann. Rept. 623, Order Granting Authority (Oct. 20, 2000).

[3] *Application of Appalachian Power Company and AEP Credit, Inc., For authority to continue account factoring program under Chapter 4 of Title 56 of the Code of Virginia,* Case No. PUE-2014-00127, 2015 S.C.C. Ann. Rept. 265, Order Granting Authority (Feb. 9, 2015).

CASE NO. PUR-2020-00048
MARCH 16, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: Temporary Suspension of Tariff Requirements

ORDER SUSPENDING DISCONNECTION OF SERVICE AND SUSPENDING TARIFF PROVISIONS REGARDING UTILITY DISCONNECTIONS OF SERVICE

The State Corporation Commission ("Commission") takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.[1]

Accordingly, the Commission takes the following action.

NOW THE COMMISSION ORDERS each jurisdictional electric, gas, water or sewer utility identified in the attachment to this Order to suspend disconnection of service to any customer, pending further orders of the Commission. The Commission further SUSPENDS, pending further orders, any and all provisions of tariffs on file that prevent or condition the disconnection of service by such utility. This suspension is effective for sixty (60) days from the date hereof.

IT IS SO ORDERED this 16th day of March 2020.

NOTE: A copy of the attachment is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

[1] See, for instance, Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Gov. Ralph S. Northam.

CASE NO. PUR-2020-00048
APRIL 9, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION — CASE NO. PUR-2020-00048

Ex Parte: Temporary Suspension of Tariff Requirements

PETITION OF

OFFICE OF THE ATTORNEY GENERAL,
DIVISION OF CONSUMER COUNSEL — CASE NO. PUR-2020-00049

For emergency order to suspend utility service disconnections during State of Emergency

ORDER EXTENDING SUSPENSION OF SERVICE DISCONNECTIONS

In response to the coronavirus (COVID-19) public health emergency, on March 16, 2020, the State Corporation Commission ("Commission") docketed *ex parte* a new proceeding, Case No. PUR-2020-00048. Taking judicial notice of the emergency, we therein ordered each jurisdictional electric, gas, water or sewer utility to suspend disconnection of service to any customer, pending further order of the Commission ("March 16 Order"). In addition, the March 16 Order suspended any and all provisions of tariffs on file that prevent or condition the disconnection of service by such utility. Such suspension was made effective for sixty (60) days from the date thereof, a period extending to May 15, 2020, again pending further order of the Commission.

Also on March 16, 2020, the Commission issued an order scheduling responsive pleadings attendant to a Petition for Emergency Order to Suspend Utility Service Disconnections During State of Emergency ("Petition") filed by the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"). The following submitted comments related to the Petition: Virginia Electric and Power Company ("Dominion"); Virginia, Maryland and Delaware Association of Electric Cooperatives ("Cooperatives"); Virginia Natural Gas; United States Senators Mark R. Warner and Tim Kaine; Columbia Gas of Virginia; Appalachian Power Company; Virginia American Water Company; and Virginia Poverty Law Center. Consumer Counsel filed a reply on April 6, 2020.

Case Nos. PUR-2020-00048 and PUR-2020-00049 both concern the coronavirus public health emergency, and the Commission herein issues the instant Order in consideration of both dockets concurrently.

March 16 Order

The unprecedented public health crisis now faced by our country and the Commonwealth requires both our March 16 Order suspending service disconnections for sixty days, as well as the extension we order today. While we extend the period of our March 16 Order, we recognize, as Consumer Counsel does,[1] that customers still owe payment for utility services received. If such bills are never paid, the costs of these unpaid bills are ultimately borne by paying customers as operational costs of the utility. These costs do not disappear; they are shifted to other customers, who themselves may be struggling to make ends meet in the economic catastrophe caused by the COVID-19 pandemic. Non-payment of bills also impacts a utility's liquidity and could even threaten its ability to continue providing service to all of its customers, a factor particularly salient with regard to electric cooperatives, who have no stockholders to provide equity capital and are owned by their own customers.

The purpose of our March 16 Order in this proceeding was and remains to protect those Virginia residential and business customers who, through no fault of their own, become temporarily unable to access sufficient cash to pay their utility bills on a timely basis due to the severe economic consequences of the public health emergency. Accordingly, our March 16 Order was and remains prospective in application, not retroactive. It does not apply to accounts disconnected because they were unacceptably in arrears under existing tariffs for billing periods prior to March 16, 2020. Nor did our March 16 Order extinguish past-due amounts owed for utility services received in billing periods prior to March 16, 2020.[2] Our Order did not require reconnections of customers whose service had already been terminated prior to the COVID-19 crisis under existing tariffs, as those disconnections by definition could not have been caused by the COVID-19 emergency. At the same time, we did not prohibit utilities from choosing to reconnect past customers, as several have voluntarily done.[3]

While our March 16 Order was not retroactive, we strongly urge utilities to make extraordinary efforts to avoid disconnections for medically vulnerable customers. We also urge utilities to work with customers who were already in arrears or disconnected, but who are now seeking reconnection. We urge utilities to offer extended or flexible payment plans that may allow residential customers suffering temporary unemployment or business customers facing unforeseeable revenue shortfalls to resume or continue receiving vital utility services until the coronavirus emergency has passed. We also urge utilities to waive reconnection fees for such customers.

Suspension of Late Fees

We supplement our March 16 Order by directing that for customers whose payment arrearages are due to the coronavirus emergency, late payment fees shall not be assessed.

Pre-paid Meters

Pre-paid meters, used predominantly by electric cooperatives for some residential customers, present a difficult issue from a practical standpoint. Customers pre-pay and service is disconnected automatically if the amount pre-paid runs to zero. The problem of a sudden utility disconnection presents the same threat, however, to customers who find themselves suddenly unemployed due to the coronavirus emergency and unable to "feed the meter" on a timely basis. Accordingly, we direct utilities to include these pre-paid customers in our directive to continue service. This continued service is not free, and such customers are responsible for eventual payment.[4] If it is technically impossible to re-program the pre-paid meter to run past zero, utilities using such meters must arrange alternative methods to prevent a service shut-off during the pendency of this Order. We urge utilities to work with customers on flexible or extended re-payment plans.

Extension of Period for Suspending Disconnects

While we fervently wish otherwise, at this time it appears that the devastating economic effects of the COVID-19 pandemic are unlikely to abate significantly by May 15th.[5] Therefore, we find it necessary to extend the period prohibiting service disconnections, as well as the other directives set forth in this Order, for an additional thirty (30) days, through June 14, 2020, pending further order of the Commission.[6]

---

[1] Consumer Counsel Reply at 9.

[2] The Cooperatives urge in their response in Case No. PUR-2020-00049 that we limit our March 16 Order to service disconnections only for non-payment, not for other reasons such as voluntary disconnections requested by a customer, "meter tampering" or "safety" reasons. Cooperatives Response at 4. To the extent necessary, we clarify that our March 16 Order applied to service disconnections for non-payment caused by the coronavirus public health emergency, of which we took judicial notice in such order. The Cooperatives also ask us to limit our March 16 Order to service disconnections for residential customers only. Cooperatives Response at 2. If the Cooperatives wish to make such a request, which could have enormous implications for Virginia businesses struggling with the devastating economic effects of the pandemic, it should be filed as a formal petition to which other interested parties may respond, and in which the Commission could act expeditiously. In addition, the Cooperatives may limit such petition and seek an expeditious waiver of this Order for specific non-residential customers, if the Cooperatives believe individual factual circumstances support such a waiver.

[3] Consumer Counsel Reply at 3.

[4] We direct utilities using pre-paid meters to work with the Commission's Division of Public Utility Regulation on appropriate communications to their pre-paid customers regarding notification of these conditions.

[5] We also note that Gov. Ralph S. Northam issued a statewide "Stay at Home" order on March 30, 2020, which will remain in effect until June 10, 2020. *See* Executive Order No. 55, Temporary Stay at Home Order Due to Novel Coronavirus, COVID-19.

[6] In Dominion's responsive pleading filed in Case No. PUR-2020-00049, Dominion stated it had already pledged to observe the suspension of service disconnections through June 10, 2020, consistent with the Governor's order. Dominion Response at 2. Virginia Natural Gas and Appalachian Power Company also pledged to suspend service disconnections through the duration of the Governor's emergency declaration. Virginia Natural Gas Response at 1, and Appalachian Power Company Response at 1, respectively.

Tariff Waivers

We grant any individual tariff waivers necessary to implement this Order for the duration of the period during which this Order remains in effect; to wit, through June 14, 2020, pending further order of the Commission.[7]

Case No. PUR-2020-00049

Finally, we grant Consumer Counsel's Petition to the extent it is consistent with our orders in Case No. PUR-2020-00048, including the Order issued today, and dismiss the proceeding. We will keep open our docket in Case No. PUR-2020-00048 during the COVID-19 emergency for consideration and action on such additional issues as may be necessitated by the crisis.

Accordingly, IT IS SO ORDERED, Case No. PUR-2020-00048 is CONTINUED pending further order of the Commission, and Case No. PUR-2020-00049 is DISMISSED.

[7] To the extent consistent with the instant Order, we grant the tariff waivers requested by Dominion, Virginia Natural Gas, and Columbia Gas of Virginia in their responsive pleadings in Case No. PUR-2020-00049.

CASE NO. PUR-2020-00048
JUNE 12, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: Temporary Suspension of Tariff Requirements

ORDER ON SUSPENSION OF SERVICE DISCONNECTIONS

Earlier this year we established *sua sponte* this docket to respond to the unprecedented socioeconomic crisis inflicted on the United States and the Commonwealth of Virginia by the coronavirus (COVID-19). On March 16, 2020, we ordered an immediate moratorium on service disconnections for unpaid bills caused by the COVID-19 crisis by jurisdictional electricity, natural gas, water, and sewer utilities.[1] This moratorium provided immediate protection to both residential and business customers and was initially put in place to run 60 days, to May 15, 2020. On April 9, 2020, we issued a second order extending this moratorium for an additional 30 days, to run to June 15, 2020.[2]

Given the magnitude of this issue and its impact on Virginia's economy and people, on May 26, 2020, we issued a third order,[3] inviting members of the public, persons holding important positions of public office in Virginia, utilities and other interested persons to comment on whether the mandatory moratorium on service disconnections should be extended beyond June 15, 2020. In that order seeking comment, we noted the following:

> While we recognize the hardships faced by many Virginians as a result of jobs lost due to the COVID-19 catastrophe, the reality is that a moratorium on all service disconnections due to unpaid bills is not sustainable on an unlimited basis in the absence of programs to ensure that the growing costs of unpaid bills are not unfairly shifted to other customers. These growing costs eventually become unsustainable, making it virtually impossible for customers ever to repay and potentially affecting the utilities themselves, especially smaller utilities and cooperatives which have little or no access to investor equity capital.[4]

While not limiting the relevant topics that commenters were free to address, we asked all commenters to address three specific questions:

a. Should the mandatory moratorium on utility service disconnections currently in place be extended beyond June 15, 2020? If so, for how long?

b. If the commenter advocates extending the mandatory moratorium on service disconnections indefinitely or for a significant period beyond June 15, please identify the programs and mechanisms, public or private, that will provide sufficient funding to ensure that the costs of unpaid utility bills are defrayed and will not result in even higher costs on other utility customers.

c. Should the *mandatory* moratorium on service disconnections be replaced on June 15 (or some specific later date) with *voluntary* measures by utilities to reduce or avoid service disconnections, including as examples and without limitation, offering extended payment plans with no late fees and/or waivers of reconnection charges?[5]

[1] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020).

[2] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Order Extending Suspension of Service Disconnections (Apr. 9, 2020).

[3] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Order Seeking Comment on Suspension of Service Disconnections (May 26, 2020).

[4] *Id*. at 2 (footnote omitted).

[5] *Id*. at 3.

The Commission received over 300 comments in this matter.[6] We sincerely appreciate the time and effort that all commenters put in to responding to the Commission's request, and these comments have been fully considered in establishing the additional requirements set forth herein.

Some commenters urged that the mandatory moratorium not be extended, but instead advocated conversion to a voluntary arrangement in which utilities can either extend their own moratorium[7] or design solutions on a case-by-case basis to assist individual customers to avoid cut-offs.[8]

Some commenters agreed, or did not take issue with, our statement that a "moratorium on all service disconnections due to unpaid bills is not sustainable on an unlimited basis in the absence of programs to ensure that the growing costs of unpaid bills are not unfairly shifted to other customers."[9]

Some commenters who favored a significantly longer extension of our ban on service disconnections for unpaid bills averred that the magnitude of the cost-shifting impact on other customers is uncertain or will not be determined until a future rate case in which other issues will be considered, such as a utility's earnings.[10]

Some commenters asserted that unpaid bills are not costs of the utility that will be shifted to other customers unless these bills are never repaid, thus utilities should be required to set up extended repayment plans so that customers can eventually pay arrearages.[11]

Some utility commenters said that a "one-size-fits-all" approach is no longer appropriate, especially since several Virginia utilities serve customers across multiple state jurisdictions, each with different rules, policies and timetables regarding utility service disconnections during the COVID-19 crisis. For example, Washington Gas Light Company ("WGL") serves customers in Virginia, Maryland and the District of Columbia, each with different rules and timetables, creating challenges and potential confusion as WGL's service personnel attempt to work with customers on options for maintaining service.[12] At the other geographic end of the Commonwealth, Powell Valley Electric Cooperative serves customers in both Virginia and Tennessee, where power supply is provided by the Tennessee Valley Authority, a federal authority.[13] Appalachian Power Company serves customers in both Virginia and West Virginia.[14]

Further, a "one-size-fits-all" approach may be problematic in the longer term in that Virginia's utilities vary greatly in size and financial strength, ranging from very large, deeply capitalized electricity and gas utilities owned by publicly-held holding companies with access to global capital markets to small, thinly capitalized rural water companies and member-owned electricity cooperatives which have little to no access to equity capital at all. The VMDAEC reiterated their earlier comments that cooperatives, as member-owned utilities with no stockholders, must shift the costs of unpaid bills to other paying customers.[15] With no access to equity capital, a shortfall of revenues from customer payments eventually threatens the ability of an electric cooperative even to operate.[16] The VMDAEC asks for the mandatory moratorium to be allowed to expire on June 15, 2020, after which they will work with customers on a case-by-case basis to avoid service disconnections and assist customers with paying bills in arrears to avoid shut-offs.[17]

Several commenters asserted that it is essential to collect and monitor data relevant to the issues involved herein in order to fashion necessary solutions.[18]

---

[6] For example, the Commission notes that this included comments from the Governor of Virginia and from 58 members of the Virginia General Assembly. The public record in this case lists, and provides copies of, all comments received in this matter.

[7] Virginia Electric and Power Company's Comments at 2.

[8] Aqua Virginia, Inc.'s ("Aqua") Comments at 1-2; Washington Gas Light Company's ("WGL") Comments at 3; Virginia, Maryland and Delaware Association of Electric Cooperatives' ("VMDAEC") Comments at 2; Virginia Natural Gas, Inc.'s Comments at 3.

[9] *See, e.g.,* VMDAEC's Comments at 2; Aqua Comments at 1.

[10] Environmental Advocates' Comments at 3; Office of the Attorney General, Division of Consumer Counsel's ("Consumer Counsel") Comments at 4; Letter Signed by 58 Members of the Virginia General Assembly Sent from the Office of Delegate Jerrauld "Jay" Jones ("Legislator Comments") at 1.

[11] Environmental Advocates' Comments at 2; Appalachian Voices' Comments at 5; Virginia Poverty Law Center's ("VPLC") Comments at 3.

[12] WGL's Comments at 4, n.5 ("On May 29,2020, the Governor of Maryland extended this date to July 1, 2020 for Maryland utilities; in the District, the current moratorium is effective up to June 23, 2020.").

[13] VMDAEC's Comments at n.1; *see also In Re: Emergency Petition of the Consumer Advocate Unit of the Financial Division of the Tennessee Attorney General*, Docket No. 20-00047, Order Requiring All Jurisdictional Utilities to Suspend Actions to Disconnect Service for Lack of Payment During the State of Public Health Emergency (Mar. 31, 2020). Tennessee reportedly implemented a mandatory moratorium on disconnections. *See* https://www.naruc.org/compilation-of-covid-19-news-resources/map-of-disconnection-moratoria.

[14] West Virginia reportedly implemented a voluntary moratorium on disconnections. *See* https://www.naruc.org/compilation-of-covid-19 news-resources/map-of-disconnection-moratoria.

[15] VMDAEC's Comments at 2-3 ("[A]s member-owned utilities, there are no separate shareholders which could be called upon to bear losses associated with uncollectible debt; all remaining Cooperative ratepayers are and will be affected by these losses.").

[16] *Id.* at 3.

[17] *Id.* at 5.

[18] Environmental Advocates' Comments at 3-4; Consumer Counsel's Comments at 6-7; Legislator Comments at 1-2; Appalachian Voices' Comments at 2; VPLC's Comments at 2-3.

NOW THE COMMISSION, upon consideration of this matter, and taking into account the comments received herein as well as our previous orders in this docket, issues the following ruling.

Initially, we note actions and events that have taken place since our original order of March 16, 2020 imposing a moratorium on utility service cut-offs. Of particular importance, the Governor of Virginia has issued orders relaxing earlier restrictions imposed on business and social activities related to the spread of the COVID-19 virus.[19] These gubernatorial orders reflect on data indicating progress on the public health front, and we certainly hope these relaxations of restrictions on business activities will begin to restore economic health to the many businesses in Virginia that have been hurt, large and small, as well as restoring jobs to the many Virginians who lost their jobs due to the COVID-19 crisis.[20]

In other significant events subsequent to our original service disconnection order, the United States Congress passed several measures to help those impacted by the COVID-19 crisis, including the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").[21]

Rate Impact

Some commenters questioned whether unpaid bills would actually result in cost-shifting to other customers, generally arguing that rates cannot be increased until a future rate case in which many other factors are weighed, including a utility's earnings.[22]

It is true that in a rate case many accounting items are weighed, including a utility's earnings or losses, before finally determining whether any rate changes are required. Yet under standard regulatory principles, a utility may recover from customers in rates the costs of unpaid bills, as long as such costs meet the "reasonable and prudent" standard. While we will not, of course, prejudge any specific claim for cost recovery in a future rate case, it is entirely foreseeable that an argument would be made in support of cost recovery that it was clearly "reasonable and prudent" for a utility to incur costs by complying with a state-imposed mandatory ban on service shut-offs that required utilities to continue providing service to non-paying customers.

Further, while a utility with substantial "over-earnings" is in a much better position to bear the short-term cash flow impact of such costs than, for example, small utilities or electricity cooperatives with no stockholders, even if a utility has "over-earnings," costs related to uncollected bills will still be shifted to other customers because these costs will *reduce* the utility's over-earnings, thus reducing potential *refunds* to customers or reducing or removing entirely the potential for rate *decreases.* And for utilities that do not have "over-earnings" these costs could be argued to justify rate *increases.*

As far as timing, it is true that any specific change to rates will not be determined until a rate case at some point in the future. We note that several utilities already have regular rate cases pending and more are expected.[23] Virginia law also allows utilities to seek immediate rate increases through emergency rate cases if circumstances warrant.[24] As observed by Consumer Counsel, "prudently incurred costs – whether voluntarily incurred or mandatorily incurred – are recoverable from customers as part of a utility's cost of service," and "a moratorium that leads to unlimited increases in amounts associated with unpaid bills – with or without an offsetting increase in rates – is not sustainable on an unlimited basis."[25]

---

[19] *See* Executive Order No. 61, Phase One Easing of Certain Temporary Restrictions Due to Novel Coronavirus (COVID-19), issued May 8, 2020, by Governor Ralph S. Northam. *See also* Executive Order No. 65, Phase Two Easing of Certain Restrictions Due to Novel Coronavirus (COVID-19), issued June 2, 2020, by Governor Ralph S. Northam. In addition, at the request of the Governor, the Supreme Court of Virginia recently issued an order suspending all eviction proceedings through June 28, 2020, while the Governor implements a rent relief program in the Commonwealth. *See In Re: Fifth Order Modifying and Extending Declaration of Judicial Emergency in Response to COVID-19 Emergency*, Supreme Court of Virginia (June 8, 2020).

[20] On June 5, 2020, the deadline for comments to our Order Seeking Comments, the United States Bureau of Labor Statistics announced that the national unemployment rate fell in May and 2.5 million jobs were added, welcome news following two months of devastating job losses. *See, e.g.*, "U.S. Unemployment Rate Fell to 13.3% in May; Payrolls rose by 2.5 million, suggesting jobs are returning," *Wall Street Journal,* June 6, 2020, pg. 1, *www.wsj.com.*

[21] Pub. L. No. 116-136, 134 Stat. 281 (Mar. 27, 2020). Among its many provisions, the CARES Act increased cash payments and extended eligibility for unemployment benefits to those laid off during the COVID-19 crisis, provided for direct cash payments to individuals and families based on taxable income, and provided loans to businesses to avoid layoffs and maintain payrolls.

[22] Environmental Advocates' Comments at 2; Consumer Counsel's Comments at 4.

[23] *See Application of Virginia-American Water Company, For a general increase in rates*, Case No. PUR-2018-00175, Doc. Con. Cen. No. 181110164, Application (Nov. 2, 2018); *Application of Massanutten Public Service Corporation, For an expedited increase in rates*, Case No. PUR-2020-00039, Doc. Con. Cen. No. 200320074, Application (Mar. 11, 2020); *Application of Virginia Natural Gas, For a general rate increase and for authority to revise the terms and conditions applicable to natural gas service*, Case No. PUR-2020-00095, Doc. Con. Cen. No. 200610137, Application (June 1, 2020); *Application of Appalachian Power Company, For a 2020 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-2020-00015, Doc. Con. Cen. No. 200340029, Application (Mar. 31, 2020).

[24] *See* Code § 56-245.

[25] Consumer Counsel's Comments at 7.

Legislators' Letter

As referenced above, we received a letter signed by 58 members of the General Assembly. The legislators stated:

> Given the unprecedented nature and breadth of this crisis, it is our considered opinion that the above issues raised by the Commission will require legislative action. We are currently evaluating novel legislative options that could mitigate the financial hardship faced by our constituents as well as those of Virginia's public service companies, recognizing as the Commission notes, the significant variance between the types of utilities serving Virginian customers.[26]

We welcome the expression by these legislators that the unprecedented nature of the COVID-19 crisis and its repercussions on utility customers and utilities calls for solutions that go beyond what utility regulation alone can provide. The legislators raise the prospect of an emergency special session of the General Assembly to consider the COVID-19 crisis and its impact on issues such as the ones pertinent herein. As described below, we will extend the current moratorium to allow time for the General Assembly to meet in special session to address the COVID-19 crisis in a more comprehensive manner. At least one commenter offered a constructive suggestion as to possible legislation to mitigate the impact of the COVID-19 crisis on customers. Appalachian Voices states that half of the funds available to Virginia under the recent federal CARES Act can be used for utility bill payment assistance. State legislation would be required to use the CARES Act funds in this manner.[27]

We also welcome the legislators' recognition that Virginia's utilities vary significantly in size, territories, and financial structures and resources. This great diversity in Virginia's electricity, natural gas, water and sewer utilities argues for transitioning away from a "one-size-fits-all" rule to one that acknowledges these many different types of utilities.[28]

Extension

Despite the positive developments cited above, we do not minimize the continuing hardships faced by many Virginians due to the economic devastation caused by the COVID-19 crisis, nor do we presume to predict when our economic situation will return to the low unemployment rates just before the COVID-19 pandemic hit the United States.

Our purpose since our original order of March 16th imposing a moratorium on service shut-offs has been to protect Virginia's utility customers who, through no fault of their own, have been the victims of the devastating economic consequences of the COVID-19 pandemic, while recognizing that an unlimited moratorium is not sustainable without government actions to protect other customers from cost-shifting.

While there are some signs of economic recovery, hundreds of thousands of Virginians are still suffering from lost jobs and income caused by the crisis. Accordingly, we extend the moratorium on utility shut-offs to August 31, 2020.

This additional extension will give the General Assembly and Governor time to address the economic repercussions of the COVID-19 crisis on utility customers, an effort alluded to in the letter referenced above from the 58 General Assembly members as well as several other commenters. We emphasize that utility regulation alone cannot adequately address what is a much broader socioeconomic catastrophe.

The following provisions will apply during the extension ordered herein:

1. Residential and small business customers (*i.e.*, customers not included in 2., below) in arrears due to the COVID-19 crisis remain responsible for payment but must be offered extended payment plans of up to 12 months. Utilities are authorized the flexibility to work with customers on a case-by-case basis to create extended payment plans for each customer, but no late fees or carrying charges can be added to the arrearage.

2. For large commercial customers,[29] these customers remain responsible for payment, but we authorize utilities the flexibility to work out, on a case-by-case basis, extended payment plans in lieu of cut-offs for such customers whose arrearages have been specifically caused by the economic impact of the COVID-19 crisis and not by other factors or business decisions. Before offering extended payment plans, utilities may require such large customers to make every effort to obtain access to the loans for businesses made available by the CARES Act or other federal or state lending programs for COVID-19 relief.

3. As noted in our prior order extending this moratorium, a utility may seek an expeditious waiver of the moratorium in the instant Order for specific non-residential customers, if the utility believes individual factual circumstances support such a waiver.

4. During this extension, no reconnection fees can be charged to eligible customers previously disconnected who seek to reconnect.

5. Utilities shall book amounts owed by a customer on an extended payment plan as accounts receivable and amounts owed shall not result in bad debt expenses as long as plan payments are current.

---

[26] Legislator Comments at 1.

[27] Appalachian Voices' Comments at 7.

[28] Other commenters also recognized this variety in utilities and the need for individual utility approaches. *See, e.g.,* VPLC's Comments at 3.

[29] For example, for electric utilities these are customers that take service under large general service or industrial rate schedules.

6. Utilities shall also collect and report the following data regarding accounts receivable resulting from the suspension of disconnections in this docket to the Commission's Division of Utility Accounting and Finance on a monthly basis by customer class:[30]
   a. The outstanding aged accounts receivable balances as of May 31, 2020, resulting from the suspension of service disconnections in this docket;
   b. Associated collections from customers during each of the months of June, July, and August 2020;
   c. Associated additions to aged accounts receivable balances during each of the months of June, July, and August 2020; and
   d. The resulting aged accounts receivable balances, net of collections and additions, as of June 30, July 31, and August 31, 2020.
7. Utilities facing cash-flow problems due to unpaid bills that threaten the continuation of service to all customers or long-term financial harm to the utility may seek specific relief from the provisions of this order after making diligent efforts to obtain access to other sources of suitable working capital as may be available from governmental or private sources. We note at least four electric cooperatives have applied for temporary financial assistance from federal sources.[31]
8. To reiterate, our moratorium orders are not retroactive; they apply to arrearages that are the direct result of the COVID-19 crisis that afflicted our economy earlier this year and thus arose in billing periods beginning in February 2020.
9. Any tariff waivers necessary to carry out the directives herein are approved until further order of the Commission.

It is our fervent hope that the process of healing the economic damage caused by the COVID-19 crisis will continue. In particular, we hope that jobs and livelihoods will be fully restored to the many Virginians who have suffered job losses or reduced incomes, which includes the many Virginia small businesses which have incurred devastating damage. While we have acted promptly throughout this crisis to protect customers unable to pay utility bills due to the COVID-19 crisis, the only truly sustainable solution is government action beyond utility regulation in the immediate short term and a restoration of economic health as soon as possible.

Accordingly, IT IS SO ORDERED, and this matter is CONTINUED.

[30] If practicable, utilities should provide this information in an electronic format to accounting@scc.virginia.gov.

[31] *See, e.g., Petition of Shenandoah Valley Electric Cooperative*, Case No. PUR-2020-00108, Petition (June 1, 2020); *Application of Central Virginia Electric Cooperative*, Case No. PUR-2020-00091, Order Granting Authority (May 21, 2020); *Application of BARC Electric Cooperative*, Case No. PUR-2020-00088, Order Granting Authority (May 20, 2020); *Application of Northern Neck Electric Cooperative*, Case No. PUR-2020-00075, Order Granting Authority (April 23, 2020).

CASE NO. PUR-2020-00048
AUGUST 24, 2020

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

Ex Parte: Temporary Suspension of Tariff Requirements

ORDER ON MORATORIUM

Earlier this year, the State Corporation Commission ("Commission") established *sua sponte* this docket to respond to the unprecedented socioeconomic crisis inflicted on the United States and the Commonwealth of Virginia by the coronavirus ("COVID-19"). On March 16, 2020, the Commission ordered an immediate moratorium on service disconnections for unpaid bills caused by the COVID-19 crisis by jurisdictional electricity, natural gas, water, and sewer utilities.[1] This moratorium provided immediate protection to both residential and business customers and was initially put in place to run 60 days. On April 9, 2020, the Commission issued a second order extending this moratorium for an additional 30 days.[2]

On May 26, 2020, the Commission, by order, invited interested persons to comment on issues related to an extension of the moratorium.[3] After receiving over 300 comments, on June 12, 2020, the Commission entered its Order on Suspension of Service Disconnections ("June 12 Order").[4] Therein, the Commission extended the moratorium on utility shut-offs through August 31, 2020, explaining:

[1] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020).

[2] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020).

[3] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200550054, Order Seeking Comment on Suspension of Service Disconnections (May 26, 2020).

> Our purpose since our original order of March 16th imposing a moratorium on service shut-offs has been to protect Virginia's utility customers who, through no fault of their own, have been the victims of the devastating economic consequences of the COVID-19 pandemic, while recognizing that an unlimited moratorium is not sustainable without government actions to protect other customers from cost-shifting.[5]

Due to the continuing nature of the COVID-19 pandemic, the Commission's June 12 Order also stated, ". . . we will extend the current moratorium to allow time for the General Assembly to meet in special session to address the COVID-19 crisis in a more comprehensive manner."[6] The Commission emphasized that "utility regulation alone cannot adequately address what is a much broader socioeconomic catastrophe."[7]

The General Assembly convened a special session on August 18, 2020.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows: To give the General Assembly time to complete its special session that began on August 18, 2020, we will extend our June 12 Order through September 15, 2020. This will represent a six-month moratorium on service disconnections, beginning March 16, 2020, on an emergency basis. This period of time has been sufficient to provide an opportunity for the General Assembly to choose whether to address legislatively the effects of the COVID-19 crisis on utility customers and utilities. This Order on Moratorium is, of course, subject to such measures as may be enacted by the General Assembly in the current special session. This Commission will, of course, follow any legislation the General Assembly enacts but cannot continue the moratorium indefinitely unless legislatively required to do so.

Accordingly, except as noted below, our June 12 Order, as extended by this Order on Moratorium, will expire on September 16, 2020.

Our June 12 Order directed public utilities to offer to eligible customers unable to pay their bills due to the COVID-19 pandemic the option of entering into extended payment plans of up to 12 months.[8] Customers who have entered into such extended payment plans shall not have their utility service cut off as long as they are current on such extended payment plans or make other mutually agreeable arrangements with the utility for payment, in accordance with the utility's existing tariffs that seek to avoid service disconnections.[9] Further, no late payment fees shall be imposed on such customers keeping current on their extended payment plans.

Our June 12 Order noted, "Any tariff waivers necessary to carry out the directives herein are approved until further order of the Commission."[10] These waivers remain in effect; until further order of the Commission, we waive any tariff provisions as necessary to allow utilities to offer individualized payment plans to customers making good-faith efforts to pay their bills.

The expiration of our moratorium does not mean that customers are without options for continuing utility service, and we strongly urge utilities to make every effort to accommodate customers who are making good-faith efforts to pay their bills.

Accordingly, IT IS SO ORDERED, and this proceeding is dismissed.

---

[4] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200630135, Order on Suspension of Service Disconnections (June 12, 2020).

[5] *Id*. at 9.

[6] *Id*. at 8.

[7] *Id*. at 10.

[8] *Id*. at 10.

[9] It is important to emphasize that prior to our March 16, 2020 emergency order, utilities in Virginia have long had tariffs approved by the Commission that seek to avoid service disconnections of customers, especially medically vulnerable customers. Those protective tariffs remain in full force and effect except as specifically modified herein.

[10] June 12 Order at 11.

CASE NO. PUR-2020-00048
SEPTEMBER 15, 2020

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

Ex Parte: Temporary Suspension of Tariff Requirements

ADDITIONAL ORDER ON MORATORIUM

On March 16, 2020, the State Corporation Commission ("Commission") ordered an immediate moratorium on service disconnections for unpaid bills caused by the COVID-19 crisis by jurisdictional electricity, natural gas, water, and sewer utilities.[1] This moratorium provided immediate protection to both residential and business customers and was initially put in place to run sixty (60) days. The Commission subsequently issued Orders in this docket on April 9, June 12, and August 24, 2020, extending this moratorium for additional periods. The Commission's August 24, 2020, Order extended the moratorium through September 15, 2020, "to provide an opportunity for the General Assembly to choose whether to address legislatively the effects of the COVID-19 crisis on utility customers and utilities" during its special session that began on August 18, 2020.[2]

On September 14, 2020, the Commission received correspondence from Governor Ralph S. Northam, requesting the Commission to extend the moratorium through October 5, 2020, and stating (among other things) that such "extension will give the General Assembly the time they need to address this issue."[3]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that we will extend the moratorium on jurisdictional utility service cut-offs through October 5, 2020, as requested by Governor Northam in his letter of September 14, 2020, in which he explained that he and the General Assembly need this additional time to address this issue in the ongoing General Assembly special session that began on August 18, 2020.

The Commission, however, will not extend the moratorium beyond October 5, 2020. Since we first imposed the moratorium on March 16, 2020, we have warned repeatedly that this moratorium is not sustainable indefinitely.[4] The mounting costs of unpaid bills must eventually be paid, either by the customers in arrears or by other customers who themselves may be struggling to pay their bills. Unless the General Assembly explicitly directs that a utility's own shareholders must bear the cost of unpaid bills, those costs will almost certainly be shifted to other paying customers. This is inevitably the case with utilities such as electric cooperatives, which do not have shareholders but are member-owned. We have also noted the potential financial damage to small electric and water utilities that may not have ready access to additional capital.

In addition, the Commission has further emphasized in past orders that "utility regulation alone" cannot solve the problem.[5] We have urged the Governor and General Assembly to appropriate funds for direct financial assistance to those customers who are unable to pay their bills due to the COVID-19 pandemic, in order to avoid shifting these costs to other customers. We hope the General Assembly uses this additional time to act on this recommendation.

Finally, while the Commission will not extend the moratorium beyond October 5, 2020, we reiterate and expand on the additional customer protections that we have implemented for customers in arrears due to COVID-19. Specifically, in this regard:

- All jurisdictional utilities were directed during the moratorium to offer customers in arrears extended payment plans of up to 12 months.[6]
- These extended payment plans shall remain in effect after October 5, 2020.
- In addition, we herein direct utilities to continue offering extended payments plans after the Commission-imposed moratorium expires pursuant to this Order.

---

[1] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020).

[2] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200830060, Order on Moratorium at 2-3 (Aug. 24, 2020).

[3] The Governor's September 14, 2020, correspondence is being contemporaneously entered into the record of the instant proceeding.

[4] *See, e.g., Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200830060, Order on Moratorium at 3 (Aug. 24, 2020); *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200630135, Order on Suspension of Service Disconnections at 9 (June 12, 2020).

[5] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200830060, Order on Moratorium at 2 (Aug. 24, 2020); *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200630135, Order on Suspension of Service Disconnections at 10 (June 12, 2020).

[6] *See, e.g., Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200630135, Order on Suspension of Service Disconnections at 10 (June 12, 2020).

- Customers shall continue to be protected from service cut-offs as long as they are current in such plans or have entered other good-faith repayment plans with the utility.
- Customers who enter into extended-payment plans or other good-faith repayment plans, and are current thereon, shall not be charged late fees.
- Finally, utilities shall submit quarterly reports to the Commission's Division of Utility Accounting and Finance on the current number and status of repayment plans, and on the current status of the utility's aged accounts receivables as impacted by the requirements of this docket.[7]

As a result, the end of the Commission-directed moratorium does *not* mean the end of protections for customers in arrears who are making a good-faith effort to pay their bills over a longer time period. Customers who enter into such extended-payment plans will continue to be protected from service cut-offs even after the end of this moratorium.

Accordingly, IT IS SO ORDERED, and this proceeding is dismissed.

[7] The first such report shall be submitted in January 2021 for October to December 2020.

CASE NO. PUR-2020-00049
MARCH 16, 2020

PETITION OF
OFFICE OF THE ATTORNEY GENERAL, DIVISION OF CONSUMER COUNSEL

For emergency order to suspend utility service disconnections during State of Emergency

ORDER PERMITTING RESPONSE TO PETITION

On Friday, March 13, 2020, the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel") filed a Petition for Emergency Order to Suspend Utility Service Disconnections during State of Emergency ("Petition") asking the Commission to enter the requested order with regard to utilities providing "power, light, heat or water" in the Commonwealth of Virginia.

NOW THE COMMISSION is of the opinion and finds that the regulated utilities providing such services, as shown in the attached service list, shall be permitted to respond to the Petition on or before Friday, March 27, 2020. Consumer Counsel may file a reply to any response on or before Monday, April 6, 2020.

NOTE: A copy of the Attachment is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUR-2020-00049
APRIL 9, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION — CASE NO. PUR-2020-00048

Ex Parte: Temporary Suspension of Tariff Requirements

PETITION OF

OFFICE OF THE ATTORNEY GENERAL,
DIVISION OF CONSUMER COUNSEL — CASE NO. PUR-2020-00049

For emergency order to suspend utility service disconnections during State of Emergency

ORDER EXTENDING SUSPENSION OF SERVICE DISCONNECTIONS

In response to the coronavirus (COVID-19) public health emergency, on March 16, 2020, the State Corporation Commission ("Commission") docketed *ex parte* a new proceeding, Case No. PUR-2020-00048. Taking judicial notice of the emergency, we therein ordered each jurisdictional electric, gas, water or sewer utility to suspend disconnection of service to any customer, pending further order of the Commission ("March 16 Order"). In addition, the March 16 Order suspended any and all provisions of tariffs on file that prevent or condition the disconnection of service by such utility. Such suspension was made effective for sixty (60) days from the date thereof, a period extending to May 15, 2020, again pending further order of the Commission.

Also on March 16, 2020, the Commission issued an order scheduling responsive pleadings attendant to a Petition for Emergency Order to Suspend Utility Service Disconnections During State of Emergency ("Petition") filed by the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"). The following submitted comments related to the Petition: Virginia Electric and Power Company ("Dominion"); Virginia, Maryland and Delaware Association of Electric Cooperatives ("Cooperatives"); Virginia Natural Gas; United States Senators Mark R. Warner and Tim Kaine; Columbia Gas of Virginia; Appalachian Power Company; Virginia American Water Company; and Virginia Poverty Law Center. Consumer Counsel filed a reply on April 6, 2020.

Case Nos. PUR-2020-00048 and PUR-2020-00049 both concern the coronavirus public health emergency, and the Commission herein issues the instant Order in consideration of both dockets concurrently.

March 16 Order

The unprecedented public health crisis now faced by our country and the Commonwealth requires both our March 16 Order suspending service disconnections for sixty days, as well as the extension we order today. While we extend the period of our March 16 Order, we recognize, as Consumer Counsel does,[1] that customers still owe payment for utility services received. If such bills are never paid, the costs of these unpaid bills are ultimately borne by paying customers as operational costs of the utility. These costs do not disappear; they are shifted to other customers, who themselves may be struggling to make ends meet in the economic catastrophe caused by the COVID-19 pandemic. Non-payment of bills also impacts a utility's liquidity and could even threaten its ability to continue providing service to all of its customers, a factor particularly salient with regard to electric cooperatives, who have no stockholders to provide equity capital and are owned by their own customers.

The purpose of our March 16 Order in this proceeding was and remains to protect those Virginia residential and business customers who, through no fault of their own, become temporarily unable to access sufficient cash to pay their utility bills on a timely basis due to the severe economic consequences of the public health emergency. Accordingly, our March 16 Order was and remains prospective in application, not retroactive. It does not apply to accounts disconnected because they were unacceptably in arrears under existing tariffs for billing periods prior to March 16, 2020. Nor did our March 16 Order extinguish past-due amounts owed for utility services received in billing periods prior to March 16, 2020.[2] Our Order did not require reconnections of customers whose service had already been terminated prior to the COVID-19 crisis under existing tariffs, as those disconnections by definition could not have been caused by the COVID-19 emergency. At the same time, we did not prohibit utilities from choosing to reconnect past customers, as several have voluntarily done.[3]

While our March 16 Order was not retroactive, we strongly urge utilities to make extraordinary efforts to avoid disconnections for medically vulnerable customers. We also urge utilities to work with customers who were already in arrears or disconnected, but who are now seeking reconnection. We urge utilities to offer extended or flexible payment plans that may allow residential customers suffering temporary unemployment or business customers facing unforeseeable revenue shortfalls to resume or continue receiving vital utility services until the coronavirus emergency has passed. We also urge utilities to waive reconnection fees for such customers.

Suspension of Late Fees

We supplement our March 16 Order by directing that for customers whose payment arrearages are due to the coronavirus emergency, late payment fees shall not be assessed.

Pre-paid Meters

Pre-paid meters, used predominantly by electric cooperatives for some residential customers, present a difficult issue from a practical standpoint. Customers pre-pay and service is disconnected automatically if the amount pre-paid runs to zero. The problem of a sudden utility disconnection presents the same threat, however, to customers who find themselves suddenly unemployed due to the coronavirus emergency and unable to "feed the meter" on a timely basis. Accordingly, we direct utilities to include these pre-paid customers in our directive to continue service. This continued service is not free, and such customers are responsible for eventual payment.[4] If it is technically impossible to re-program the pre-paid meter to run past zero, utilities using such meters must arrange alternative methods to prevent a service shut-off during the pendency of this Order. We urge utilities to work with customers on flexible or extended re-payment plans.

---

[1] Consumer Counsel Reply at 9.

[2] The Cooperatives urge in their response in Case No. PUR-2020-00049 that we limit our March 16 Order to service disconnections only for non-payment, not for other reasons such as voluntary disconnections requested by a customer, "meter tampering" or "safety" reasons. Cooperatives Response at 4. To the extent necessary, we clarify that our March 16 Order applied to service disconnections for non-payment caused by the coronavirus public health emergency, of which we took judicial notice in such order. The Cooperatives also ask us to limit our March 16 Order to service disconnections for residential customers only. Cooperatives Response at 2. If the Cooperatives wish to make such a request, which could have enormous implications for Virginia businesses struggling with the devastating economic effects of the pandemic, it should be filed as a formal petition to which other interested parties may respond, and in which the Commission could act expeditiously. In addition, the Cooperatives may limit such petition and seek an expeditious waiver of this Order for specific non-residential customers, if the Cooperatives believe individual factual circumstances support such a waiver.

[3] Consumer Counsel Reply at 3.

[4] We direct utilities using pre-paid meters to work with the Commission's Division of Public Utility Regulation on appropriate communications to their pre-paid customers regarding notification of these conditions.

Extension of Period for Suspending Disconnects

While we fervently wish otherwise, at this time it appears that the devastating economic effects of the COVID-19 pandemic are unlikely to abate significantly by May 15th.[5] Therefore, we find it necessary to extend the period prohibiting service disconnections, as well as the other directives set forth in this Order, for an additional thirty (30) days, through June 14, 2020, pending further order of the Commission.[6]

Tariff Waivers

We grant any individual tariff waivers necessary to implement this Order for the duration of the period during which this Order remains in effect; to wit, through June 14, 2020, pending further order of the Commission.[7]

Case No. PUR-2020-00049

Finally, we grant Consumer Counsel's Petition to the extent it is consistent with our orders in Case No. PUR-2020-00048, including the Order issued today, and dismiss the proceeding. We will keep open our docket in Case No. PUR-2020-00048 during the COVID-19 emergency for consideration and action on such additional issues as may be necessitated by the crisis.

Accordingly, IT IS SO ORDERED, Case No. PUR-2020-00048 is CONTINUED pending further order of the Commission, and Case No. PUR-2020-00049 is DISMISSED.

[5] We also note that Gov. Ralph S. Northam issued a statewide "Stay at Home" order on March 30, 2020, which will remain in effect until June 10, 2020. *See* Executive Order No. 55, Temporary Stay at Home Order Due to Novel Coronavirus, COVID-19.

[6] In Dominion's responsive pleading filed in Case No. PUR-2020-00049, Dominion stated it had already pledged to observe the suspension of service disconnections through June 10, 2020, consistent with the Governor's order. Dominion Response at 2. Virginia Natural Gas and Appalachian Power Company also pledged to suspend service disconnections through the duration of the Governor's emergency declaration. Virginia Natural Gas Response at 1, and Appalachian Power Company Response at 1, respectively.

[7] To the extent consistent with the instant Order, we grant the tariff waivers requested by Dominion, Virginia Natural Gas, and Columbia Gas of Virginia in their responsive pleadings in Case No. PUR-2020-00049.

CASE NO. PUR-2020-00050
MARCH 26, 2020

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to incur long-term indebtedness pursuant to the provisions of Chapter 3 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On March 19, 2020, Atmos Energy Corporation ("Atmos" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3[1] of Title 56 of the Code of Virginia ("Code") requesting authority to incur long-term indebtedness of not more than the aggregate total amount of $200 million, in the form of one or more term loans ("Term Loan") from one or more banks. Atmos paid the requisite fee of $250.

The requested authority is intended to provide funds to support the Company's general liquidity needs at a time when it is experiencing abnormal market conditions in the commercial paper market that is typically relied upon for liquidity funding. No Term Loan borrowings will exceed a maturity of two years, and Atmos intends to exercise all the authority requested before December 31, 2020.

NOW THE COMMISSION, upon consideration of the Application and having been advised by the Commission's Staff, is of the opinion and finds that, subject to the requirements set forth in the Appendix attached hereto, approval of the authority requested in the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) Atmos is authorized to incur the Term Loan indebtedness as described in the Application and subject to the requirements set forth in the Appendix attached hereto.

(2) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

APPENDIX A

1. Atmos is authorized through the period ending December 31, 2020, to incur long-term debt in the form of one or more Term Loan borrowings from one or more banks for up to the aggregate maximum of $200 million with a maturity not to exceed a period of up to two years, under the terms and conditions, and for the purposes stated in the Application.

[1] Code § 56-55 *et seq*.

2. Atmos shall file with the Clerk of the Commission a preliminary report of action within ten (10) days after the execution of any Term Loan pursuant to this case, with such report to include the date of borrowing, the amount borrowed, the applicable interest rate, the maturity date, and the proceeds to Atmos.

3. Atmos shall file a final report of action on or before March 31, 2021. Such report shall include a summary of the information from all prior preliminary reports for Term Loan borrowings exercised under the authority granted in this case. The final report shall also include a summary of all issuance cost incurred for all Term Loan borrowings and indicate the accounting treatment for such costs to include the accounts to which they are booked and respective terms of amortization.

4. The approval granted in this case shall have no accounting or ratemaking implications.

CASE NO. PUR-2020-00052
MARCH 23, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: Certification of Critical Infrastructure Industry Workers

ORDER CERTIFYING CRITICAL INFRASTRUCTURE WORKERS

The State Corporation Commission ("Commission") takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.[1] The Commission also takes judicial notice of the United States Department of Homeland Security, Department of Cybersecurity & Infrastructure Security Agency's Memorandum of March 19, 2020 ("CISA Memorandum").[2]

Accordingly, the Commission takes the following action.

NOW THE COMMISSION ORDERS THAT to support the continued delivery of essential services in Virginia, the Commission hereby declares that service providers and their workers who are necessary to continue delivering electricity, gas, propane, water, and sewer services to customers, both residential and business, retail and wholesale, shall be certified as critical infrastructure industry workers as referenced in the CISA Memorandum. The purpose of this certification is to enable critical infrastructure service providers to receive priority status to obtain resources necessary to continue uninterrupted delivery of vital services to their Virginia customers. This designation is effective until further orders of the Commission.

IT IS SO ORDERED this 23rd day of March 2020.

[1] See, e.g., Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Gov. Ralph S. Northam.

[2] *Memorandum On Identification Of Essential Critical Infrastructure Workers During COVID-19 Response,* from Christopher C. Krebs, Director, CISA.

CASE NO. PUR-2020-00052
MARCH 24, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: Certification of Critical Infrastructure Industry Workers

ORDER CERTIFYING ADDITIONAL CRITICAL INFRASTRUCTURE WORKERS

The State Corporation Commission ("Commission") takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.[1] The Commission also takes judicial notice of the United States Department of Homeland Security, Department of Cybersecurity & Infrastructure Security Agency's Memorandum of March 19, 2020 ("CISA Memorandum").[2]

Accordingly, the Commission takes the following action.

[1] See, e.g., Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Gov. Ralph S. Northam.

[2] *Memorandum On Identification Of Essential Critical Infrastructure Workers During COVID-19 Response,* from Christopher C. Krebs, Director, CISA.

NOW THE COMMISSION ORDERS THAT to support the continued delivery of essential services in Virginia, the Commission hereby declares that service providers and their workers who are necessary to continue delivering facilities-based telecommunication services to customers, both residential and business, retail and wholesale, shall be certified as critical infrastructure industry workers as referenced in the CISA Memorandum. The purpose of this certification is to enable critical infrastructure service providers to receive priority status to obtain resources necessary to continue uninterrupted delivery of vital services to their Virginia customers. This designation is effective until further orders of the Commission.

IT IS SO ORDERED this 24th day of March 2020.

CASE NO. PUR-2020-00053
APRIL 30, 2020

APPLICATION OF
WESTERN VIRGINIA WATER AUTHORITY and STRIPERS LANDING WATER COMPANY and
BLUE WATER BAY ASSOCIATION, INC.

For approval of a transfer of a public utility pursuant to Chapter 5 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On April 17, 2020, Western Virginia Water Authority ("WVWA"),[1] Stripers Landing Water Company ("Stripers Landing"), and Blue Water Bay Association, Inc. ("Blue Water Bay"), completed an application ("Application") with the State Corporation Commission ("Commission") requesting approval to transfer the Stripers Landing and Blue Water Bay water systems ("Systems") to WVWA ("Transfer") pursuant to Chapter 5[2] of Title 56 of the Code.

Stripers Landing provides water service to five residential connections and one non-residential connection serving two condominium buildings at Striper Landing Condominiums in Franklin County, Virginia. Blue Water Bay provides water service to 103 residential connections in the Blue Water Bay subdivision in Franklin County, Virginia. Neither Stripers Landing nor Blue Water Bay (collectively, "Transferors" or "Subdivisions") is a public service company, and neither System is certificated.

The Transferors represent that the purpose for the proposed Transfer is that they want to be relieved from the day-to-day maintenance and operation of the two Systems. The Transferors represent that (1) the cost of water sampling has become burdensome and (2) their resident volunteers are no longer able to operate the Systems. The Transferors state that WVWA can provide consistent quality water service to the two Subdivisions while ensuring the long-term viability of the Systems.[3] WVWA anticipates spending $350,000 to connect its existing Franklin County water distribution system to the Systems.

WVWA already has entered into a Water System Operating and Service Agreement ("Operating Agreement") for each System, effective October 1, 2019. Under the Stripers Landing Operating Agreement, Stripers Landing condominium customers (served by one non-residential connection) currently pay a combined fixed charge of $7.50 for approximately 800 gallons per month (64,000 / 80 = 800 gallons per condo),[4] plus a volumetric fee for any overage use of $5 per 1,000 gallons. Under both the Stripers Landing and Blue Water Bay Operating Agreements, residential customers currently pay a combined fixed charge of $40 for 5,000 gallons per month,[5] plus a volumetric fee for any overage use of $5 per 1,000 gallons. Existing residential customers with undeveloped lots will pay a flat rate of $16.00 plus a capital recovery fee of $10.00 for a total of $26.00 per month for such undeveloped lots. These rates will remain in effect for current customers after the Transfer. New customers after the Transfer will need to pay WVWA's normal availability and connection fees.[6]

The Transfer Agreement dated February 21, 2020,[7] states that the proposed Transfer will take place in exchange for *de minimis* consideration of $10. The Transferors do not have historic cost records for the Systems. WVWA represents that it will book the acquisition of the Stripers Landing System at a cost of $47,000 and book the acquisition of the Blue Water Bay System at a cost of $109,000.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief, is of the opinion and finds that the Transfer will not impair or jeopardize adequate service at just and reasonable rates and therefore should be approved.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-89 and § 56-90, the Transfer is approved subject to the requirements listed below.

[1] WVWA is chartered as a regional water and wastewater authority pursuant to the Virginia Water and Waste Authorities Act, Chapter 51 of Title 15.2 of the Code of Virginia ("Code").

[2] § 56-88 *et seq*.

[3] Application at 8.

[4] $450 base charge + $150 capital recovery fee = $600 / 80 condos = $7.50 per condo per month.

[5] $30 base charge + $10 capital recovery fee = $40 per customer per month.

[6] *See* Application at Appendix C-1 and Appendix C-2.

[7] *See id*. at Appendix B.

(2) The Transfer shall have no accounting or ratemaking implications;

(3) Within 30 days of the consummation of the Transfer, WVWA shall file a Report of Action with the Commission that provides: (1) the date of closing; (2) the actual accounting entries recording the Transfer for WVWA; and (3) photos of the transferred Systems.

(4) This case is dismissed.

CASE NO. PUR-2020-00054
MAY 14, 2020

APPLICATION OF
BETTER COST ENERGY LLC

For a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On March 25, 2020, Better Cost Energy LLC ("Better Cost" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to do business as an electricity and natural gas aggregator in the Commonwealth of Virginia. The Company seeks authority to offer electricity and natural gas aggregation services to eligible commercial, industrial, and governmental customers throughout Virginia.[1] Better Cost attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[2]

On April 3, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring, among other things, the Company to serve a copy of the Procedural Order upon each of the utilities listed in Attachment A to the Procedural Order. On April 8, 2020, Better Cost filed proof of service. Through its Procedural Order, the Commission also directed that written comments on the Application may be filed with the Clerk of the Commission on or before April 22, 2020. Dominion filed comments on April 22, 2020.

Additionally, the Procedural Order directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report"). On April 29, 2020, the Staff filed its Report, which summarized Better Cost's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Better Cost be granted an aggregator's license to conduct business as a competitive service provider of electricity and natural gas to eligible commercial, industrial, and governmental customers in the Virginia service territories open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, the record of the case, and applicable law, finds that Better Cost's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Better Cost is hereby granted license No. A-100 to provide competitive aggregation service of electricity and natural gas to eligible commercial, industrial, and governmental customers throughout Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] Retail choice for natural gas service presently exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[2] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2020-00056
APRIL 7, 2020

APPLICATION OF
WEST TELECOM SERVICES, LLC

For cancellation and reissuance of certificate of public convenience and necessity to provide local exchange telecommunications services to reflect name change to Intrado Communications, LLC

ORDER REISSUING CERTIFICATE

On March 30, 2020, West Telecom Services, LLC ("West Telecom" or "Company") filed an application with the State Corporation Commission ("Commission") requesting that the certificate of public convenience and necessity to provide competitive local exchange telecommunications services in the Commonwealth of Virginia issued to West Telecom[1] be cancelled and reissued to reflect a company name change ("Application"). The Company submitted proof of its name change to Intrado Communications, LLC.

NOW THE COMMISSION, having considered the Application and applicable law, is of the opinion and finds that the existing certificate in the name of West Telecom should be cancelled and reissued in the name of Intrado Communications, LLC.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUR-2020-00056.

(2) The certificate of public convenience and necessity to provide competitive local exchange telecommunications services in the Commonwealth of Virginia, Certificate No. T-568b, heretofore issued to West Telecom, hereby is cancelled and shall be reissued as Certificate No. T-568c in the name Intrado Communications, LLC.

(3) Any tariffs on file with the Commission's Division of Public Utility Regulation or product guide available online in the name of West Telecom Services, LLC shall be replaced reflecting the name change within forty-five (45) days of the date of entry of this Order.

(4) This case is dismissed.

---

[1] *See Application of Hypercube Telecom, LLC, For an amended and reissued certificate of public convenience and necessity to provide local exchange telecommunications services to reflect a company name change,* Case No. PUC-2015-00051, 2015 S.C.C. Ann. Rept. 176, Order Reissuing Certificate (Nov 5, 2015).

CASE NO. PUR-2020-00058
APRIL 6, 2020

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of service agreement

ORDER GRANTING INTERIM AUTHORITY

On March 30, 2020, Washington Gas Light Company ("Washington Gas" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-76 *et seq.* of the Code of Virginia. In its Application, Washington Gas requests that the Commission approve a revised affiliate service agreement between Washington Gas and WGL Midstream, Inc. ("WGL Midstream").[1] According to the Application, the revised service agreement governs the revised services Washington Gas will provide to WGL Midstream as a result of the recent transfer of several employees from Washington Gas to WGL Midstream.[2] Specifically, the Company represents that three employees transferred in December 2019 from Washington Gas to WGL Midstream, and as of March 15, 2020, there were a total of four transferred employees.[3] These employees are expected to conduct asset optimization activities for WGL Midstream.[4] Washington Gas would provide the Human Resources and Payroll functions for these employees in their roles at WGL Midstream.[5]

---

[1] Washington Gas represents that the Commission approved the current agreement in *Application of Washington Gas Light Company, For approval of service agreements*, Case No. PUR-2018-00130, 2018 S.C.C. Ann. Rept. 509, Order Granting Approval (Dec 17, 2018). *See* Application at 1.

[2] Application at 1.

[3] *Id.*

[4] *Id.*

[5] *Id.*

Through its Application, Washington Gas requests interim authority for the Company to provide the revised shared services described in the Application to WGL Midstream until such time as the Commission can issue a final ruling on the Company's Application.[6] If approved, Washington Gas requests that the revised service agreement remain valid until December 16, 2023, the expiration date of the current service agreement (as well as other affiliate service agreements) pursuant to the Commission approval granted in Case No. PUR-2018-00130.[7]

NOW THE COMMISSION, upon consideration of the matter, finds that the Company's request for interim authority should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2020-00058.

(2) The Company's request for interim authority hereby is granted pending a final order on the Company's Application.

(3) This matter is continued.

[6] *Id.* at 3.

[7] *Id.* at 1.

CASE NO. PUR-2020-00058
JUNE 23, 2020

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of a revised service agreement

ORDER GRANTING APPROVAL

On March 30, 2020, Washington Gas Light Company ("WGL" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),[1] requesting approval of a proposed revised service agreement ("Revised Agreement") between WGL and WGL Midstream Inc. ("WGL Midstream"), effective through December 16, 2023.[2]

The Commission approved the current WGL-WGL Midstream agreement ("Current Agreement") in Case No. PUR-2018-00130.[3] Under the Current Agreement, WGL provides thirteen (13) categories of Services to WGL Midstream.[4]

WGL proposes to add two additional categories of services with the Revised Agreement – "Human Resources" and "Payroll and Benefits" – to support employees who recently transferred from WGL to WGL Midstream. In addition, the Current Agreement is being revised to reflect that these employees will undertake and manage asset optimization activities for WGL Midstream instead of WGL. As such, the "Finance" section of the Revised Agreement reflects the removal of the asset optimization activity previously provided by WGL to WGL Midstream. WGL represents that the Revised Agreement is in the public interest because it will allocate or charge the cost of providing the revised shared services to WGL Midstream in compliance with the Commission's asymmetric pricing standard.[5]

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Staff through its action brief, and having considered the Company's comments thereon, is of the opinion and finds that the requested amendments to the Current Agreement are in the public interest and should be approved, as set forth in the Revised Agreement, subject to certain requirements set forth in the Appendix attached hereto.

[1] Code § 56-76 *et seq*.

[2] On April 6, 2020, the Commission issued an Order Granting Interim Authority pending a final order on the Company's Application. On May 18, 2020, the Commission issued an Order Extending Time for Review, which extended the review period for the Application through June 28, 2020.

[3] *Application of Washington Gas Light Company, For approval of service agreements*, Case No. PUR-2018-00130, 2018 S.C.C. Ann. Rpt. 509, Order Granting Approval (Dec. 17, 2018) ("Case No. PUR-2018-00130 Order").

[4] The Current Agreement's service categories include: (1) Accounting and Tax; (2) Office of the General Counsel; (3) Strategy and Corporate Development; (4) Internal Audit; (5) Finance; (6) Corporate Communications; (7) Corporate Public Policy; (8) Utility Operations, (9) Construction, Engineering and Safety; (10) Executive Officers; (11) Information Technology Services; (12) Cash Receipts/Cash Disbursements; and (13) Regulatory Affairs.

[5] WGL's 2018 Cost Allocation and Inter-company Pricing Manual ("CAM") was initially referenced in the Application. The Commission's Staff ("Staff") was concerned that the 2018 CAM did not include the necessary allocation of Human Resources and Payroll and Benefits costs to WGL Midstream. WGL subsequently provided an updated 2019 CAM, which contains the cost allocation provision necessary to include WGL Midstream as an Affiliate benefiting from the Human Resources and Payroll and Benefits services.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Company hereby is granted approval to amend and extend the Current Agreement as requested in the Application, subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is dismissed.

APPENDIX

1) The Commission's approval of the Revised Agreement shall extend through December 16, 2023. If WGL wishes to continue under the Revised Agreement beyond that date, separate approval shall be required.

2) The Commission's approval has no accounting or ratemaking implications.

3) The Commission's approval is limited to the specific Services identified and described in the Revised Agreement. If WGL wishes to provide or receive Services not specifically identified and described in the Revised Agreement, separate approval shall be required.

4) Separate Commission approval shall be required for WGL to provide additional Services to or receive Services from WGL Midstream under the Revised Agreement.

5) WGL shall be required to maintain records demonstrating that the Services provided to WGL Midstream are cost beneficial to Virginia ratepayers. For all Service costs charged to WGL Midstream where a market may exist, WGL shall investigate whether comparable market prices are available, and if they exist, WGL shall compare the market price to cost and charge the higher of cost or market to WGL Midstream. Records of such investigations and comparisons shall be available to the Staff upon request. WGL shall bear the burden of proving, in any rate proceeding, that all Services costs charged to WGL Midstream are priced at the higher of cost or market where a market for such Services exists.

6) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

7) Separate Commission approval shall be required for any changes in the terms and conditions of the Revised Agreement.

8) The Commission reserves the right to examine the books and records of WGL and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

9) WGL shall file a copy of the approved Revised Agreement within 30 days after the effective date of the Order Granting Approval in this case, subject to administrative extension by the Director of the Division of Utility Accounting and Finance ("UAF Director").

10) WGL shall include all transactions associated with the Revised Agreement in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall:

a. List the latest case number in which the Revised Agreement was approved;
b. List WGL, the affiliate(s), and the Services provided and received; and
c. Include schedule(s), in Excel electronic spreadsheet format with formulas intact, listing the prior year's Services provided and received by month, type of service, FERC account, and dollar amount (as the transactions are recorded in WGL's books).

11) The Commission's approval granted in this case shall supplement the approval granted in the Case No. PUR-2018-00130 Order.

CASE NO. PUR-2020-00059
MAY 21, 2020

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval of an Amended and Restated Intercompany Income Tax Allocation Agreement, pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On March 31, 2020, Columbia Gas of Virginia, Inc. ("CVA" or "Company"), filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),[1] requesting approval of an updated Amended and Restated Intercompany Income Tax Allocation Agreement ("Updated Agreement") between NiSource Inc. ("NiSource") and 21 NiSource affiliates, including CVA (collectively,"NiSource Affiliates"). The proposed Updated Agreement provides for the filing of a consolidated income tax return annually by NiSource and the NiSource Affiliates, and for the allocation of the consolidated income tax liability among those entities.

[1] Code § 56-76 *et seq*.

The Company's current tax agreement was approved by the Commission in Case No. PUE-2015-00131 ("Current Agreement").[2] The Current Agreement was subsequently amended in Case No. PUE-2016-00106[3] to include a defined termination date, which is July 1, 2020. CVA now requests Commission approval of the proposed Updated Agreement, which operates to allocate income tax liabilities among the NiSource Affiliates in the same manner as the Current Agreement but has been updated to reflect recent changes in federal income tax laws and certain corporate structure changes, which are described in the Application.[4]

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the Updated Agreement is in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Company hereby is granted approval to enter into the Updated Agreement effective as of the date of this Order, subject to the requirements set forth in the Appendix attached hereto to this Order.

(2) This case is dismissed.

APPENDIX

(1) The Commission's approval of the Updated Agreement is limited to five (5) years from the date of the Order in this case. Should the Company wish to continue under the Updated Agreement beyond that date, separate Commission approval shall be required.

(2) The Commission's approval shall have no accounting or ratemaking implications.

(3) The Commission's approval shall not preclude the Commission from exercising its authority under Va. Code § 56-76 *et seq*., hereafter.

(4) Separate Commission approval shall be required for any changes in the terms and conditions of the Updated Agreement.

(5) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(6) The Company shall file with the Commission a signed and executed copy of the Updated Agreement within thirty (30) days of the effective date of the Order in this case, with such filing date subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance.

(7) The Company shall note by case number the approved Updated Agreement in its Annual Report of Affiliate Transactions ("ARAT"), and provide in the ARAT a detailed annual tax reconciliation schedule showing the differences, if any, between CVA's standalone and consolidated tax liability.

[2] *Application of Columbia Gas of Virginia, Inc., For approval pursuant to the Utility Affiliates Act of an amendment to an agreement for the allocation of certain federal income tax*, Case No. PUE-2015-00131, 2016 S.C.C. Ann. Rept. 330, Order Granting Approval (Mar. 3, 2016).

[3] *Application of Columbia Gas of Virginia, Inc., For approval of an amendment to an amended & restated intercompany income tax allocation agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00106, 2016 S.C.C. Ann. Rept. 459, Order Granting Approval (Oct. 20, 2016).

[4] See Application at 3-4.

CASE NO. PUR-2020-00061
JUNE 30, 2020

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY and AMERICAN WATER RESOURCES, LLC

For authority to continue participation in an amended agreement for support services pursuant to Va. Code § 56-77 *et seq.*

ORDER GRANTING APPROVAL

On April 3, 2020, Virginia-American Water Company ("Virginia-American") and American Water Resources, LLC ("AWR") (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") requesting authority to continue participation in an amended agreement ("Agreement") for support services ("Services") pursuant to Chapter 4[1] of Title 56 of the Code of Virginia ("Code"). On May 19, 2020, the Commission issued an Order Extending Time for Review of the Application.

[1] Code § 56-76 *et seq*. ("Affiliates Act").

Under the current Agreement, Virginia-American provides certain services[2] to AWR to facilitate AWR's home protection service programs ("Programs"), which are provided to qualifying Virginia-American customers.[3] AWR provides three types of Programs to qualifying Virginia-American customers: (1) a Water Line Protection Program; (2) a Sewer Line Protection Program; and (3) an In-Home Plumbing Emergency Program. Customers can purchase the Programs as separate or bundled contracts ("Contract(s)"). The Applicants represent that approximately 13,543 Virginia customers are currently enrolled in the Programs.[4]

According to the Applicants, Virginia is the only state in which AWR offers the Programs in the form of an insurance product. They explain that the Programs are provided by Virginia Surety Company, Inc. ("Virginia Surety") and that the Programs are sold and administered by AWR. The Applicants state that AWR handles Program marketing, customer service, and claims, for which AWR engages an independent contractor network to make repairs; Virginia Surety is the ultimate backstop for performance of the Contracts, but to date AWR has handled every claim.[5]

The Virginia-American-AWR relationship has existed since 2004, and the Applicants seek to extend the current Agreement for another five years. The Applicants represent that approving the extension is in the public interest because the Agreement supports the Programs, which offer customer benefits in terms of convenience and potential cost savings in the event of required home repairs, and the terms of the Agreement are fair and reasonable and ensure that Virginia-American is fully reimbursed for the Services it provides to AWR.

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff ("Staff") through Staff's action brief, and having considered Virginia-American's comments thereon, is of the opinion and finds that, with certain revisions as discussed below, the proposed Agreement is in the public interest and is approved subject to the requirements listed in the Appendix attached to this Order Granting Approval.

First, we are concerned that the current Agreement is sixteen years old, contains an Other Services clause that can be construed as open-ended, and includes a company, United Water, which no longer exists as a separate legal entity. Therefore, we will require that the approved Agreement be revised ("Revised Agreement") to strike the Other Services clause, to identify and describe the four specific Services currently provided, and to remove United Water as a party to the Agreement.[6]

Second, we will continue to require Virginia-American to verify that any home protection services provided to Virginia-American's customers pursuant to the Revised Agreement are in compliance with any and all applicable provisions of the Code regarding the establishment, licensing, operation, or marketing of home protection companies in Virginia, consistent with the Commission's prior verification requirement in the 2015 Orders. We are cognizant that Virginia-American does not provide the AWR Programs to customers. However, Virginia-American does share customer information, receive remuneration, and provide billing services pursuant to the AWR Programs. Such verification provides assurance that Virginia-American is monitoring the AWR relationship. Should we discover that AWR is not complying with the Commonwealth's statutes, we remind the Applicants that the Commission has continuing supervisory control under Code § 56-80 to revisit our public interest finding in this case.

Third, we note that the Applicants do not appear to be complying consistently with the 2015 Orders' Ordering Paragraph (6)(c) requirement that "any marketing material sent to Virginia-American's Virginia customers shall clearly indicate that…(c) Virginia-American has no direct involvement in, and bears no legal responsibility for, the Programs." Out of 21 pages of AWR marketing material provided to Staff, only two references to the Ordering Paragraph (6)(c) requirement can be found, with the vast majority of the marketing materials omitting such language.[7] We reiterate the Ordering Paragraph 6(c) requirement in this Order Granting Approval, and we direct the Applicants to correct the compliance inconsistency.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code, the Applicants are granted approval of the Revised Agreement subject to the requirements set forth in the Appendix attached to this Order Granting Approval.

2) This case is dismissed.

---

[2] The Agreement identifies four specific Services currently provided by Virginia-American to AWR: (1) the distribution of promotional materials; (2) repair service coordination; (3) billing and collecting; and (4) distribution of customer surveys. The Agreement also contains an Other Services clause (Section 6.1.4), which reads: "The Utility shall perform such other and further administrative services as may be incidental and related to the Water Line Protection Program, Sewer Line Protection Program and/or In-Home Plumbing Emergency Program and agreed to in a service order in the general form attached hereto as Exhibit 1, if executed by the parties during the Term hereof. All transactions that occur pursuant to this section shall be separately reported in the Utility's Annual Report of Affiliate Transactions [("ARAT")] filed with the Commission." Application Exhibit C, p. 3.

[3] *See Application of Virginia-American Water Company and American Water Resources, LLC, For authority to continue participation in an agreement for support services, pursuant to Va. Code § 56-76 et seq.,* Case No. PUE-2015-00051, 2015 S.C.C. Ann. Rept. 336, Order (July 1, 2015), and 2015 S.C.C. Ann. Rept. 338, Clarifying Order (Aug. 15, 2015) (collectively, "2015 Orders").

[4] See Applicants' Response to Staff Data Request No. 1-2, which is attached to the Staff action brief filed concurrently with this Order Granting Approval.

[5] See Applicants' Response to Staff Data Request No. 1-3, parts a through d, which is attached to the Staff action brief filed concurrently with this Order Granting Approval.

[6] We note that the Company, in its comments, states, "By the terms of this clause [Section 6.1.4], however, prior to providing any additional services, the Applicants would be required to execute of a new service order under the Agreement, which Applicants agree would need to be approved by the Commission prior to such service order being effective." Company Comments (attached to the Staff action brief filed concurrently with this Order Granting Approval) at 2. The wording of Section 6.1.4 (see n.2, *supra*), refers to the utility reporting the provision of Other Services in its ARAT, filed with the Commission's Division of Utility Accounting and Finance, but does not explicitly refer to the receipt of Commission approval prior to the provision of Other Services. The change recommended by Staff and approved herein clarifies any potential ambiguity between Section 6.1.4 and the agreement among the Applicants concerning required Commission approval.

[7] See Applicants' Response to Staff Data Request No. 3.-24, which is attached to the Staff action brief filed concurrently with this Order Granting Approval.

APPENDIX

1) The approved Agreement shall be revised to strike the Other Services clause, identify and describe the four specific Services currently provided, and remove United Water as a party to the Agreement.

2) Virginia-American shall verify that any home protection services provided to Virginia-American's customers pursuant to AWR and the Revised Agreement are in compliance with any and all applicable provisions of the Code regarding the establishment, licensing, operation, or marketing of home protection companies in Virginia. Such verification shall be regularly affirmed or updated as appropriate and included in Virginia-American's ARAT.[8]

3) Any marketing material sent to Virginia-American's Virginia customers pursuant to the Revised Agreement shall clearly indicate that: (a) AWR is providing the Programs; (b) any such Programs offered by AWR are optional; and (c) Virginia-American has no direct involvement in, and bears no legal responsibility for, the Programs.

4) The Commission's approval of the Revised Agreement is limited to five years from the effective date of the Order Granting Approval in this case.

5) The Commission's approval shall have no accounting or ratemaking implications.

6) The approval granted in this case does not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

7) The Commission's approval is limited to the four specific Services identified, described, and currently provided in the Revised Agreement. Should Virginia-American wish to provide additional services to AWR other than those described in the Revised Agreement, separate Commission approval shall be required.

8) Separate Commission approval shall be required for Virginia-American to provide Services to affiliated third parties (other than AWR) under the Revised Agreement.

9) Separate Commission approval shall be required for any changes in the terms and conditions of the Revised Agreement.

10) The Commission reserves the right to examine the books and records of Virginia-American and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

11) Virginia-American shall maintain records demonstrating that the Services provided to AWR are cost beneficial to Virginia ratepayers. For all Service costs charged to AWR where a market may exist, Virginia-American shall investigate whether comparable market prices are available, and if they exist, Virginia-American shall compare the market price to cost and charge the higher of cost or market to AWR. Records of such investigations and comparisons shall be available to Staff upon request. Virginia-American shall bear the burden of proving, in any rate proceeding, that all Services costs charged to AWR are priced at the higher of cost or market where a market for such Services exists.[9]

12) Virginia-American shall file with the Commission an executed copy of the approved Revised Agreement within 60 days after the effective date of the Order Granting Approval in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

13) Virginia-American shall include all transactions associated with the Revised Agreement in its ARAT submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. Virginia-American shall report the Revised Agreement transactions in its ARAT by: (a) case number; (b) affiliate; (c) service category, (d) FERC account, and (e) amount as the transactions are recorded in Virginia-American's books.

---

[8] The form and reporting of the verification shall be consistent with the Commission's verification requirement in the 2015 Orders.

[9] The Applicants' proposed pricing for the Revised Agreement is acceptable to the extent that it is consistent with the Commission's higher of cost or market pricing requirement.

CASE NO. PUR-2020-00062
JUNE 18, 2020

APPLICATION OF
GRID POWER DIRECT LLC

Application for a license to do business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On April 20, 2020, Grid Power Direct LLC ("Grid" or "Company"), completed the filing of an application with the State Corporation Commission ("Commission") for a license to act as supplier of electricity service ("Application"). Grid seeks authority to provide electric supply service throughout Virginia to eligible commercial, industrial, governmental, and residential customers.[1] In its Application, Grid attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[2]

On May 19, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") which ordered the Company to serve a copy of the Procedural Order electronically on or before May 25, 2020, to each of the utilities listed in Attachment A of the Procedural Order. On May 21, 2020, Grid filed proof of service.

The Commission, through its Procedural Order, directed that any comments in the matter be filed with the Clerk of the Commission on or before June 1, 2020. On June 1, 2020, Dominion filed a notice of participation and comments.

The Procedural Order also directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on June 3, 2020, which summarized Grid's proposal and evaluated its financial condition and technical fitness.[3] Based on its review, the Staff recommended that Grid be granted a license to conduct business as a competitive service provider of electric supply service to eligible commercial, industrial, governmental, and residential customers throughout Virginia.[4]

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Grid's Application for a license to provide competitive electricity supply services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Grid hereby is granted license No. E-43 to provide competitive electricity supply services to eligible commercial, industrial, governmental, and residential customers throughout Virginia. This license to act as an electricity supplier is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) Grid shall provide proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of $25,000.

(3) Grid shall establish an escrow account with a Virginia financial institution to comply with the requirements in Retail Access Rule 20 VAC 5-312-90 for the protection of any customer deposits or payments.

(4) The Staff shall conduct a periodic review of the level of financial security that is commensurate with Grid's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction.

(5) This license is not valid authority for the provision of any product or service not identified within the license itself.

(6) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] Pursuant to § 56-577 of the Code of Virginia, retail choice for electricity is only permitted pursuant to the customer classes, load parameters, and renewable energy sources set forth therein, and exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives.

[2] 20 VAC 5-312-10 *et seq*.

[3] Staff Report, Case No. PUR-2020-00062, Doc. Con. Cen. No. 200610067 (Jun. 3, 2020).

[4] Staff Report at 5.

CASE NO. PUR-2020-00063
MAY 28, 2020

APPLICATION OF
TAURUS ADVISORY GROUP LLC

For a license as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On April 16, 2020, Taurus Advisory Group LLC ("Taurus" or "Company"), completed the filing of an application with the State Corporation Commission ("Commission") for a license to act as an aggregator for electricity and natural gas service ("Application").[1] Taurus seeks authority to provide electricity and natural gas aggregation services throughout Virginia to eligible commercial, industrial, governmental, and residential customers.[2] In its Application, Taurus attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[3]

On April 22, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring, among other things, the Company to serve a copy of the Procedural Order on or before April 29, 2020, to each of the utilities listed in Attachment A of the Procedural Order. On May 5, 2020, Taurus filed proof of service.

The Commission also directed through its Procedural Order that any comments in the matter be filed with the Clerk of the Commission on or before May 13, 2020. Dominion filed comments on May 13, 2020.

The Procedural Order also directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on May 20, 2020, which summarized Taurus' proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Taurus be granted an aggregator's license to conduct business as a competitive service provider of electricity and natural gas to eligible commercial, industrial, governmental, and residential customers in Virginia service territories open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Taurus' Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Taurus hereby is granted license No. A-101 to provide competitive aggregation service of electricity and natural gas to eligible commercial, industrial, governmental, and residential customers throughout Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

[1] Taurus made its initial filing on April 8, 2020, and filed additional information on April 15 and 16, 2020, completing its Application.

[2] Pursuant to § 56-577 of the Code of Virginia, retail choice for electricity is only permitted pursuant to the customer classes, load parameters, and renewable energy sources set forth therein, and exists only in the service territories of Virginia Electric and Power Company ("Dominion"), Appalachian Power Company, and the electric cooperatives. Retail choice for natural gas service only exists in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s.

[3] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2020-00064
MAY 14, 2020

APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

For an order authorizing the issuance of indebtedness

ORDER GRANTING AUTHORITY

On April 13, 2020, Kentucky Utilities Company, d/b/a Old Dominion Power Company ("KU/ODP" or "Company"), filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 3 of Title 56[1] of the Code of Virginia ("Code"), requesting authority to: (1) incur debt with either new First Mortgage Bonds ("First Mortgage Bonds"), or unsecured bonds, or direct bank term loans, or any combination of these forms of indebtedness (collectively, "Long-Term Debt") in an amount not to exceed $750 million; (2) enter into one or more hedging

[1] Code § 56-55 *et seq*.

agreements ("Hedging Agreements") associated with the First Mortgage Bonds through an affiliate or directly with a bank or financial institution in an amount not to exceed $500 million;[2] (3) amend its existing revolving line of credit, and/or enter into one or more new revolving lines of credit for an aggregate amount not to exceed $650 million; and (3) enter five-year extensions of its revolving lines of credit in 2020 and 2021. The company paid the requisite filing fee.

On April 21, 2020, KU/ODP amended its Application to clarify several aspects of the authority requested in its initial filing. Those clarifications reflect: (1) KU/ODP's short-term indebtedness would not exceed the aggregate total of $650 million, inclusive of any Money Pool borrowings, under the requested increase to its line of credit agreement authority;[3] (2) the increased line of credit agreement authority would extend through December 31, 2026; and (3) the authority requested in this case would supersede any remaining financing authority in prior cases and that such cases could be closed.[4]

The proceeds of the Long-Term Debt will be used to refund and replace the maturing $500 million Series B first mortgage bonds, to repay existing short-term debt, to replace cash flows associated with anticipated arrearages, bad debt, and other related costs resulting from the COVID-19 global pandemic, and for general corporate purposes.

For the First Mortgage Bonds, KU/ODP states that the specific price, maturity date(s), interest rate(s), redemption provisions, and other terms and provisions would be determined based on negotiations between KU/ODP and the underwriters, agents, or other purchasers of the bonds. However, based on past experiences, the Company estimates the issuance costs, excluding underwriting fees, to be approximately $1.5 million. With respect to the issuance of the First Mortgage Bonds, the Company further requests the same extent of authority to enter into Hedging Agreements as previously approved by the Commission in the 2019 Order.[5]

KU/ODP's request for additional authorization for the alternative financing options, namely unsecured bonds and direct bank term loans, is to supplement its existing and requested increase in authority to issue first mortgage bonds, provide flexibility under the current volatile market conditions, and ensure the Company can timely issue or refinance debt while obtaining the most favorable pricing under the existing circumstances. If the Company decides to issue unsecured bonds and/or direct bank term loans in any amount up to an aggregate principal amount of $750 million through 2021, the provisions of the bonds or loans, including interest rate(s), maturity date(s), expenses, and other applicable terms, will be governed by the agreements between KU/ODP and the lenders. The commercial terms, excluding pricing, fees or interest rates, for bank term loans are expected to be very similar to the commercial terms for the existing revolving line of credit except that funds once repaid may not be reborrowed. The other forms of financing options would likely be done using one or more new indentures as a method to establish the terms of the indebtedness.

NOW THE COMMISSION, upon consideration of the Application, having been advised by its Staff through its action brief, and having considered the Company's comments thereon, is of the opinion and finds that approval of the Application is in the public interest, subject to the requirements set forth in this Order and the Appendix attached hereto.

In granting this Application, the Commission notes the COVID-19 public health crisis and KU/ODP's need for greater flexibility in its response options thereto. The Commission has also responded to this emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic.[6]

ACCORDINGLY, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-55 and 56-76, the Application is approved, subject to the requirements set forth in this Order and the Appendix attached hereto.

(2) This matter shall remain under continued review, audit, and appropriate directive of the Commission.

---

[2] KU/ODP represents in Item 16 of the Application that it seeks to maintain the same extent of hedging authority with respect to the First Mortgage Bonds as previously authorized in *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For an order authorizing issuance of securities and the assumption of liabilities and to engage in an affiliate transaction under Chapters 3 and 4 of Title 56 of the Code of Virginia,* Case No. PUR-2019-00121, Order Granting Authority, Doc. Con. Cen. No. 190930329 (Sept. 18, 2019).

[3] See *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For Approval of an Amendment to a Money Pool Agreement,* Case No. PUR-2020-00066, Doc. Con. Cen. No. 200530011, Order Granting Approval (May 12, 2020).

[4] See *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For an order authorizing issuance of securities and the assumption of liabilities and to engage in an affiliate transaction under Chapters 3 and 4 of Title 56 of the Code of Virginia,* Case No. PUR-2019-00121, Doc. Con. Cen. No. 190930329, Order Granting Authority (Sep. 18, 2019) ("2019 Order"); *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For authority to issue securities under Chapters 3 and 4 of Title 56 of the Code of Virginia,* Case No. PUR-2018-00076, 2018 S.C.C. Ann. Rept. 435, Order Granting Approval (July 5, 2018); and *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For authority to issue securities and assume obligations under Chapter 3 of Title 56 of the Code of Virginia and to engage in an affiliate transaction under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2014-00031, 2014 S.C.C. Ann. Rept. 411, Order Granting Authority (May 8, 2014).

[5] As approved in the 2019 Order, such hedging authority was authorized either through PPL Corporation ("PPL"), an affiliate, or directly with a third-party bank or financial institution. In addition, any such hedging agreements obtained through PPL would be at cost, without any markup.

[6] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), extended by Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020).

APPENDIX

1. KU/ODP is authorized through December 31, 2021, to: (i) issue long-term debt not to exceed $750 million in the form of First Mortgage Bonds, unsecured bonds, direct bank term loans, or any combination of these forms of indebtedness under the terms and conditions, and for the purposes stated in its Application, and (ii) enter into hedging facilities in connection with the issuance of First Mortgage Bonds in an amount up to $500 million for the terms, conditions, and reasons specified in the Application.

2. KU/ODP is authorized to amend its existing revolving line of credit, and/or enter into one or more new revolving lines of credit, with a term not to extend beyond December 31, 2026.

3. KU/ODP is authorized to amend its existing revolving line of credit and/or enter into one or more new revolving lines of credit such that the aggregate total does not exceed $650 million.

4. KU/ODP shall file a copy of any amended or new credit facility agreements within thirty (30) days of their execution, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director"). Said filing shall be made in this docketed proceeding through the Commission's Document Control Center.

5. KU/ODP is granted affiliate authority to the extent required to use an affiliate as a "pass-through" entity for any hedging facilities associated with long-term debt in Item 1, above.

6. KU/ODP shall only pay fees charged by the third-party counterparty for any hedging facility that uses an affiliate as a "pass through" entity.

7. KU/ODP shall file a Report of Action within thirty (30) days of the issuance of long-term debt, subject to administrative extension by the UAF Director. In the report, the Company shall include the following:

(a) date(s) of the issuance;
(b) the proceeds of such issuances;
(c) the associated interest rate(s);
(d) any related hedging facility; and
(e) all associated fees and expenses.

8. The authority granted herein supersedes and terminates any remaining financing authorities granted in Case Nos. PUR-2019-00121, PUR-2018-00076, and PUE-2014-00031.

9. The approval granted in this case shall have no ratemaking implications. Specifically, the approval in this case shall not guarantee the recovery of any costs directly or indirectly related to the proposed debt financing.

10. The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of § 56-76 *et seq*. of the Code hereafter.

11. The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

12. KU/ODP should include all transactions associated with using an affiliate as a "pass-through" entity for any hedging facilities associated with the long-term debt in Item 1 above in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. KU/ODP should report the transactions by month, FERC account, and amount in its ARAT as the transactions are recorded in KU's books.

CASE NO. PUR-2020-00065
APRIL 14, 2020

PETITION OF
ROANOKE GAS COMPANY

For a temporary waiver of tariff provisions

ORDER GRANTING WAIVER

On April 13, 2020, Roanoke Gas Company ("Roanoke" or "Company"), pursuant to Rule 80 of the State Corporation Commission's ("Commission") Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*., filed a Petition and Request for Expedited Consideration ("Petition") relative to a temporary waiver of certain provisions of the Company's Rate Schedule WNA, which governs the Company's Weather Normalization Adjustment ("WNA").[1]

[1] Petition at 1.

The Company seeks a waiver of Section 4 of Rate Schedule WNA, which requires that any billing adjustments for the relevant WNA year (beginning April 1 and ending March 31) "are to be applied to the customer's bill between [the following] May and August." The Company states that under the terms of Rate Schedule WNA, when the WNA year is colder than normal, customers receive a credit to their bills, and when the WNA year is warmer than normal, customers receive a charge on their bills.[2]

Roanoke states that it has prepared the annual WNA calculation for the most recent WNA year (April 1, 2019 through March 31, 2020) and asserts that since weather conditions during the WNA year were warmer than normal, customers will receive charges to their bills as a result of the adjustment. The Company further states that under the terms of Section 4, the charges must be applied to customers' bills between May and August of this year.[3]

The Company requests that, in light of the current public health emergency and the financial pressures these additional charges could impose upon customers at this time, Section 4 be temporarily waived to allow the Company to defer implementation of the WNA charges to a later date. Roanoke further requests that the Commission grant it the flexibility to determine, in coordination with the Commission Staff, the appropriate time at which to implement the charges as well as the manner in which they will be implemented.[4]

The Company states that upon approval of the waiver, it will include a message regarding the deferral of the WNA charges to a later date on customers' bills as soon as practical and will provide proof of this notice to the Division of Public Utility Regulation within ten days of completing the notice.[5]

NOW THE COMMISSION, upon consideration of this matter and the state of emergency declared by Governor Ralph S. Northam due to the novel coronavirus, or COVID-19,[6] and being advised by its Staff, is of the opinion and finds that the Company's request for temporary waiver of Section 4 of Rate Schedule WNA is reasonable and should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2020-00065.

(2) The Company's request for temporary waiver of the requirements in Section 4 of Rate Schedule WNA is granted as proposed in the Petition.

(3) Roanoke, in consultation with Commission Staff, shall recommend the appropriate manner and timing of implementing Section 4 of Rate Schedule WNA and shall, by subsequent filing, propose to the Commission the implementation plan.

(4) The authority granted in this case shall have no accounting or ratemaking implications.

(5) This case shall remain open for further orders of the Commission.

[2] *Id.* at 2.

[3] *Id.* at 2.

[4] *Id.* at 2-3.

[5] *Id.* at 3.

[6] *See* Governor Ralph S. Northam's Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020 ("Executive Order No. 51").

CASE NO. PUR-2020-00065
JUNE 17, 2020

PETITION OF
ROANOKE GAS COMPANY

For a temporary waiver of tariff provisions

ORDER DIRECTING IMPLEMENTATION OF DEFERRAL

On April 13, 2020, Roanoke Gas Company ("Roanoke" or "Company"), pursuant to Rule 80 of the State Corporation Commission's ("Commission") Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*., filed a Petition and Request for Expedited Consideration ("Petition") relative to a temporary waiver of certain provisions of the Company's Rate Schedule WNA, which governs the Company's Weather Normalization Adjustment ("WNA").[1]

In its Petition, the Company sought a waiver of Section 4 of Rate Schedule WNA, which requires that any billing adjustments for the relevant WNA year (beginning April 1 and ending March 31) "are to be applied to the customer's bill between [the following] May and August." The Company stated that under the terms of Rate Schedule WNA, when the WNA year is colder than normal, customers receive a credit to their bills, and when the WNA year is warmer than normal, customers receive a charge on their bills.[2]

[1] Petition at 1.

[2] *Id.* at 2.

Roanoke stated that it has prepared the annual WNA calculation for the most recent WNA year (April 1, 2019, through March 31, 2020) and asserted that since weather conditions during the WNA year were warmer than normal, customers would receive charges to their bills as a result of the adjustment. The Company further stated that under the terms of Section 4, the charges must be applied to customers' bills between May and August of this year.[3]

The Company requested that, in light of the current public health emergency and the financial pressures these additional charges could impose upon customers at this time, Section 4 be temporarily waived to allow the Company to defer implementation of the WNA charges to a later date. Roanoke further requested that the Commission grant it the flexibility to determine, in coordination with the Commission Staff, the appropriate time at which to implement the charges as well as the manner in which they will be implemented.[4]

On April 14, 2020, the Commission entered an Order Granting Waiver, which, *inter alia*, directed the Company, in consultation with Commission Staff, to recommend the appropriate manner and timing of implementing Section 4 of Rate Schedule WNA and, by subsequent filing, propose to the Commission the implementation plan.[5] Roanoke submitted its implementation plan, after consultation with the Staff, on June 15, 2020. Among other things, Roanoke plans to collect the WNA through the summer months of July through September so that such collection will be complete before the winter heating season begins, when natural gas usage is higher for residential customers.[6]

NOW THE COMMISSION, upon consideration of this matter and the state of emergency declared by Governor Ralph S. Northam due to the novel coronavirus, or COVID-19,[7] and being advised by its Staff, is of the opinion and finds that the Company's request to implement its plan for temporary deferral of Section 4 of Rate Schedule WNA is reasonable and should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The Company's implementation plan for temporary deferral of the requirements in Section 4 of Rate Schedule WNA is granted.

(2) This matter is dismissed.

[3] *Id.* at 2.

[4] *Id.* at 2-3.

[5] Order Granting Waiver at 3.

[6] Filing Regarding Proposed Implementation of Tariff Requirement at 3. Roanoke also states, "To the extent that customers are unable to pay the charges over three months as a result of financial difficulties caused by the health crisis, Roanoke is willing to work with the customers to develop an alternative payment plan." *Id*.

[7] *See, e.g.,* Governor Ralph S. Northam's Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020 ("Executive Order No. 51"). These and subsequent Executive Orders related to COVID-19 may be found at: https://www.governor.virginia.gov/executive-actions/.

CASE NO. PUR-2020-00066
MAY 12, 2020

APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

For approval of an amendment to a Money Pool Agreement

ORDER GRANTING APPROVAL

On April 13, 2020, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),[1] requesting authority for approval of an amendment to a Money Pool Agreement ("Money Pool"). On April 21, 2020, the Company amended its Application to modify the period of authority requested for participation in the Money Pool.

The Application states that under Case No. PUR-2018-00049,[2] KU/ODP is presently authorized to participate under the existing terms of the Money Pool with Louisville Gas and Electric Company, LG&E and KU Energy LLC, and LG&E and KU Services Company (collectively "Affiliates"), through June 30, 2023. As a result of the COVID-19 pandemic, KU/ODP anticipates the need for greater access to liquidity capital, including internally generated capital from affiliates available through the Money Pool. However, KU/ODP explains that capital market dislocations related to the COVID-19 pandemic have made the one commercial paper-based borrowing rate under the Money Pool's current structure to be well above the interest rates obtainable from other Affiliates participating in the Money Pool. KU/ODP states that the current money pool rate structure effectively eliminates the Money Pool as a potential source of liquidity funding.

[1] Code § 56-76 *et seq.*

[2] *Application of Kentucky Utilities Company, d/b/a Old Dominion Power Company, For authority to engage in affiliate transactions pursuant to Va. Code § 56-76 et seq*., Case No. PUR-2018-00049, 2018 S.C.C. Ann, Rept. 398, Order Granting Authority (June 29, 2018).

KU/ODP therefore requests authority to amend the interest rate terms of the Money Pool to add two additional rate options based on the London Interbank Borrowing Rate, as reflected in Exhibit E attached to the Application. The two additional interest rate options proposed are presently lower than the existing commercial paper-based rate. The Company states that it will use the lower of the three rate options available at the time of any borrowing. KU/ODP further requests authority to extend its participation in the Money Pool through December 31, 2026.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff through its action brief and having considered the Company's comments thereon, is of the opinion and finds that the requested amendments to the Money Pool are in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

In approving the amended Money Pool discussed herein, the Commission notes the COVID-19 public health crisis and KU/ODP's need for greater flexibility in its response options thereto. The Commission has also responded to this emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency.[3]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Company hereby is granted approval to amend, extend, and participate in the Money Pool as requested in the Application, subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is dismissed.

APPENDIX

1) KU/ODP is authorized to amend, extend, and participate in the Money Pool, and use the lower of the expanded interest rate options under the 2020 Amendment described in the Application, as amended, through the period ending December 31, 2026.

2) The authority granted herein supersedes the Money Pool authority granted in Case No. PUR-2018-00049, with all other affiliate agreements authority granted and associated reporting requirements in that case remaining in full force and effect.

3) Separate Commission approval shall be required for any changes in the terms and conditions of the authority granted to participate in the amended Money Pool.

4) The authority granted in this case shall have no accounting or ratemaking implications.

5) The authority granted in this case shall not preclude the Commission from exercising hereafter its authority under Code § 56-76 *et seq*.

6) The Commission reserves the right to examine the books and records of any affiliate, direct or indirect, in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

7) KU/ODP shall file an executed copy of the approved amended Money Pool within 30 days after the effective date of the Order Granting Approval in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director"). Said filing shall be made in this docketed proceeding through the Commission's Document Control Center.

8) KU/ODP shall include all transactions associated with the approved amended Money Pool in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. KU shall report the Money Pool transactions by month, FERC account, and amount in its ARAT as the transactions are recorded in KU/ODP's books.

[3] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), extended by Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020).

CASE NO. PUR-2020-00069
APRIL 21, 2020

APPLICATION OF
BVU AUTHORITY

For cancellation of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

ORDER CANCELLING CERTIFICATES

By a letter application filed with the State Corporation Commission ("Commission") on April 15, 2020, BVU Authority ("BVU") requests cancellation of its certificates of public convenience and necessity to provide local and interexchange telecommunications services in the Commonwealth of Virginia. BVU was issued Certificate Nos. T-598b and TT-216B to provide local exchange and interchange telecommunications services, respectively, in Case No. PUC-2010-00032.[1] BVU states that it no longer provides telecommunications services and requests cancellation of its tariffs on file with the Commission.

[1] *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: In the Matter of Implementing the BVU Authority Act, Section 15.2-7200 et seq., of the Code of Virginia,* Case No. PUC-2010-00032, Doc. Con. Cen. No. 100730246, Administrative Order Reflecting Name Change (July 23, 2010).

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate Nos. T-598b and TT-216B should be cancelled, and any tariffs on file associated with the certificates should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed as Case No. PUR-2020-00069.

(2) Certificate No. T-598b, issued to BVU to provide local exchange telecommunications services, is hereby cancelled.

(3) Certificate No. TT-216B, issued to BVU to provide interexchange telecommunications services, is hereby cancelled.

(4) Any tariffs on file with the Commission associated with the foregoing certificates are hereby cancelled.

(5) This case is dismissed.

CASE NO. PUR-2020-00071
MAY 1, 2020

APPLICATION OF
PRINCE GEORGE ELECTRIC COOPERATIVE

For authority to issue securities

ORDER GRANTING AUTHORITY

On April 16, 2020, Prince George Electric Cooperative ("PGEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code")[1] for approval of a loan. PGEC has paid the requisite filing fee of $250.

PGEC is seeking authority to borrow up to $8,000,000 in debt from the National Rural Utilities Cooperative Finance Corporation ("CFC"). The Cooperative states that the loan will be used to fund its five-year work plan. The Application states that the term of the loan will be no more than 40 years and the interest rates on loan borrowings will be determined at the time of each advance.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest

Accordingly, IT IS ORDERED THAT:

(1) PGEC is hereby granted approval of the Application as described herein subject to the requirements set forth in the Appendix attached to this order.

(2) This case is dismissed.

APPENDIX A

1. PGEC shall be authorized to borrow up to $8,000,000 from the CFC, in the manner, under the terms and conditions, and for the purposes set forth in the Application.

2. Within thirty (30) days of the date of any advance of funds from the CFC, PGEC shall file with the Commission's Division of Utility Accounting and Finance a Report of Action, which shall include the amount of the advance and the interest rate.

3. The authority granted shall have no accounting or ratemaking implications

[1] Va. Code. § 56-55 *et seq.*

CASE NO. PUR-2020-00072
MAY 29, 2020

PETITION OF
CONSTELLATION NEWENERGY, INC.

For a declaratory judgment

FINAL ORDER

On April 17, 2020, Constellation NewEnergy, Inc. ("CNE"), pursuant to Rule 100 of the State Corporation Commission's ("Commission") Rules of Practice and Procedure,[1] filed a petition for declaratory judgment ("Petition") for a Commission determination as follows:

a. Electricity procured by CNE from a pumped storage hydroelectric facility qualifies as "renewable energy" under the current definition of [§ 56-576 of the Code of Virginia ("Code")], and CNE is authorized to rely on that electricity to match its retail load served under [Code § 56-577 A 5];

b. The General Assembly's revised definition of "renewable energy" in [Code § 56-576], adopted as part of the [Virginia Clean Economy Act ("VCEA")] which will become effective on July 1, 2020, does not apply to CNE's retail generation contracts, executed in 2019, for purposes of CNE's provision of 100% renewable energy to individual retail customers under [Code § 56-577 A 5] for the duration of the retail contracts; and

c. Awarding such other and further relief as the Commission may deem appropriate.[2]

CNE represents in its Petition that in December 2019, CNE began contracting with customers. CNE asserts that these contracts include provisions that the renewable energy CNE anticipates providing to customers will come from resources that meet the definition of "renewable energy" under Code § 56-576, to include pumped storage hydroelectric energy.[3] CNE represents that on April 1, 2020, Virginia Electric and Power Company ("Dominion") notified CNE that it "disagrees with [CNE's] view that electric energy produced by the pumped storage hydroelectric facility referenced in the materials [CNE] provided qualifies as renewable energy in Virginia for the purposes of serving customers under [Code § 56-577 A 5] because it does not meet the definition of renewable energy under Section 56-576 . . . ."[4] CNE explains that its Petition presents to the Commission the threshold question of whether electricity generated from a pumped storage facility qualifies as "renewable energy" under Code § 56-576.[5]

CNE requests expedited treatment of its Petition and proposes a procedural schedule for the Commission's consideration that would permit the Commission to determine the questions in the Petition before the VCEA July 1, 2020 effective date.[6] CNE further represents that the issues raised in its Petition can be decided without an evidentiary hearing.[7]

On April 24, 2020, the Commission issued an Order that, among other things, docketed this proceeding and established a procedural schedule.

On May 6, 2020, responses to the Petition were filed by: Dominion; Collegiate Clean Energy, LLC ("Collegiate"); and the Apartment and Office Building Association of Metropolitan Washington. On May 12, 2020, CNE filed a reply. On May 13, 2020, Dominion filed a Motion for Leave to File a Surreply ("Motion for Leave") and a Surreply. On May 14, 2020, CNE filed a letter in lieu of a reply to the Company's Motion for Leave and Surreply.[8]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

The Commission has been asked in this proceeding to address a question of statutory interpretation.[9] As instructed by the Supreme Court of Virginia, the Commission starts with the following:

---

[1] 5 VAC 5-20-10 *et seq.*

[2] Petition at 19.

[3] *Id.* at 5, 7.

[4] *Id.* at 8, Ex. 3.

[5] *Id.* at 10, 18.

[6] *Id.* at 16-18.

[7] *Id*. at 18.

[8] CNE did not object to the Motion for Leave, which is hereby granted.

[9] No party requested an evidentiary hearing in this matter. *See, e.g.,* Petition at 18; Dominion's Response at 33; CNE's Reply at 1 n.1.

> When we interpret a statute, our primary objective is to ascertain and give effect to legislative intent, as expressed by the language used in the statute. When the language of a statute is unambiguous, we are bound by the plain meaning of that language. And if the language of the statute is subject to more than one interpretation, we must apply the interpretation that will carry out the legislative intent behind the statute. When a statute is clear and unambiguous, we may look only to the words of the statute to determine its meaning. We may not consider rules of statutory construction, legislative history, or extrinsic evidence. However, it is our duty to interpret the several parts of a statute as a consistent and harmonious whole so as to effectuate the legislative goal. A statute is not to be construed by singling out a particular phrase.[10]

Code § 56-577 A 5, which is part of Chapter 23 of Title 56 of the Code ("Chapter 23"), states in part (emphasis added):

> 5. Individual retail customers of electric energy within the Commonwealth, regardless of customer class, shall be permitted:
>
> a. To purchase electric energy provided 100 percent from *renewable energy* from any supplier of electric energy licensed to sell retail electric energy within the Commonwealth, other than any incumbent electric utility that is not the incumbent electric utility serving the exclusive service territory in which such a customer is located, if the incumbent electric utility serving the exclusive service territory does not offer an approved tariff for electric energy provided 100 percent from renewable energy;….

Code § 56-576, which is also part of Chapter 23, defines "renewable energy" as follows (emphases added):

> As used in this chapter: …
>
> "Renewable energy" means energy *derived from* sunlight, wind, *falling water*, biomass, sustainable or otherwise, (the definitions of which shall be liberally construed), energy from waste, landfill gas, municipal solid waste, wave motion, tides, and geothermal power, and does not include energy derived from coal, oil, natural gas, or nuclear power. Renewable energy shall also include the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass.

The Commission finds no ambiguity in the phrase "derived from … falling water." Under this definition, energy generated from a pumped storage hydroelectric facility is "renewable energy," because it is derived from water that falls from a higher point to a lower point.[11] The Commission further finds that this plain meaning does not create inconsistency or disharmony with other portions of the statute. The General Assembly has expressly demonstrated – at least twice – that it knows how to exclude pumped storage from this plain language definition when that is the legislative intent.

First, for purposes of a utility's renewable portfolio standard program, renewable energy "shall have the same meaning ascribed to it in [Code] § 56-576," except that renewable energy therein "*shall not include electricity generated from pumped storage*, but shall include run-of-river generation from a combined pumped-storage and run-of-river facility."[12] Second, when the General Assembly passed the VCEA during the 2020 Session, it modified the definition of renewable energy in Code § 56-576 and expressly added a sentence to exclude pumped storage therefrom: "'Renewable energy' *does not include … electricity generated from pumped storage*, but includes run-of-river generation from a combined pumped-storage and run-of-river facility."[13] Both of these examples illustrate that the General Assembly knows how to exclude pumped storage from "falling water" – and from the definition of renewable energy – when it so chooses.[14] Thus, the current definition of "renewable energy" in Code § 56-576 includes energy derived from a pumped storage hydroelectric facility.

Next, the parties agree that the definitional change in the VCEA noted above becomes effective July 1, 2020. That is, effective July 1, 2020: (1) pumped storage is excluded from the definition of "renewable energy" in Code § 56-576; and, as a result (2) individual retail customers are not permitted to purchase from licensed suppliers electricity derived from pumped storage under the renewable energy provisions of Code § 56-577 A 5.

In this regard, and in accordance with the law of the Commonwealth as set forth by the Supreme Court of Virginia, this Commission will not apply a statute retroactively absent an express intent manifesting otherwise. Specifically, as directed by the Court:

---

[10] *Jackson v. Jackson*, 298 Va. 132, 139 (2019) (citations, quotation marks, and internal alterations omitted).

[11] *See, e.g.,* CNE's Reply at 11-13.

[12] Code § 56-585.2 A (emphasis added). Moreover, the different meaning of "renewable energy" for purposes of Code §§ 56-577 A 5 and 56-585.2 A does not represent inconsistency or disharmony but, rather, simply reflects different requirements imposed by the General Assembly for different purposes under Chapter 23. *See, e.g., Virginia Elec. & Power Co. v. State Corp. Comm'n*, 295 Va. 256, 266 (2018) (explaining that differences between Code §§ 56 577 A 3 and A 5 do not create an inconsistency but, rather, "simply reflect[] different requirements imposed by the General Assembly for different competitive purchase options explicitly permitted by statute.") (internal quotation marks omitted).

[13] Emphasis added. *See* 2020 Va. Acts ch. 1193 and ch. 1194, Enactment Cl. 1.

[14] *See also Zinone v. Lee's Crossing Homeowners Ass'n,* 282 Va. 330, 337 (2011) ("Moreover, when the General Assembly has used specific language in one instance, but omits that language or uses different language when addressing a similar subject elsewhere in the Code, we must presume that the difference in the choice of language was intentional.") (citations omitted).

> Virginia law does not favor retroactive application of statutes. *Windmill Meadows,* 287 Va. at 180, 752 S.E.2d at 843 (collecting cases). For this reason, we interpret statutes to apply prospectively "unless a contrary legislative intent is manifest." *Id.* (citation and internal quotation marks omitted). "[N]ew legislation will ordinarily not be construed to interfere with existing contracts, rights of action, suits, or vested property rights...." *Harbour Gate Owners' Ass'n v. Berg,* 232 Va. 98, 103, 348 S.E.2d 252, 255 (1986); *see also Gloucester Realty Corp. v. Guthrie,* 182 Va. 869, 875, 30 S.E.2d 686, 688–89 (1944) ("The general rule is that no statute, however positive in its terms, is to be construed as designed to interfere with existing contracts, rights of action, or suits, and especially vested rights, unless the intention that it shall so operate is expressly declared."). Absent an express manifestation of intent by the legislature, this Court will not infer the intent that a statute is to be applied retroactively. *See Ferguson v. Ferguson,* 169 Va. 77, 87, 192 S.E. 774, 777 (1937) ("It is reasonable to conclude that the failure to express an intention to make a statute retroactive evidences a lack of such intention.").[15]

Thus, the Commission will not apply the revised definition of "renewable energy" in Code § 56-576 – which becomes effective on July 1, 2020 – to CNE's retail generation contracts executed in 2019 to supply electric energy provided 100 percent from renewable energy under Code § 56-577 A 5.[16]

Accordingly, it is so ORDERED, the Petition is GRANTED, and this case is DISMISSED.

[15] *Bailey v. Spangler*, 289 Va. 353, 358-59 (2015).

[16] As a result of the Commission's decision herein, we need not rule on CNE's assertion that Collegiate lacks standing in this matter.

CASE NO. PUR-2020-00074
APRIL 29, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: Authority to create regulatory asset

ORDER

On April 21, 2020, the following public utilities filed a letter request ("Letter") with the Clerk of the State Corporation Commission ("Commission"): Washington Gas Light Company; Columbia Gas of Virginia, Inc.; Roanoke Gas Company; Virginia Natural Gas, Inc.; Atmos Energy Corporation; Appalachian Natural Gas Distribution Company; Southwestern Virginia Gas Company; Aqua Virginia, Inc.; and Virginia-American Water Company. The Letter seeks the Commission's approval "to create a [r]egulatory [a]sset to record incremental prudently incurred costs and suspended late payment fees attributable to the COVID-19 pandemic."[1]

The Letter notes that the Commission has issued orders[2] taking judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.[3] The Letter states that in response to such orders, the utilities have suspended service disconnections and the imposition of late payment fees. The Letter further states that although the signatories "are committed to working with customers by offering payment plans and other options to bring their accounts current and keep service on," they expect that after the end of the state of emergency there will still be customers who cannot pay their prior balances as well as their current bills for service.[4] The Letter states that the utilities therefore "fully expect that their uncollectible expense will increase well above recent levels," and that the COVID-19 pandemic will result in "a decrease in the late payment and reconnection fees, and other potential incremental prudently incurred costs in the future."[5]

[1] Letter at 1. On April 27, 2020, Massanutten Public Service Corporation filed comments supporting the Letter and asking for the same relief.

[2] *See, e.g.*, *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders,* Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020).

[3] *See, e.g.*, Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Gov. Ralph S. Northam. See also Executive Order No. 53, Temporary Restrictions on Restaurants, Recreational, Entertainment, Gatherings, Non-Essential Retail Businesses, and Closure of K-12 Schools Due to Novel Coronavirus (COVID-19), issued March 23, 2020, by Governor Ralph S. Northam, and Executive Order No. 55, Temporary Stay At Home Order Due to Novel Coronavirus (COVID-19), issued March 30, 2020, by Governor Ralph S. Northam.

[4] Letter at 1.

[5] *Id*. at 1-2.

The Letter therefore asks that the utilities be permitted to

> create a regulatory asset in which to record: 1) the incremental uncollectible expense incurred, 2) late payment fees suspended, 3) reconnection costs incurred with the billing suspended, 4) carrying costs, and 5) other incremental prudently incurred costs associated with the COVID-19 pandemic.[6]

The Letter further asserts that the creation of a regulatory asset "will facilitate the recovery of prudently incurred costs associated with the … efforts to accommodate customers during this time of uncertainty and distress."[7]

NOW THE COMMISSION, upon consideration of this matter and in consultation with its Staff, is of the opinion and finds as follows.

All natural gas, electric, water and sewer utilities subject to regulation by the Commission may record deferral of the above-referenced expenses on their books, subject to the provisions of the Financial Accounting Standards Board's Accounting Standards Codification 980. The Commission emphasizes that this Order is solely for accounting purposes and has no ratemaking impact. Such expenses may be addressed in future ratemaking proceedings to the extent relevant thereto.

Accordingly, IT IS SO ORDERED, and this matter is DISMISSED.

[6] *Id*. at 2.

[7] *Id*.

CASE NO. PUR-2020-00075
APRIL 23, 2020

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For approval to obtain financing

ORDER GRANTING AUTHORITY

On April 22, 2020, Northern Neck Electric Cooperative ("Northern Neck") filed an Application with the State Corporation Commission ("Commission") for authority under Chapter 3 of Title 56[1] of the Code of Virginia ("Code") to borrow funds under the federally-administered Paycheck Protection Program ("PPP")[2]. Northern Neck paid the requisite filing fee.

Northern Neck states that it has been accepted under the program and is eligible to receive $1,239,344 of PPP loan funds through Atlantic Union Bank. Such funds are primarily intended to support pre-pandemic levels of business employment with support for employee payroll payments and qualified expenses. Provided the use of PPP funds meets program criteria, such borrowings are eligible to be forgiven. Any portions of such borrowed funds not forgiven would be repayable over a term of two years at an interest rate of 1.0%. Northern Neck represents the PPP funds provide liquidity at a time when needed to help offset the financial impact of the Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service in Case No. PUR-2020-00048,[3] as necessitated by the COVID-19 pandemic.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) Northern Neck hereby is authorized to borrow $1,239,344 of PPP loan funds through First Atlantic Bank all in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) Within thirty (30) days of Northern Neck filing information required for loan forgiveness with the PPP loan administrator, Northern Neck shall submit a copy of such information with the Director of the Division of Accounting and Finance ("UAF").

[1] Code § 56-55 *et seq*.

[2] The PPP is a federal program established under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, administered by the Small Business Administration and funded by the U.S, Treasury Department; see, https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses.

[3] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020).

(3) Within thirty (30) days of a decision on forgiveness of any of its PPP borrowings, Northern Neck shall submit a copy of the documents received pertaining to that decision to the Director of UAF, along with details regarding any amount of PPP borrowings not forgiven, to include: the total amount of any unforgiven PPP borrowings plus accrued interest due, the amount and frequency of installment payments on any unforgiven borrowings, and the scheduled dates for the initial and final payments.

(4) Approval of this Application shall have no implications for ratemaking purposes.

(5) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUR-2020-00076
JULY 13, 2020

APPLICATION OF
CRAIG-BOTETOURT ELECTRIC COOPERATIVE and CRAIG-BOTETOURT ENERGY AND HOME SERVICES, LLC d/b/a BEE ONLINE ADVANTAGE

For approval of affiliate agreements pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On May 4, 2020, Craig-Botetourt Electric Cooperative ("C-BEC")[1] and Craig-Botetourt Energy and Home Services, LLC d/b/a Bee Online Advantage ("Bee Online")[2] (collectively "Petitioners"), filed a petition ("Petition") with the State Corporation Commission ("Commission") requesting approval of affiliate agreements pursuant to Chapter 4[3] of Title 56 of the Code of Virginia ("Code"). Specifically, the Petitioners are seeking expedited approval of: (1) a General Agreement and (2) a Broadband Agreement, such that C-BEC can: (a) provide broadband-related services and other support services to Bee Online; and (b) lease a portion of C-BEC's fiber optic network to Bee Online. On June 23, 2020, the Commission issued an Order Extending Time for Review.

Under the General Agreement, C-BEC will provide to Bee Online, on as needed basis, up to thirty-three (33) management, accounting, financial management, administrative, operational, and support services (collectively "Business Services"), which are specifically listed in Confidential Exhibit C of the Application. C-BEC will charge the fully allocated cost (including overhead) of its employees' time for Business Services provided to Bee Online, which CBEC believes is higher than market because its employees are more highly compensated than local contractors performing similar work, and will charge the higher of cost or market for non-employee Business Services provided. The General Agreement also contains general provisions detailing insurance, notice, and governing law requirements, and limitations of liability. The General Agreement includes language stating that Bee Online anticipates providing similar services to C-BEC in the future. However, the Petitioners are not seeking such authority in the instant Petition.

Under the Broadband Agreement, C-BEC will lease a portion of its fiber optic network to Bee Online. Bee Online will utilize the leased fiber: (a) to provide all substation communication and other services to C-BEC; and (b) to provide retail broadband services to customers. C-BEC will charge Bee Online a rental fee and a maintenance fee monthly, which may be adjusted from time-to-time by mutual agreement of the parties, subject to C-BEC's statutory requirements on affiliate pricing. The initial term of the Broadband Agreement will be one year and will renew automatically for successive one-year terms unless either party provides 90 days written notice prior to the end of the term of the party's intent not to renew.

The Petitioners represent that the Agreements are in the public interest because C-BEC will be able to (i) manage its distribution system more efficiently and cost-effectively; (ii) deploy enhanced security monitoring at its substations; and (iii) adopt new electric distribution smart grid applications; and Bee Online will be able to provide high-speed internet access in and around C-BEC's service territory.

Apart from the proposed Agreements, C-BEC plans to enter into an arrangement ("Arrangement") with Bee Online to receive a suite of communications services ("Communications Services") once the fiber optic network is placed in use. Specifically, C-BEC will replace its existing communications services at one substation with Communications Services provided by Bee Online, and C-BEC also plans to implement a Smart Grid Initiative throughout its service territory that would be supported by Communications Services provided by Bee Online.[4] The Petitioners represent that C-BEC will pay the same rates and take internet service from Bee Online as any other similarly situated business customer and, therefore, they do not believe that the Arrangement requires Commission approval pursuant to the Affiliates Act.

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff ("Staff") through its action brief, and having considered the Petitioners' comments thereon,[5] is of the opinion and finds that the proposed Agreements are in the public interest and are approved subject to certain requirements listed in the Appendix attached to this order.

---

[1] C-BEC provides retail electric distribution services to approximately 7,200 member-consumers in and around the counties of Allegheny, Botetourt, Craig, Giles, Montgomery, and Roanoke in Virginia, as well as Monroe County in West Virginia.

[2] Bee Online is a newly created for-profit LLC owned by C-BEC.

[3] Code § 56-76 *et seq.* ("Affiliates Act").

[4] See Petitioners' Response to Staff Confidential Data Request No. 3-9(b), attached to Staff's confidential action brief filed concurrently with this order.

[5] The Petitioners' comments are attached to Staff's confidential and public action briefs filed concurrently with this order.

Section 56-77 A of the Code states:

> No contract or arrangement providing for the furnishing of management, supervisory, construction, engineering, accounting, legal, financial, or similar services, and no contract or arrangement for the purchase, sale, lease or exchange of any property, right or thing, other than those above enumerated, or for the purchase or sale of treasury bonds or treasury capital stock made or entered into between a public service company and any affiliated interest shall be valid or effective unless and until it shall have been filed with and approved by the Commission.

Pursuant to that standard, we find that the Arrangement described above is subject to the Affiliates Act and is subject to the requirements set forth in the Appendix attached hereto. While the Commission does not provide open-ended approval of miscellaneous services from an affiliate, we find that the Arrangement, which we approve herein, includes all Communications Services that Bee Online may provide to C-BEC. We will require C-BEC to report these services in detail to Staff in C-BEC's Annual Report of Affiliate Transactions ("ARAT").

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Agreements and the Arrangement are approved subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

CASE NO. PUR-2020-00077
DECEMBER 14, 2020

APPLICATION OF
US ENERGY SOLUTIONS INC.

For a license to conduct business as a competitive service provider

ORDER GRANTING LICENSE

On October 16, 2020, US Energy Solutions Inc. ("US Energy" or "Company") completed the filing of an application with the State Corporation Commission ("Commission") for a license to conduct business as a competitive service provider ("Application").[1] US Energy seeks authority to provide electric and natural gas aggregation services throughout Virginia to eligible commercial, industrial, and residential customers.[2] In its Application, US Energy attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[3]

On October 30, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically, on or before November 6, 2020, upon each of the companies on Attachment A of the Procedural Order, and to file proof of service on or before November 13, 2020. On November 4, 2020, US Energy filed its proof of service electronically.

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before November 20, 2020. Dominion filed comments on this Application and a notice of participation in this docket.

The Procedural Order directed the Staff to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on December 3, 2020, which summarized US Energy's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that US Energy be granted a license to conduct business as an aggregator of electricity and natural gas service to eligible commercial, industrial, and residential customers throughout Virginia.

NOW THE COMMISSION, upon consideration of the Application, the case record, and the applicable law, finds that US Energy's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

---

[1] The Company initially filed its Application on April 29, 2020, but the Commission's Staff ("Staff") deemed the Application incomplete as filed.

[2] Retail choice for natural gas service exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is permitted only pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[3] 20 VAC 5-312-10 *et seq.*

Accordingly, IT IS ORDERED THAT:

(1) US Energy hereby is granted license No. A-116 to provide competitive aggregation service of electricity and natural gas to eligible commercial, industrial, and residential customers throughout Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUR-2020-00078
JULY 29, 2020

APPLICATION OF
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY

For approval to implement SAVE rates for each customer class for Year 2 of its SAVE Plan

ORDER GRANTING APPROVAL

On May 1, 2020, Appalachian Natural Gas Distribution Company ("ANGD" or the "Company") filed an application ("Application") pursuant to § 56-603 *et seq*. of the Code of Virginia ("Code"), known as the Steps to Advance Virginia's Energy ("SAVE") Plan Act, and in accordance with the State Corporation Commission's ("Commission") July 16, 2019 Order Approving SAVE Plan and Rider for ANGD in Case No. PUR-2019-00011 (the "2019 SAVE Order").[1] ANGD's Application seeks approval to implement SAVE rates for each customer class for Year 2 of its SAVE Plan (the "Year 2 Rates"). ANGD requests that the proposed Year 2 Rates for each customer class become effective August 1, 2020.[2]

In its Application, the Company states that the Commission, in its 2019 SAVE Order, directed ANGD to file its request for Year 2 Rates by May 1, 2020, for the rate year beginning August 1, 2020, and ending July 31, 2021.[3] Per ANGD, the Commission also held that ANGD's initial "Reconciliation Rate" would be filed in Year 3 of the SAVE Plan and would reconcile the 17-month period of August 1, 2019, through December 31, 2020.[4] The Company therefore did not include a reconciliation component for the Year 2 Rates as such will be included in next year's filing.[5]

According to the documents and workpapers submitted by the Company, the revenue requirement and Year 2 Rates are designed to recover the costs, as defined by Code § 56-603, of eligible infrastructure replacement projects that will occur in Year 2.[6] The Year 2 projects are outlined in Schedule 17 to the Commission Staff ("Staff") Report filed in Case No. PUR-2019-00011 and include replacement of approximately 8,900 feet of vintage plastic main in the Industrial Park area, on Hockman Pike and Fincastle Turnpike.[7] The total 2020 SAVE factor revenue requirement presented by the Company is $153,794.[8] According to Schedule 17 of the Company's Application, an average residential customer's bill will reflect a $4.89 per month SAVE charge, which represents an increase of $3.30, or 5.82%, compared to the $1.59 current monthly SAVE charge.[9]

On May 19, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") in this proceeding, that among other things, docketed the Application, required the Company to publish notice of the Application, provided an opportunity for interested persons to file comments or requests for hearing, and directed the Staff to investigate the Application and file a report ("Staff Report") containing its findings and recommendations.

On May 22, 2020, the Company filed a letter supplementing its filing.[10]

---

[1] *Petition of Appalachian Natural Gas Distribution Company, For approval of a SAVE Plan and Rider as provided by Chapter 26 of Title 56 of the Code of Virginia*, Case No. PUR-2019-00011, Doc. Con. Cen. No. 190720095, Order (July 16, 2019) at 6.

[2] Application at 5.

[3] 2019 SAVE Order at 3.

[4] Application at 2, citing 2019 SAVE Order at 3.

[5] Application at 2.

[6] *Id*. at 4.

[7] *See Petition of Appalachian Natural Gas Distribution Company, For approval of a SAVE Plan and Rider as provided by Chapter 26 of Title 56 of the Code of Virginia*, Case No. PUR-2019-00011, Doc. Con. Cen. No. 190440059, Staff Report (Apr. 30, 2019) at Schedule 17. The projects to be included in Year 2 are listed in Staff's Schedule 17 under the first "Year 3" heading, which should read "Year 2." The Commission adopted the recommendations in the Staff Report. *See* 2019 SAVE Order at 4.

[8] Application at Ex. JDJ – Schedules 1 and 10.

[9] Application at Ex. JDJ – Schedule 17 (p. 5).

[10] *See Letter Supplementing Filing* (Original [Tariff] Sheet No. 156), PUR-2020-00078, Doc. Con. Cen. No. 200550062 (May 22, 2020).

On June 30, 2020, Staff filed its Staff Report wherein it reported that, after review and analysis, Staff recommended a revenue requirement of $151,659 ($2,135 less than requested by the Company), and provided its reasons and analysis therefor.[11] Staff agreed with the Company's use of the overall cost of capital and cost of equity approved in ANGD's most recent rate case[12] and recommended the use of the class allocation factors proposed by the Company.[13]

On July 8, 2019, ANGD filed a Letter In Lieu of Reply Comments of Appalachian Natural Gas Distribution Company ("Letter"). In its Letter, the Company accepted Staff's recommended revenue requirement and requested that the Commission approve the Application as revised by Staff.[14]

On July 13, 2020, ANGD filed a Motion to Modify Procedural Schedule ("Motion"), requesting modification to the notice dates prescribed by the Commission's previously issued Procedural Order. In support of its Motion, the Company states that due to an administrative oversight, the notice required to have been served on or before June 24, 2020, was not served.[15] ANGD requested that the Commission allow it to serve notice on or before July 15, 2020, to file proof of notice on or before July 24, 2020, and to set the deadline for comments, notices of participation, and hearing requests to on or before July 27, 2020.[16] The Commission granted this request, by Order, on July 13, 2020 ("July 13, 2020 Order").

On July 14 and 15, 2020, ANGD served and published notice of this case in accordance with the July 13, 2020 Order. Thereafter, no comments, requests for hearing, or notices of participation were filed with the Commission.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that ANGD's Year 2 Rates should be approved as recommended by Staff and supported by the Company. As a result, the revenue requirement approved herein is slightly less than the amount contained in the public notice. In approving this increase, the Commission notes its awareness of the ongoing COVID-19 public health crisis, which has had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

The Commission hereby adopts the recommendations made by Staff in its Staff Report and accepted by the Company, *to wit*:

(1) The Commission finds that the Year 2 Revenue Requirement as corrected by Staff and accepted by the Company shall be $151,659;[17] and

(2) The Commission further approves the recommended use of the overall cost of capital and cost of equity approved in ANGD's most recent rate case,[18] and the use of the class allocation factors proposed by the Company.[19]

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application, as modified herein, is approved. Rates consistent with this Order shall become effective beginning August 1, 2020, and remain in effect until July 31, 2021.

(2) ANGD forthwith shall file, with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, revised tariffs for the SAVE Rider and all workpapers supporting the total revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order.

(3) This matter hereby is dismissed.

---

[11] Staff Report at 3-6; correcting for updated property tax rates, double averaging and depreciation expense.

[12] *Id*. at 5.

[13] *Id*. at 8.

[14] Letter at 1.

[15] Motion at 1.

[16] *Id.* at 1-2.

[17] Staff Report at 3-6 and Letter at 1.

[18] Staff Report at 5.

[19] *Id*. at 7.

CASE NO. PUR-2020-00079
AUGUST 4, 2020

APPLICATION OF
HEALTHTRUST PURCHASING GROUP, L.P.

For a license to conduct business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On May 29, 2020, Healthtrust Purchasing Group, L.P. ("Healthtrust" or "Company"), completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as an electricity and natural gas aggregator in the Commonwealth of Virginia.[1] Healthtrust seeks authority to provide electric and natural gas aggregation services to eligible commercial, industrial, and governmental customers[2] in the following service territories: Appalachian Power Company ("APCo"), City of Salem, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Rappahannock Electric Cooperative ("Rappahannock"), Atmos Energy, Columbia Gas of Virginia ("Columbia Gas"), Roanoke Gas Company, and Washington Gas Light Company ("Washington Gas").[3] In its Application, Healthtrust attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[4]

On June 11, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") that, among other things, required the Company to serve a copy of the Procedural Order upon the appropriate persons, provided an opportunity for interested persons to comment on the Application, and directed Staff to analyze the Application and present its findings in a report ("Report").

On June 18, 2020, Healthtrust filed proof of service, certifying that it had completed the service required by the Commission's Procedural Order.

On June 30, 2020, Dominion filed comments on the Application. Through its Comments, Dominion urged the Commission and Staff to closely examine Healthtrust's financial and technical fitness needed to serve as an aggregator in Virginia.[5] Dominion also noted that the Retail Access Rules do not expressly subject aggregators to lower standards or less rigorous licensure reviews than competitive service providers.[6]

On July 10, 2020, Staff filed its Report, which summarized the Application and evaluated the Company's technical fitness and financial condition. Based on its review of the Application, Staff believes that Healthtrust meets the technical fitness requirement for licensure.[7] Regarding financial fitness, Staff indicated that the Company appears to have access to the financial resources necessary to operate as an aggregator of electricity and natural gas.[8] On that basis, Staff recommended that the Commission grant Healthtrust a license to act as an aggregator for electricity service and natural gas service to eligible commercial, industrial, and governmental customers in the service territories of APCo, Dominion, Rappahannock, Columbia Gas, and Washington Gas.[9]

NOW THE COMMISSION, upon consideration of this matter, finds that Healthtrust's Application for a license to provide electricity and natural gas aggregation services to eligible commercial, industrial, and governmental customers in the service territories of APCo, Dominion, Rappahannock, Columbia Gas, and Washington Gas should be granted, subject to the conditions set forth below.

---

[1] Healthtrust filed its Application on May 4, 2020, but the Commission's Staff ("Staff") deemed the Application incomplete as filed. The Company provided supplemental information on May 29, 2020, completing its Application.

[2] In its Application, the Company indicated that it wished to provide services to a customer class that it identified as "educational." For licensure purposes, publicly owned educational facilities are classified as governmental, and privately held educational facilities would be in a customer class other than governmental depending on the size of the customer.

[3] Retail choice for natural gas service presently exists only in the service territories of Washington Gas and Columbia Gas. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Dominion, APCo, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[4] 20 VAC 5-312-10 *et seq*.

[5] Dominion Comments at 2.

[6] *Id.*

[7] Report at 6.

[8] *Id.*

[9] *Id.*

Accordingly, IT IS ORDERED THAT:

(1) Healthtrust hereby is granted license No. A-105 to provide (i) competitive aggregation service of electricity to commercial, industrial, and governmental customers in the service territories of APCo, Dominion, and Rappahannock and (ii) competitive aggregation service of natural gas to commercial, industrial, and governmental customers in the service territories of Columbia Gas and Washington Gas. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUR-2020-00082
JULY 29, 2020

APPLICATION OF
INTL FCSTONE FINANCIAL INC.

For a license to conduct business as an aggregator of electricity supply service

ORDER GRANTING LICENSE

On May 6, 2020, INTL FCStone Financial Inc. ("INTL" or "Company") completed the filing of an application with the State Corporation Commission ("Commission") for a license to act as an aggregator for electricity service ("Application"). INTL seeks authority to provide electricity aggregation services in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV") to eligible commercial, industrial, and governmental customers. In its Application, INTL attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On June 18, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically on or before June 26, 2020, to DEV and to file proof of service on or before July 2, 2020. On June 29, 2020, INTL filed its proof of service.

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before July 9, 2020. DEV filed comments in the case.

The Procedural Order directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on July 10, 2020, which summarized INTL's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that INTL be granted an aggregator's license to conduct business as a competitive service provider of electricity to eligible commercial, industrial, and governmental customers in DEV's service territory.

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that INTL's Application for a license to provide electric aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) INTL is hereby granted license No. A-107 to provide competitive aggregation service of electricity to eligible commercial, industrial, and governmental customers in the service territory of DEV. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUR-2020-00083
AUGUST 5, 2020

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For a general increase in electric rates

ORDER FOR NOTICE AND HEARING

On July 16, 2020, pursuant to §§ 56-231.33, 56-231.34, 56-236, 56-238, and 56-585.3 of the Code of Virginia ("Code"), Northern Neck Electric Cooperative ("NNEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a general increase in electric rates.

In support of its Application, NNEC states that a rate increase is needed because the Cooperative recently has experienced low customer growth and increasing costs.[1] NNEC requests a 3.93% increase in its base rates, which will generate approximately $1.5 million in additional revenue.[2] The Cooperative represents that an increase in jurisdictional sales revenues of $1.5 million will allow it to pay expenses, service debt, fund capital additions, and meet the financial goals established by NNEC's Board of Directors.[3] NNEC states that the proposed increase would produce total rate year[4] jurisdictional margins of $1.8 million and a 2.25x Times Interest Earned Ratio ("TIER").[5]

The Cooperative proposes a $0.10 per kilowatt per month demand charge for its customers taking service under Schedule R-5, Schedule PE-3, Schedule C-8, Schedule T-5, and Schedule GS-5.[6] NNEC states that by separating demand costs from consumption costs, the Cooperative's members will be able to control both types of costs, rather than just consumption costs.[7] To update Schedule R-5 kilowatt hour sales for the Rate Year, NNEC proposes to use a five-year average of monthly consumption, rather than the test year[8] average of monthly consumption.[9]

The Cooperative seeks to allocate the proposed $1.5 million Rate Year revenue increase to the various rate classes in a manner that addresses parity deficiencies.[10] To that end, NNEC proposes to allocate the increase primarily to Schedule R-5, Schedule PE-3, and Schedule GS-5, with smaller increases to Schedule GSD-1 and Schedule T-4.[11] NNEC is not proposing any substantive changes to its Terms and Conditions.[12]

The Cooperative requests that its proposed rates and charges be approved and that the Commission authorize such rates to be put into effect for bills rendered on and after January 1, 2021, as interim rates subject to refund, if necessary, as provided in Code § 56-238.[13] Under the Cooperative's proposed increase, a typical residential customer using 1,000 kilowatt hours of electricity each month would experience a monthly bill increase of $6.30, from $143.97 to $150.27.[14]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that NNEC should provide notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Cooperative's Application; a procedural schedule should be established to allow interested persons an opportunity to comment on the Cooperative's Application or to participate in this proceeding as a respondent; 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 appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

---

[1] Application at 3; Direct Testimony of Pamela M. Davis ("Davis Direct") at 2-3.

[2] Application at 8; Davis Direct at 3.

[3] Application at 3.

[4] NNEC states that the rate year is calendar year 2021 ("Rate Year"). *Id.*

[5] *Id.* The Cooperative clarifies that it is not requesting that the Commission set a TIER of 2.25x and adjust its proposed rates to that TIER. NNEC requests that the Commission approve the rates as proposed, provided that the resulting TIER is within a reasonable rate that would normally be recommended for electric distribution cooperatives in Virginia. *Id.*

[6] *Id.* at 4; Direct Testimony of Bradley H. Hicks at 5-6; Direct Testimony of Jack D. Gaines ("Gaines Direct") at 25.

[7] Application at 4.

[8] In its Application, NNEC uses calendar year 2019 as the test year. *Id.*

[9] *Id.*

[10] *Id.* at 8.

[11] *Id.*; Gaines Direct at 22-23.

[12] Application at 8.

[13] *Id.* at 9.

[14] These figures assume a peak demand of 6.40 kilowatts and are based on annualized rates.

The Commission further takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.[15] The Commission has taken certain actions, and may take additional actions going forward, that could impact the procedures in this proceeding.[16] 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 will require electronic service on parties to this proceeding.

Also in light of the current COVID-19 public health crisis that has caused devastating economic effects that impact all utility customers, we will suspend the Cooperative's proposed rates to the furthest extent allowed by law[17] and allow, but not require, NNEC, as requested, to implement its proposed rates for bills rendered on and after January 1, 2021, on an interim basis and subject to refund with interest. Additionally, we have responded to this economic emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency.[18]

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2020-00083.

(2) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedures before hearing examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),[19] a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

(3) NNEC may, but is not obligated to, implement its proposed rates for bills rendered on and after January 1, 2021, on an interim basis and subject to refund with interest.

(4) All pleadings in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's 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. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.[20]

(5) 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.

(6) A public hearing on the Application shall be convened on March 2, 2021, at 10 a.m., to receive the testimony of public witnesses and the evidence of the Cooperative, any respondents, and Staff. Further details on the hearing will be provided by subsequent Commission Order or Hearing Examiner's Ruling.

---

[15] *See, e.g.*, Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Governor Ralph S. Northam. *See also* Executive Order No. 53, Temporary Restrictions on Restaurants, Recreational, Entertainment, Gatherings, Non-Essential Retail Businesses, and Closure of K-12 Schools Due to Novel Coronavirus (COVID-19), issued March 23, 2020, by Governor Ralph S. Northam, and Executive Order No. 55, Temporary Stay at Home Order Due to Novel Coronavirus (COVID-19), issued March 30, 2020, by Governor Ralph S. Northam. These and subsequent Executive Orders related to COVID-19 may be found at: https://www.governor.virginia.gov/executive-actions/.

[16] *See, e.g.*, *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders,* Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency Extension of Prior Orders*, Case Nos. CLK-2020-00004 and CLK-2020-00005, Doc. Con. Cen. No. 200520101, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020).

[17] *See* Code § 56-238.

[18] *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020), *and* Doc. Con. Cen. No. 200630135, Order on Suspension of Service Disconnections (June 12, 2020).

[19] 5 VAC 5-20-10 *et seq.*

[20] As noted in the Commission's March 19, 2020 Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency in Case No. CLK-2020-00005, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may not be processed for an indefinite period of time due to the COVID-19 emergency. *See supra* note 16

(7) An electronic copy of the Cooperative's Application may be obtained by submitting a written request to counsel for NNEC, Garland S. Carr, Esquire, Williams Mullen, 200 South 10th Street, Suite 1600, Richmond, Virginia 23219, or gcarr@williamsmullen.com. Interested persons also may download unofficial copies from the Commission's website: https://scc.virginia.gov/pages/Case-Information.

(8) On or before October 8, 2020, NNEC shall cause the following notice to be published *Cooperative Living* magazine:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
NORTHERN NECK ELECTRIC COOPERATIVE
FOR A GENERAL INCREASE IN ELECTRIC RATES
CASE NO. PUR-2020-00083

On July 16, 2020, pursuant to §§ 56-231.33, 56-231.34, 56-236, 56-238, and 56-585.3 of the Code of Virginia, Northern Neck Electric Cooperative ("NNEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a general increase in electric rates.

In support of its Application, NNEC states that a rate increase is needed because the Cooperative recently has experienced low customer growth and increasing costs. NNEC requests a 3.93% increase in its base rates, which will generate approximately $1.5 million in additional revenue. Under the Cooperative's proposed increase, a typical residential customer using 1,000 kilowatt hours of electricity each month would experience a monthly bill increase of $6.30, from $143.97 to $150.27. These figures assume a peak demand of 6.40 kilowatts and are based on annualized rates.

The Cooperative represents that an increase in jurisdictional sales revenues of $1.5 million will allow it to pay expenses, service debt, fund capital additions, and meet the financial goals established by NNEC's Board of Directors. NNEC states that the proposed increase would produce total rate year jurisdictional margins of $1.8 million and a 2.25x Times Interest Earned Ratio.

The Cooperative proposes a $0.10 per kilowatt per month demand charge for its customers taking service under Schedule R-5, Schedule PE-3, Schedule C-8, Schedule T-5, and Schedule GS-5. NNEC states that by separating demand costs from consumption costs, the Cooperative's members will be able to control both types of costs, rather than just consumption costs. To update Schedule R-5 kilowatt hour sales for the Rate Year, NNEC proposes to use a five-year average of monthly consumption, rather than the test year average of monthly consumption.

The Cooperative seeks to allocate the proposed $1.5 million Rate Year revenue increase to the various rate classes in a manner that addresses parity deficiencies. To that end, NNEC proposes to allocate the increase primarily to Schedule R-5, Schedule PE-3, and Schedule GS-5, with smaller increases to Schedule GSD-1 and Schedule T-4. NNEC is not proposing any substantive changes to its Terms and Conditions.

For more detailed information about the Cooperative's proposals, interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals. While the total revenue that may be approved by the Commission is limited to the amount produced by the Cooperative's proposed rates, TAKE NOTICE that the Commission may approve revenues and adopt rates, fees, charges, tariff revisions, and terms and conditions of service that differ from those appearing in the 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, permits NNEC to place its proposed rates, charges, and terms and conditions of service into effect, subject to refund, for bills rendered on and after January 1, 2021.

The Commission's Order for Notice and Hearing scheduled a public hearing at 10 a.m. on March 2, 2021, to receive the testimony of public witnesses and the evidence of the Cooperative, any respondents, and the Commission's Staff. Further details on the hearing will be provided by subsequent Commission Order or Hearing Examiner's ruling.

The Commission has taken judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter should 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. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's 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.

An electronic copy of the NNEC's Application may be obtained by submitting a written request to counsel for the Cooperative, Garland S. Carr, Esquire, Williams Mullen, 200 South 10th Street, Suite 1600, Richmond, Virginia 23219, or gcarr@williamsmullen.com. Interested persons also may download unofficial copies from the Commission's website: https://scc.virginia.gov/pages/Case-Information.

On or before February 23, 2021, any interested person may file comments on the Application by following the instructions on the Commission's website: https://scc.virginia.gov/casecomments/Submit-Public-Comments. All comments shall refer to Case No. PUR-2020-00083.

On or before November 5, 2020, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Cooperative. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00083.

On or before December 18, 2020, each respondent may file with the Clerk of the Commission and serve on the Commission's Staff, the Cooperative, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. In all filings, respondents shall comply with the Commission's Rules of Practice, 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-2020-00083.

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 Cooperative's Application, the Commission's Rules of Practice and the Commission's Order for Notice and Hearing may be viewed at: https://scc.virginia.gov/pages/Case-Information.

NORTHERN NECK ELECTRIC COOPERATIVE

(9) On or before October 8, 2020, NNEC shall serve a copy of its Application and this Order for Notice and Hearing on the following local officials, to the extent the position exists, in each county, city, and town in which the Cooperative provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.[21]

(10) On or before November 5, 2020, NNEC 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, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, or by filing electronically at https://scc.virginia.gov/clk/efiling/.

(11) On or before February 23, 2021, any interested person may file comments on the Application by following the instructions found on the Commission's website: https://scc.virginia.gov/casecomments/Submit-Public-Comments. All comments shall refer to Case No. PUR-2020-00083.

(12) On or before November 5, 2020, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Cooperative. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00083.

(13) Within five (5) business days of receipt of a notice of participation as a respondent, the Cooperative shall serve upon each respondent a copy of this Order for Notice and Hearing, a copy of the public version of the Application, and a copy of the public version of all materials filed by the Cooperative with the Commission, unless these materials already have been provided to the respondent.

(14) On or before December 18, 2020, each respondent may file with the Clerk of the Commission and serve on the Staff, the Cooperative, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2020-00083.

(15) On or before January 15, 2021, 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 Cooperative and all respondents.

(16) On or before February 5, 2021, NNEC 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 Cooperative 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, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

[21] See the Commission's April 1, 2020 Order in Case No. CLK-2020-00007. *See supra* note 16.

(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 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.

[22] The assigned Staff attorney is identified on the Commission's website, https://scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2020-00083 in the appropriate box.

CASE NO. PUR-2020-00084
JULY 17, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

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

FINAL ORDER

On May 12, 2020, 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, filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a rate adjustment clause designated as Rider T1.[1]

Subsection A 4 states as follows:[2]

> 4. (Expires December 31, 2023) The following costs incurred by the utility shall be deemed reasonable and prudent: (i) costs for transmission services provided to the utility by the regional transmission entity of which the utility is a member, as determined under applicable rates, terms and conditions approved by the Federal Energy Regulatory Commission [("FERC")], (ii) costs charged to the utility that are associated with demand response programs approved by the Federal Energy Regulatory Commission and administered by the regional transmission entity of which the utility is a member, and (iii) costs incurred by the utility to construct, operate, and maintain transmission lines and substations installed in order to provide service to a business park. Upon petition of a utility at any time after the expiration or termination of capped rates, but not more than once in any 12-month period, the Commission shall approve a rate adjustment clause under which such costs, including, without limitation, costs for transmission service; charges for new and existing transmission facilities, including costs incurred by the utility to construct, operate, and maintain transmission lines and substations installed in order to provide service to a business park; administrative charges; and ancillary service charges designed to recover transmission costs, shall be recovered on a timely and current basis from customers. Retail rates to recover these costs shall be designed using the appropriate billing determinants in the retail rate schedules.

In this proceeding, Dominion seeks approval of a revenue requirement for the rate year September 1, 2020, through August 31, 2021 ("Rate Year"),[3] to 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 transmission component of base rates and the new revenue requirement developed from the Company's total transmission costs for the Rate Year.[4]

The total proposed revenue requirement to be recovered over the Rate Year is $1,002,915,471,[5] comprising an increment Rider T1 of $529,332,047, and forecast collections of $473,583,424 through the transmission component of base rates.[6] This total revenue requirement represents an increase of $75,944,528, 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.[7] Implementation of the proposed Rider T1 on September 1, 2020, would increase the average weighted monthly bill of a residential customer using 1,000 kilowatt-hours per month by $0.57.[8]

[1] On May 20, 2020, the Company filed corrections to the Direct Testimony and Schedules of Paul B. Haynes.

[2] Section (iii) was added to Subsection A 4 in 2019, effective through December 31, 2023. *See* Chapter 535 of the 2019 Acts of Assembly.

[3] Ex. 2 (Application) at 1.

[4] *Id*. at 6. References herein to "transmission component of base rates" and "total transmission costs" are inclusive of all costs recoverable under Subsection A 4.

[5] *Id.*

[6] Ex. 5 (Haynes Direct) at 10 (as corrected on May 20, 2020).

[7] Ex. 3 (Wilkinson Direct) at 2.

[8] Ex. 5 (Haynes Direct) at 11.

On May 19, 2020, the Commission issued an Order for Notice and Hearing that, among other things, established a procedural schedule for this case; directed the Company to provide public notice of its Application; provided interested persons an opportunity to file comments on the Application or to participate as respondents in this proceeding; scheduled an evidentiary hearing; scheduled a separate hearing to receive public witness testimony; and directed the Commission's Staff ("Staff") to investigate the Application. The Commission also assigned a Hearing Examiner to conduct further proceedings in this matter on behalf of the Commission, including filing a final report containing the Hearing Examiner's findings and recommendations.

The Office of Attorney General's Division of Consumer Counsel ("Consumer Counsel"), the Board of Supervisors of Culpeper County ("Board"), and the Virginia Committee for Fair Utility Rates ("Committee") filed notices of participation in this proceeding.

On June 10, 2020, Staff filed its testimony and exhibits. Staff supported the Company's proposed revenue requirement and the amounts to be recovered through the Subsection A 4 component of base rates and Rider T1.

Staff further recommended that the Commission consider requiring Dominion to shift from the single coincident peak ("1-CP") methodology for allocating the Virginia jurisdictional transmission revenue requirement among its customer classes[9] to the 12-Coincident Peak ("12-CP") methodology, which allocates cost responsibility based upon contribution to the 12 monthly peaks during a calendar year.[10] In support thereof, Staff cited to FERC's approval in October 2019 of the Company's proposal to change from the 1-CP methodology to the 12-CP methodology for allocating PJM Interconnection, L.L.C. ("PJM"), transmission charges to wholesale transmission customers within the Dominion Energy Virginia Zone.[11] Staff noted that Dominion requested FERC to approve this change because using a 12-CP methodology would reduce cost shifting and result in a more stable cost allocation, smoothing out yearly volatility compared to the 1-CP approach then in effect.[12] Staff further noted that the Company asserted before FERC that using a 12-CP approach would "address the full range of operating realities of its system" and "is consistent with transmission planning and associated cost causation principles."[13]

Staff stated that, in light of this change in cost allocation methodology at the PJM level, using a methodology other than a 1-CP for allocating the Virginia jurisdictional transmission revenue requirement would more accurately distribute transmission cost responsibility among the Company's customer classes.[14] Recognizing, however, that changing to a 12-CP methodology in a single case could result in some degree of cost shifting away from the Residential class and toward larger general service customers, Staff offered the following three options for the Commission's consideration: (1) continued use of the 1-CP allocator; (2) changing to the 12-CP allocator in this proceeding; or (3) adopting a gradual strategy of moving toward a 12-CP allocation methodology over a defined number of future Rider T1 cases.[15]

On June 17, 2020, Dominion filed its rebuttal testimony. The Company recommended continued use of the 1-CP allocator and opposed shifting to the 12-CP allocation methodology in this case.[16] The Company, however, agreed to provide information and present options that could accomplish a gradual movement to the 12-CP methodology for the Commission's consideration in the 2021 Rider T1 proceeding.[17]

On June 23, 2020, an evidentiary hearing was convened by Skype for Business ("Skype") to hear testimony and accept evidence on the Company's Application. Dominion, Consumer Counsel, the Committee and Staff participated in the hearing. The hearing continued on June 24, 2020, via Skype, to receive testimony from the public. No public witnesses appeared to testify.

On June 26, 2020, the Hearing Examiner filed her Report ("Report"). In the Report, the Hearing Examiner summarized the record and made the following findings and recommendations:[18]

1. The Commission should approve a total Subsection A 4 revenue requirement of $1,002,915,471, of which $473,583,424 is to be collected in base rates and $529,332,047 through Rider T1 during the Rate Year; and

2. The Commission should approve Dominion's proposed cost allocation and rate design but require the Company to provide in its 2021 Rider T1 application information and options that will accomplish a gradual movement to the 12-CP method.

---

[9] The 1-CP methodology allocates cost responsibility by measuring individual customer class peak loads at the time of peak system demand. *See, e.g.,* Ex. 8 (Boehnlein) at 7-8.

[10] Ex. 8 (Boehnlein) at 11-12.

[11] Ex. 8 (Boehnlein) at 8-9.

[12] *Id.* at 8, Attachment ATB-1 at 3.

[13] *Id.* at 9, Attachment ATB-1 at 4.

[14] *Id.* at 11; Staff Comments to Hearing Examiner's Report at 4.

[15] Ex. 8 (Boehnlein) at 11-12. The Board, Committee and Consumer Counsel did not file testimony; however, at the evidentiary hearing, the Committee opposed directing Dominion to change its practice of using the 1-CP method, contending that (i) there is no compelling reason why such a change should be made immediately, and (ii) such a change should be made after Dominion's triennial review to allow the Commission to collect more information and enable the Commission to enact more effective changes that maintain rate stability and mitigate load loss. *See* Tr. 12-14. Consumer Counsel supported a requirement that the Company change to a 12-CP approach going forward but recognized that a change to the 12-CP approach would result in cost shifting. Accordingly, Consumer Counsel stated that it would not oppose a Commission order gradually phasing in the shift to a 12-CP approach. *See* Tr. 14-17.

[16] Ex. 10 (Haynes Rebuttal) at 11.

[17] *Id.*

[18] Report at 19.

On July 2, 2020, Dominion, Consumer Counsel, the Committee and Staff filed comments in response to the Report. The Company asserted that the record does not support initiating a gradual shift to the 12-CP methodology in this case and urged the Commission to allow the Company to "retain[] the use of the 1-CP method to establish rates for transmission cost recovery, and … provide in its 2021 Rider T1 filing information and options that will accomplish a gradual movement to the 12-CP method."[19] The Committee did not oppose requiring the Company to provide more detailed information and options regarding the allocation methodology in its 2021 Rider T1 application but continued to urge the Commission to wait until after Dominion's 2021 triennial review before making any changes in methodology.[20]

Staff did not oppose the Hearing Examiner's recommendation that "in its 2021 Rider T1 application, the Company be required to provide information and present options that will accomplish a gradual movement to the 12-CP method."[21] Staff did, however, ask the Commission to consider all the alternatives in the record and asserted that "the record supports a change to the 12-CP methodology in this proceeding, or at least taking an initial step, *in this case*, toward moving to a 12-CP methodology, if the Commission so desires."[22]

Consumer Counsel supported the Report's conclusion "that a gradual approach to move the allocation factor towards the 12-CP approach over a defined number of future Rider T1 cases is appropriate and would result in a cost allocation methodology that more accurately reflects cost causation."[23] Consumer Counsel recommended, however, that the move towards the 12-CP allocation methodology commence this year. In the alternative, Consumer Counsel "generally supports the Report's recommendation with respect to the 2021 application" "if the Commission determines that the move towards the 12-CP approach should not start until 2021."[24] Consumer Counsel further urged the Commission "to make clear that the Company must be required to present a plan next year that *reflects movement commencing in 2021* towards the 12-CP approach."[25]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Revenue Requirement

We agree with the Hearing Examiner that the record in this case supports a revenue requirement of $1,002,915,471, of which $473,583,424 is to be collected in base rates and $529,332,047 collected through Rider T1 during the Rate Year. In approving this request for an increase in Rider T1 that was filed on May 12, 2020, the Commission notes its awareness of the ongoing COVID-19 public health crisis, which has had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of fact supported by the evidence in the record. As noted above, with the enactment of Subsection A 4, all of these costs are deemed just and reasonable, including the Company's return on investment, which is set by FERC; the Commission is without discretion to add to or detract from these findings. Accordingly, we apply the law as given to us; this is what we have done herein.

Revenue Requirement Allocation Methodology

The Commission approves the 1-CP allocation methodology for the purpose of allocating costs in Rider T1 during the Rate Year in this proceeding. We further direct the Company to provide a plan, in its 2021 Rider T1 filing, for moving to the 12-CP allocation methodology, with the first step of that plan to be implemented in the rate year beginning September 1, 2021. In other words, as Consumer Counsel urged in its comments to the Hearing Examiner's Report, the Company must present a plan next year that reflects movement commencing in 2021 towards the 12-CP approach.

Accordingly, IT IS ORDERED THAT:

(1) Rider T1, as approved herein, shall become effective for service rendered on and after September 1, 2020.

(2) The Company forthwith shall file, with the Clerk of the Commission and the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, the updated tariff sheets for Rider T1 as approved herein.

(3) The Company shall present a plan in its 2021 Rider T1 filing that reflects movement commencing in 2021 toward the 12-CP methodology for allocating costs in Rider T1.

(4) This matter is dismissed.

---

[19] Dominion Comments to Hearing Examiner's Report at 3-4.

[20] Committee Comments to Hearing Examiner's Report at 2.

[21] Staff Comments to Hearing Examiner's Report at 4-5; Report at 19.

[22] Staff Comments to Hearing Examiner's Report at 5 (emphasis in original).

[23] Consumer Counsel Comments to Hearing Examiner's Report at 2; Report at 19.

[24] Consumer Counsel Comments to Hearing Examiner's Report at 2.

[25] *Id.* (emphasis in original).

CASE NO. PUR-2020-00085
JULY 17, 2020

APPLICATION OF
SELECTED POWER INC.

To become a licensed electric and natural gas aggregator in Virginia

ORDER GRANTING LICENSE

On May 15, 2020, Selected Power Inc. ("Selected" or "Company") completed the filing of an application with the State Corporation Commission ("Commission") for a license to conduct business as an electricity and natural gas aggregator in the Commonwealth of Virginia ("Application"). Selected seeks authority to provide electricity and natural gas aggregation services throughout Virginia to eligible commercial and industrial customers.[1] In its Application, Selected attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[2]

On June 2, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") that, among other things, required the Company to serve a copy of the Procedural Order upon the appropriate persons, provided an opportunity for interested persons to comment on the Application, and directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report").

On June 18, 2020, Selected filed proof of service stating that it had served the appropriate persons but had not done so by the date specified in the Procedural Order. Selected requested that the Commission accept its out-of-time service of the Procedural Order.

On June 24, 2020, Dominion filed comments on the Application. Through its Comments, Dominion urged the Commission and Staff to closely examine Selected's financial and technical fitness needed to serve as an aggregator in Virginia. Dominion also noted that the Retail Access Rules do not expressly subject aggregators to lower standards or less rigorous licensure reviews than competitive service providers.[3]

On July 2, 2020 Staff filed its Report, which summarized the Application and evaluated the Company's technical fitness and financial condition. Based on its review of the Application, Staff believes that Selected meets the technical fitness requirement for licensure. Regarding financial fitness, Staff recommended that Selected be required to provide an acceptable form of security payable to the Commission in the amount of $25,000. Staff also recommended that the Company be required to include financial statements for the prior fiscal year with the filing of its annual report through 2024. Finally, contingent on receipt of an acceptable form of security, Staff recommended that the Commission grant Selected a license to act as an aggregator for electricity service and natural gas service to eligible commercial and industrial customers throughout Virginia.[4]

NOW THE COMMISSION, upon consideration of this matter, finds that Selected's Application for a license to provide electricity and natural gas aggregation services throughout Virginia should be granted, subject to the conditions set forth below. We will accept Selected's out-of-time service of the Procedural Order on the appropriate persons; however, we remind the Company to be more diligent in the future in complying with Commission orders as well as applicable rules and statutes.

Accordingly, IT IS ORDERED THAT:

(1) Selected hereby is granted license No. A-103 to provide competitive aggregation service of electricity and natural gas to commercial and industrial customers throughout Virginia, subject to the Company providing the required financial security of $25,000 in a form prescribed by Staff. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) Staff shall review the level of financial security provided by Selected at the time of the Company's annual licensure report ("Annual Report") filed pursuant to 20 VAC 5-312-20 P of the Retail Access Rules. Selected shall include financial statements for the prior fiscal year with the filing of its Annual Report through 2024.

(3) This license is not valid authority for the provision of any product or service not identified within the license itself.

(4) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] Retail choice for natural gas service presently exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is permitted only pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[2] 20 VAC 5-312-10 *et seq*.

[3] Dominion Comments at 1-2.

[4] Staff Report at 5-6.

CASE NO. PUR-2020-00087
AUGUST 3, 2020

APPLICATION OF
NOVO ENERGY SERVICES LLC

For a license to conduct business as an aggregator of electricity supply service

ORDER GRANTING LICENSE

On May 27, 2020, Novo Energy Services LLC ("Novo" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as an aggregator of electricity service.[1] Novo seeks authority to provide electricity aggregation services in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") and Appalachian Power Company ("APCo") to eligible commercial, industrial, and governmental customers.[2] In its Application, Novo attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[3]

On June 11, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") that, among other things, required the Company to serve a copy of the Procedural Order upon the appropriate persons, provided an opportunity for interested persons to comment on the Application, and directed Staff to analyze the Application and present its findings in a report ("Report").

On June 22, 2020, Novo filed proof of service in compliance with Commission's Procedural Order.

On June 30, 2020, Dominion filed comments on the Application. Through its Comments, Dominion urged the Commission and Staff to closely examine Novo's financial and technical fitness needed to serve as an aggregator in Virginia.[4] Dominion also noted that the Retail Access Rules do not expressly subject aggregators to lower standards or less rigorous licensure reviews than competitive service providers.[5]

On July 10, 2020, Staff filed its Report, which summarized the Application and evaluated the Company's technical fitness and financial condition. Based on its review of the Application, Staff believes that Novo meets the technical fitness requirement for licensure.[6] Regarding financial fitness, Staff indicated that the Company appears to have access to the financial resources necessary to operate as an aggregator of electricity.[7] On that basis, Staff recommended that the Commission grant Novo a license to act as an aggregator for electricity to eligible commercial, industrial, and governmental customers in the service territories of Dominion and APCo.[8]

NOW THE COMMISSION, upon consideration of this matter, finds that Novo's Application for a license to provide electricity aggregation service to eligible commercial, industrial, and governmental customers in the service territories of APCo and Dominion should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Novo hereby is granted license No. A-106 to provide competitive aggregation service of electricity to commercial, industrial, and governmental customers in the service territories of APCo and Dominion. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] Novo filed its Application on May 13, 2020, but the Commission's Staff ("Staff") deemed the Application incomplete as filed. The Company provided supplemental information on May 27, 2020, completing its Application.

[2] Retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources set forth in the Code of Virginia. Further, in its Application, the Company indicated that it wished to provide services to a customer class that it identified as "educational." For licensure purposes, publicly owned educational facilities are classified as governmental, and privately held educational facilities would be in a customer class other than governmental depending on the size of the customer.

[3] 20 VAC 5-312-10 *et seq*.

[4] Dominion Comments at 1-2.

[5] *Id.* at 2.

[6] Report at 5.

[7] *Id.*

[8] *Id.*

CASE NO. PUR-2020-00088
MAY 19, 2020

APPLICATION OF
BARC ELECTRIC COOPERATIVE

For approval to obtain financing

ORDER GRANTING AUTHORITY

On May 13, 2020, BARC Electric Cooperative ("BARC") filed a petition ("Application") with the State Corporation Commission ("Commission") for approval to obtain financing under the federally-administered Paycheck Protection Program ("PPP").[1] The requested authority is required pursuant to Chapter 3 of Title 56 of the Code of Virginia.[2]

BARC requests authority to borrow up to $1,088,999 of PPP funding under a loan from BB&T/Truist Bank. Funds under the PPP are primarily intended to support levels of business employment prior to the COVID-19 pandemic by providing funds for employee payroll payments and other qualified uses. PPP borrowings used to meet program criteria are eligible to be forgiven. Any portions of such borrowed funds not forgiven would be repayable over a term of two years at an interest rate of 1.0%.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

In granting this PPP borrowing authority, the Commission notes the COVID-19 public health crisis and BARC's need for financial flexibility in its response options thereto. In addition to the PPP loan authority granted to BARC in this case, the Commission has responded to this economic emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency.[3]

Accordingly, IT IS ORDERED THAT:

(1) BARC hereby is authorized to borrow up to $1,088,999 under the PPP all in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) Within thirty (30) days of BARC filing information required for loan forgiveness with the PPP loan administrator, BARC shall submit a copy of such information with the Director of the Division of Accounting and Finance ("UAF").

(3) Within thirty (30) days of a decision on forgiveness of any of its PPP borrowings, BARC shall submit a copy of the documents received pertaining to that decision to the Director of UAF, along with details regarding any amount of PPP borrowings not forgiven, to include: the total amount of any unforgiven PPP borrowings plus accrued interest due, the amount and frequency of installment payments on any unforgiven borrowings, and the scheduled dates for the initial and final payments.

(4) Approval of this Application shall have no implications for ratemaking purposes.

(5) There appearing nothing further to be done in this matter, it hereby is dismissed.

---

[1] The PPP is a federal program established under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, administered by the Small Business Administration and funded by the U.S. Treasury Department; *See*, https://www.sba.gov/funding programs/loans/coronavirus-relief options/paycheck-protection-program#section-header-0

[2] Code § 56-55 *et seq.*

[3] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), extended by Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020).

CASE NO. PUR-2020-00090
SEPTEMBER 11, 2020

APPLICATION OF
ROANOKE GAS COMPANY

For modification to its SAVE Plan and Rider and to implement a 2021 SAVE Projected Factor Rate and True-Up Factor Rate

ORDER APPROVING SAVE MODIFICATION AND RIDER

On May 15, 2020, Roanoke Gas Company ("Roanoke Gas" or the "Company") filed an application ("Application") pursuant to § 56-603 *et seq*. of the Code of Virginia ("Code"), known as the Steps to Advance Virginia's Energy ("SAVE") Plan Act, and in accordance with the State Corporation Commission's ("Commission") August 29, 2012 Order Approving SAVE Plan and Rider in Case No. PUE-2012-00030,[1] as modified in subsequent SAVE

---

[1] *Application of Roanoke Gas Company, For approval of a SAVE Plan and Rider pursuant to Virginia Code § 56- 603 et seq.*, Case No. PUE-2012-00030, 2012 S.C.C. Ann. Rept. 422, Order Approving SAVE Plan and Rider (Aug. 28, 2012).

cases. Roanoke Gas' Application seeks approval to modify its SAVE Plan, and approval of its proposed SAVE Rider, to be effective October 1, 2020, through September 30, 2021 ("2021 SAVE Year"), to permit the Company to recover the costs of its planned investments in the 2021 SAVE Year ("2021 Projected Factor"), and to refund the over-collection of costs related to its 2019 SAVE projects ("2021 True-Up Factor") that occurred January 1, 2019, through September 30, 2019 ("2019 SAVE Year").[2] Roanoke Gas requests that the Commission approve modification of its SAVE Plan to include the renewal of certain regulator stations and the renewal of pre-1971 coated steel mains and coated steel services.[3]

In its Application, the Company explains that, in Case No. PUR-2018-00102, the Commission approved the Company's request to change its SAVE Plan Year from a calendar year to match the Company's fiscal year, which runs from October 1 through September 30 of each year.[4] In order for the Company to transition to a fiscal year SAVE Plan Year, the Commission approved the Company's request to shorten its 2019 SAVE Year from calendar year 2019 to the nine-month period beginning January 1, 2019, and ending September 30, 2019. Per Roanoke Gas, the 2021 True-Up Factor requested in this Application covers that nine-month period and will true-up any difference in the revenues collected through the 2019 Projected Factor and the actual costs associated with the 2019 SAVE projects.[5]

According to the documents and workpapers submitted by the Company, the 2021 Projected Factor is designed to recover the costs, as defined by § 56-603 of the Code, of eligible infrastructure replacement projects that will occur during the 2021 SAVE Year.[6] The Company calculates the 2021 Projected Factor revenue requirement to be $2,325,231[7] and the 2021 True-Up Factor revenue requirement to be a credit of $73,360,[8] for a combined 2021 SAVE Plan revenue requirement of $2,251,871.[9] The proposed 2021 SAVE Plan rate for the average residential customer using 55.2 therms per month is $2.65 per month,[10] an increase of $1.96 over the current rate of $0.69 for such customers.[11]

On May 29, 2020, the Commission issued an Order for Notice and Comment in this proceeding which, among other things, docketed the Application; required Roanoke Gas to publish notice of its Application; and gave interested persons the opportunity to participate in this proceeding and to comment or request a hearing on the Company's Application. No one filed comments or requested a hearing in this proceeding.

On August 14, 2020, the Commission's Staff ("Staff") filed a report ("Staff Report") containing Staff's analysis of the Application and providing conclusions and recommendations for the Commission's consideration. In the Staff Report, Staff calculates a total 2021 SAVE Rider revenue requirement of $2,251,871, which is comprised of a 2021 True-Up Factor credit of $73,360 and a 2021 Projected Factor of $2,325,231.[12] Staff further recommends that Roanoke Gas be authorized up to a 5% spending variance that applies continually to each yearly approved spend and on a cumulative rolling basis.[13]

Staff notes in its Report that the Company's proposed replacement of pre-1971 coated steel mains/service lines[14] as well as regulator stations subject to flooding[15] and removal of regulator stations susceptible to vehicular damage and replacement with buried pipe,[16] each appear to meet the requirements of the SAVE Act.[17] Staff also notes, however, that the Company has not provided adequate information thus far concerning the SAVE eligibility of replacing certain regulator stations susceptible to vehicular damage with new regulator stations.[18] Therefore, Staff recommends that the Company be limited to replacing no more than 11 regulator stations as supported by its analysis.[19]

---

[2] Application at 1.

[3] Application at 3.

[4] *Application of Roanoke Gas Company, For approval to amend its SAVE Plan and Rider and to implement a 2019 SAVE Projected Factor Rate and True-Up Factor Rate*, Case No. PUR-2018-00102, 2018 S.C.C. Ann. Rept. 466, Order Approving SAVE Amendment and Rider (Sept. 27, 2018).

[5] Application at 3-4.

[6] *Id*. at 4.

[7] *Id*. at Schedules 1 and 10.

[8] *Id*. at Schedules 1 and 2.

[9] Application at Schedule 1.

[10] *Id*. at Schedule 17, p. 1. *See also*, Testimony of Niklas E. Banka at 7-10.

[11] Testimony of Niklas E. Banka at 9-10.

[12] Staff Report at 21. These figures match the Company's calculations.

[13] *Id.* at 22.

[14] *Id*. at 7.

[15] *Id*. at 9.

[16] *Id*. at 12.

[17] *Id*. at Summary.

[18] *Id*. at 13.

[19] *Id*. at 16.

Accordingly, Staff recommends that authorized spending for the requested regulator stations be proportionately reduced from $1.5 million to no more than $635,000.[20] Staff notes that none of the costs for the proposed regulator station renewals was included in the revenue requirement requested by the Company, but the Company plans to renew six in 2021, if Commission approval is granted.[21] Staff recommends that the Company include planned SAVE activity in future Company Projected Factor filings, even if the activities are not yet authorized, in order for Staff and the Commission to fully analyze the scope of projects including their revenue requirement and rate impact.[22] This practice will allow proper public notice to be provided and should serve to reduce the amount of True-Up variances and financing costs in future filings.[23]

Additionally, Staff notes concerns regarding the Company's proposed revenue apportionment. Specifically, Staff states that the Commission's 2020 SAVE Final Order[24] can be interpreted to mean that the Company should now use the revenue apportionment approved in its most recent general rate case (Case No. PUR-2018-00003) as the basis for allocating its SAVE revenue requirement.[25] In the 2020 SAVE Final Order, the Commission approved the Company's prior proposed SAVE revenue apportionment but noted at that time that "revenue apportionment changes are more appropriately decided in a fully litigated proceeding" (*i.e.*, the Company's then-pending base rate case).[26]

On August 28, 2020, Roanoke Gas filed its Response to Staff Report ("Response"). In its Response, the Company agrees with Staff's revenue requirement calculation for the 2021 Projected Factor and 2021 True-Up Factor.[27] The Company disagrees with Staff's recommendation to use the allocation factors the Commission set in Roanoke Gas' recent rate case. The Company states that its own proposed allocation factors are reasonable as they are based on factors approved in the Company's recent SAVE cases (which occurred prior to the Commission's Final Order in the Company's last Rate Case), and the proposed factors satisfy the SAVE Act requirement that rates be based upon cost causation principles.[28] Roanoke Gas requests the Commission approve the 2021 Projected Factor rates based on the Company's proposed allocation factors proposed in the Application.[29]

The Company also disagrees with Staff's recommended annual spending variance cap of 5% on a cumulative, rolling basis.[30] Per Roanoke Gas, the Company "has been authorized to operate with a 20% variance above the annual limit as well as a 5% cumulative variance limit since 2016, over five SAVE Plan years."[31] The Company asserts that because it has stayed well within the annual limit and even well below the cumulative limit, such limits should remain unchanged.[32]

Finally, the Company also reasserts its belief that all of the 26 regulator stations in its application are eligible for replacement under the SAVE Act, but states that it does not oppose limiting the regulator station replacements to the 11 regulator stations noted by Staff as appearing to be SAVE-eligible.[33]

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the Company's request to modify its SAVE Plan and Rider should be granted as modified herein. We find that the Company's 2021 Projected Factor and 2021 True-Up Factor should be approved. Based on the specific facts and unique circumstances of this case, we also approve the 2021 Projected Factor rates based on the Company's proposed allocation factors in the Application.

The Commission further finds that the Company's regulator station renewal request shall be limited, at this time, to no more than the 11 regulator stations recommended by Staff and not opposed by the Company. Moreover, we find that the Company shall include all planned SAVE activity in any future Company Projected Factor filings, even if the activities are not yet authorized, in order for Staff and the Commission to fully analyze the scope of all such projects, including their revenue requirement and rate impact. This practice will allow for more comprehensive public notice to be provided and should serve to reduce the amount of True-up variances and financing costs in future filings.

---

[20] *Id*. at 16.

[21] *Id*. at 15.

[22] *Id*. at 15-16.

[23] *Id*. at 16.

[24] *Application of Roanoke Gas Company For approval to amend its SAVE Plan and Rider and to implement a 2020 SAVE Projected Factor Rate and True-Up Factor Rate*, Case No. PUR-2019-00080, Doc. Con. Cen. No. 190030047, SCC Ann. Rep. at 440 (September 11, 2019).

[25] Staff Report at 22.

[26] *Id*. at 18.

[27] Response at 2.

[28] Response at 12.

[29] *Id.*

[30] *Id.* at 4-8.

[31] *Id.* at 5; citing, *Application of Roanoke Gas Company, For modification of its SA VE Plan and Rider*, Case No. PUE-2015-00076, 2015 S.C.C. Ann. Rept. 361, Order Approving Amended SAVE Plan and Rider (Sept. 25, 2015).

[32] Response at 4-8.

[33] *Id*. at 4.

We also find, based on the specific facts and unique circumstances of this case, that Roanoke Gas shall continue to be limited to the 20% annual spending variance currently authorized under its SAVE Plan. Specifically, we find that Roanoke Gas is authorized to spend $7,523,250 in the 2021 SAVE Year.[34] Based on the 20% annual spending variance, the Company would have the ability to spend an additional $1,504,650 for a maximum total 2021 SAVE Year spending cap of $9,027,900, which shall include spending on all approved components, including regulator stations.

The Commission cautions the Company that this approval retains the Company's current 5% total SAVE Plan spending variance already in effect,[35] and the 20% annual spending variance retained herein, all or in part, shall not be used by the Company to exceed this total 5% SAVE Plan cap.

In approving this increase, the Commission notes its awareness of the ongoing COVID-19 public health crisis, which has had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any SAVE case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application, as modified herein, is approved. Rates consistent with this Order shall become effective beginning October 1, 2020, and shall remain in effect until September 30, 2021.

(2) The Company's 2021 Projected Factor and 2021 True-Up Factor are approved.

(3) The revenue apportionment factors proposed in the Company's Application shall be the apportionment factors utilized to collect Roanoke Gas' 2021 SAVE revenue requirement.

(4) The Company's regulator station renewal request shall be limited at this time to no more than the 11 regulator stations recommended by Staff and not opposed by the Company.

(5) The Company is specifically directed to include all future planned SAVE activity in any future Company Projected Factor filings, even if the activities are not yet authorized.

(6) Roanoke Gas is authorized to spend $7,523,250 in the 2021 SAVE Year along with its 20% annual spending variance. Thus, the Company would have the ability to spend an additional $1,504,650 for a maximum total 2021 SAVE Year spending cap of $9,027,900, which shall include spending on all approved components, including regulator stations.

(7) Roanoke Gas forthwith shall file with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance revised tariffs for the 2021 SAVE Rider, with workpapers supporting the total revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order. The Clerk shall retain such filing for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(8) This matter is dismissed.

---

[34] Shockley Testimony at 2. *See also*, Staff Report, Attachment 1, Table 2 at 3 (p. 29 of the total pdf scanned document)).

[35] Application at 3; citing, *Application of Roanoke Gas Company, For approval to amend its SAVE Plan and Rider and to implement a 2020 SAVE Projected Factor Rate and True-Up Factor Rate*, Case No. PUR-2019-00080, Doc. Con. No. 190930047, Order Approving SAVE Amendment and Rider (September 11, 2019).

CASE NO. PUR-2020-00091
MAY 21, 2020

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For approval of financing pursuant to Title 56 Chapter 3 of the Virginia Code

ORDER GRANTING AUTHORITY

On May 19, 2020, Central Virginia Electric Cooperative ("CVEC") filed a petition ("Application") with the State Corporation Commission ("Commission") for approval to obtain financing under the federally-administered Paycheck Protection Program ("PPP").[1] The requested authority is required pursuant to Chapter 3 of Title 56 of the Code of Virginia.[2]

---

[1] The PPP is a federal program established under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, administered by the Small Business Administration and funded by the U.S. Treasury Department; *See* https://www.sba.gov/funding-programs/loans/coronavirus relief options/paycheck-protection-program#section-header-0.

[2] Code *§ 56-55 et seq.*

CVEC requests authority to borrow up to $2,570,477 of PPP funding under a loan from an existing Small Business Administration approved lender, CoBank. Funds under the PPP are primarily intended to support levels of business employment prior to the COVID-19 pandemic by providing funds for employee payroll payments and other qualified uses. PPP borrowings used to meet program criteria are eligible to be forgiven. Any portions of such borrowed funds not forgiven would be repayable over a term of two years at an interest rate of 1.0%.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

In granting this PPP borrowing authority, the Commission notes the COVID-19 public health crisis and CVEC's need for financial flexibility in its response options thereto. In addition to the PPP loan authority granted to CVEC in this case, the Commission has responded to this economic emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency.[3]

Accordingly, IT IS ORDERED THAT:

(1) CVEC is hereby authorized to borrow up to $2,570,477 under the PPP all in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) Within thirty (30) days of CVEC filing information required for loan forgiveness with the PPP loan administrator, CVEC shall submit a copy of such information with the Director of the Division of Utility Accounting and Finance ("UAF").

(3) Within thirty (30) days of a decision on forgiveness of any of its PPP borrowings, CVEC shall submit a copy of the documents received pertaining to that decision to the Director of UAF, along with details regarding any amount of PPP borrowings not forgiven, to include: the total amount of any unforgiven PPP borrowings plus accrued interest due, the amount and frequency of installment payments on any unforgiven borrowings, and the scheduled dates for the initial and final payments.

(4) Approval of this Application shall have no implications for ratemaking purposes.

(5) There appearing nothing further to be done in this matter, it hereby is dismissed.

[3] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020).

CASE NO. PUR-2020-00095
JUNE 30, 2020

APPLICATION OF
VIRGINIA NATURAL GAS , INC.

For a general rate increase and for authority to revise the terms and conditions applicable to natural gas service

ORDER FOR NOTICE AND HEARING

On June 1, 2020, Virginia Natural Gas, Inc. ("VNG" or "Company"), filed with the State Corporation Commission ("Commission") an application pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq.*) of the Code of Virginia ("Code") requesting authority to increase its rates and charges, effective November 1, 2020, and to revise other terms and conditions applicable to its gas service ("Application").

VNG indicates that the proposed rates and charges are designed to increase the Company's annual rate base revenue by approximately $60.1 million per year, which includes $10.5 million currently being collected by the Company outside of base rates in a surcharge associated with its Steps to Advance Virginia's Energy plan ("SAVE Plan") pursuant to Code § 56-603 *et seq.*[1] VNG states the requested increase in annual rate base revenue reflects its costs and revenues for the test year ending December 31, 2019, the increase in the Company's average rate base since its last base rate increase in 2017,[2] an updated capital structure and requested return on equity of 10.35%, and certain rate year adjustments that "can be reasonably predicted to occur" during the 12 months ending October 31, 2021 ("Rate Year"), as permitted by Code § 56-235.2.[3]

VNG states that, since the 2016 Rate Case, it has made significant investments in its system to serve customers better.[4] The Company represents that it will have invested approximately $494 million to improve the integrity and performance of its system from the beginning of 2017 through October 31, 2020. VNG projects that it will invest approximately $133 million more during the Rate Year.[5]

[1] Application at 1; Schedule 21.

[2] *See Application of Virginia Natural Gas, Inc., For a general increase in rates and for authority to revise the terms and conditions applicable to natural gas service,* Case No. PUE-2016-00143, 2017 S.C.C. Ann. Rept. 423, Final Order (Dec. 21, 2017) ("2016 Rate Case").

[3] Application at 4-5.

[4] *Id.* at 3.

[5] *Id.*

The Company states that its SAVE Plan was designed to facilitate the accelerated replacement of SAVE-eligible natural gas infrastructure and was implemented in 2012.[6] VNG represents that it will have dedicated approximately $161 million of its capital expenditures through October 31, 2020, to its SAVE Plan.[7]

VNG states in its Application that, in the time since the 2016 Rate Case, it has experienced changes in its operating costs and has launched and expanded several new initiatives to improve safety systems, modernize internal processes, bolster the technical workforce, and better engage with customers. The Company indicates that its non-gas operations and maintenance ("O&M") expenses have increased by approximately $17 million since the 2016 Rate Case and that this increase is primarily attributable to workforce development and customer service enhancement initiatives, safety and compliance, depreciation, and shared services costs.[8] In its Application, the Company provides further detail on these and other O&M initiatives including: (i) development of an apprentice pool and increased staffing for Distribution and Field Service Operations; (ii) expansion of the Company's Construction Operations, Systems Operations (Transmission), and Compliance departments with additional employee positions; (iii) utilization of a predictive analytics solution to identify excavation tickets most likely to result in damages and enhanced staffing to establish a predictive analytics team; (iv) increased scope of the Company's cross bore surveying program; (v) several safety initiatives; and (vi) customer satisfaction and community outreach initiatives.[9]

VNG represents that a typical residential customer with average usage will experience an average increase of $11.20 per month under the proposed rates.[10]

The Company also proposes revisions to its Terms and Conditions and Schedules for Supplying Gas including: (i) implementing a standard tampering charge to account for costs incurred to lock or remove meters following customer manipulation to restore service after a shut-off for non-payment; (ii) updating the Service Connection Charge, Service Reconnection Charge, Accelerated Reconnect Charge, Seasonal Reconnect Charge, and Light-Up Service Call Charge rates to better reflect the current cost of these activities; (iii) a revision to the purchased gas cost adjustment mechanism to discontinue the Target Margin and update the System Peak Day Firm Sales Volume as well as the Demand Charge Allocation Factors; (iv) discontinuing propane service to certain individual tank customers; (v) updates to reflect the rates and consumptions patterns proposed by the Company under its Weather Normalization Adjustment; (vi) creation of a fixed bill rate schedule designed to allow the Company to offer a fixed bill option to residential customers; (vii) implementation of a multifamily pilot program that would offer a contribution payment to builders and developers to offset the costs of internal piping and venting to individually metered apartments and condominium units to provide choice in energy options; (viii) creation of a targeted conversion program that would provide VNG the opportunity to recover investment costs of converting neighborhoods to natural gas through base rates; and (ix) inclusion of bill-payment transaction fees in base rates in an effort to improve the overall customer experience.[11]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that VNG should provide notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Company's Application; a procedural schedule should be established to allow interested persons an opportunity to file written or electronic comments on the Company's Application or to participate in this proceeding as a respondent; 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 appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

---

[6] *See Application of Virginia Natural Gas, Inc., For approval of a SAVE plan and rider as provided by Va. Code § 56-604,* Case No. PUE-2012-00012, 2012 S.C.C. Ann. Rept. 393, Order Approving SAVE Plan and Rider (June 25, 2012).

[7] Application at 3.

[8] *Id.* at 4.

[9] *Id.*

[10] *Id.* at 7.

[11] *Id.* at 6-7.

The Commission further takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.[12] The Commission has taken certain actions, and may take additional actions going forward, that could impact the procedures in this proceeding.[13] 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.

Also, in light of the current COVID-19 public health crisis that has caused devastating economic effects that impact all utility customers, we will suspend VNG's proposed rates for 150 days, the maximum allowed by law.[14]

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2020-00095.

(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").[15] Confidential and Extraordinarily Sensitive information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information,* of the Rules of Practice. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.[16]

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

(4) As provided by Code § 12.1-31 and Rule 5 VAC 5-20-120, *Procedures before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

(5) Pursuant to Code § 56-238, VNG may implement its proposed rates on an interim basis, subject to refund with interest, for service rendered on and after October 29, 2020. Alternatively, as requested by the Company, VNG may implement its proposed interim rates for services rendered on and after November 1, 2020.

(6) On or before October 23, 2020, VNG shall file a bond with the Commission in the amount of $60.1 million payable to the Commission and conditioned to insure the prompt refund by the Company to those entitled thereto of all amounts the Company shall collect in excess of such rates and charges as the Commission may finally fix and determine.

(7) A public hearing on the Application shall be convened on May 11, 2021, at 10 a.m., to receive the testimony of public witnesses and the evidence of the Company, any respondents, and the Staff. Further details on the hearing will be provided by subsequent Commission Order or Hearing Examiner's Ruling.

---

[12] *See, e.g.*, Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Governor Ralph S. Northam. *See also* Executive Order No. 53, Temporary Restrictions on Restaurants, Recreational, Entertainment, Gatherings, Non-Essential Retail Businesses, and Closure of K-12 Schools Due to Novel Coronavirus (COVID-19), issued March 23, 2020, by Governor Ralph S. Northam, and Executive Order No. 55, Temporary Stay at Home Order Due to Novel Coronavirus (COVID-19), issued March 30, 2020, by Governor Ralph S. Northam. These and subsequent Executive Orders related to COVID-19 may be found at: https://www.governor.virginia.gov/executive-actions/.

[13] *See, e.g.*, *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders,* Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), *extended by* Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), *extended by* Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020).

[14] *See* Va. Code § 56-238. In addition to maximum suspension of rates, we have also responded to this economic emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency. *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020), and Doc. Con. Cen. No. 200630135, Order on Suspension of Service Disconnections (June 12, 2020).

[15] 5 VAC 5-10-20 *et seq*.

[16] 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 not be processed for an indefinite period due to the COVID-19 emergency.

(8) Interested persons may obtain a copy of the Company's Application by submitting a written request to counsel for VNG, Joseph K. Reid III, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219-3916, or Jreid@mcguirewoods.com. Where possible, the interested person's request shall include an electronic mail address to which the Company may send the requested documents. The Company shall provide the documents by electronic means where possible. Interested persons may also download unofficial copies from the Commission's website: https://scc.virginia.gov/pages/Case-Information.

(9) On or before July 24, 2020, VNG 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
VIRGINIA NATURAL GAS, INC.'S
APPLICATION FOR A GENERAL INCREASE IN RATES AND
FOR AUTHORITY TO REVISE THE TERMS AND
CONDITIONS APPLICABLE TO NATURAL GAS SERVICE
CASE NO. PUR-2020-00095

- **Virginia Natural Gas, Inc. ("VNG") has applied for approval of a general increase in rates.**
- **VNG requests a total annual increase in revenue requirement of $60.1 million per year.**
- **A Hearing Examiner appointed by the Commission will hear the case on May 11, 2020.**
- **Further information about this case is available on the State Corporation Commission's website at:**
  https://scc.virginia.gov/pages/Case-Information.

On June 1, 2020, Virginia Natural Gas, Inc. ("VNG" or "Company"), filed with the State Corporation Commission ("Commission") an application pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq*.) of the Code of Virginia ("Code") requesting authority to increase its rates and charges, effective November 1, 2020, and to revise other terms and conditions applicable to its gas service ("Application"). VNG indicates that the proposed rates and charges are designed to increase the Company's annual rate base revenue by approximately $60.1 million per year, which includes $10.5 million currently being collected by the Company outside of base rates in a surcharge associated with its Steps to Advance Virginia's Energy plan ("SAVE Plan") pursuant to Code § 56-603 *et seq*. VNG states the requested increase in annual rate base revenue reflects its costs and revenues for the test year ending December 31, 2019, the increase in the Company's average rate base since its last base rate increase in 2017, an updated capital structure and requested return on equity of 10.35%, and certain rate year adjustments that "can be reasonably predicted to occur" during the 12 months ending October 31, 2021 ("Rate Year"), as permitted by Code § 56-235.2.

VNG states that, since its last rate case (PUR-2016-00143), it has made significant investments in its system to serve customers better. The Company represents that it will have invested approximately $494 million to improve the integrity and performance of its system from the beginning of 2017 through October 31, 2020. VNG projects that it will invest approximately $133 million more during the Rate Year.

The Company states that its SAVE Plan was designed to facilitate the accelerated replacement of SAVE-eligible natural gas infrastructure and was implemented in 2012. VNG represents that it will have dedicated approximately $161 million of its capital expenditures through October 31, 2020, to its SAVE Plan.

VNG states in its Application that, in the time since its last Rate Case, it has experienced changes in its operating costs and has launched and expanded several new initiatives to improve safety systems, modernize internal processes, bolster the technical workforce, and better engage with customers. The Company indicates that its non-gas operations and maintenance ("O&M") expenses have increased by approximately $17 million and that this increase is primarily attributable to workforce development and customer service enhancement initiatives, safety and compliance, depreciation, and shared services costs.

In its Application, the Company provides further detail on these and other O&M initiatives, including additional staffing and employee changes, utilizing predictive analytics to identify excavation tickets most likely to result in damages, and increasing the scope of the Company's cross bore surveying program, as well as safety, customer satisfaction, and community outreach initiatives.

VNG also proposes numerous revisions to its Terms and Conditions and Schedules for Supplying Gas. These include, but are not limited to, implementing a meter tampering charge, updating connection and reconnection charges, discontinuing and updating various other charges, creating a fixed bill rate design option for customers, implementing a multifamily pilot program in which builders and developers may participate, creating a program to recover investment costs for converting neighborhoods to natural gas service, and including bill-payment transaction fees into rate base.

VNG represents that a typical residential customer with average usage will experience an average increase of $11.20 per month under the proposed rates.

The details of these and other proposals are set forth in the Company's Application. Interested persons are encouraged to review the Company's Application and supporting exhibits for the details of these proposals.

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, suspends the Company's proposed rates for the maximum period allowed by law, given the COVID-19 pandemic, and permits the Company to place its proposed rates, charges, and terms and conditions of service into effect on an interim basis, subject to refund, effective October 29, 2020, or alternatively on November 1, 2020, as requested by the Company.

The Commission's Order for Notice and Hearing scheduled a public hearing at 10 a.m. on May 11, 2021, to receive the testimony of public witnesses and the evidence of the Company, any respondents, and the Commission's Staff. Further details on the hearing will be provided by subsequent Commission Order or Hearing Examiner's Ruling.

The Commission has taken judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter should 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. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's 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 Comment for further instructions concerning Confidential or Extraordinarily Sensitive Information.

Interested persons may download unofficial copies of the Application from the Commission's website: https://scc.virginia.gov/pages/Case-Information. Copies of these documents also may be obtained, at no charge, by submitting a written request to counsel for the Company: Joseph K. Reid, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, jreid@mcguirewoods.com.

On or before April 27, 2021, any interested person may file written comments on the Application with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, or https://scc.virginia.gov/casecomments/Submit-Public-Comments. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUR-2020-00095.

Any person or entity may participate as a respondent in this proceeding by filing a notice of participation on or before September 14, 2020. If not filed electronically, an original and fifteen (15) copies of a notice of participation shall be filed with the Clerk of the Commission at the address set forth above. A copy of the notice of participation shall be sent to counsel for VNG at the address set forth above. Pursuant to Rule 5 VAC 5-20-80, 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 shall be represented by counsel as required by Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00095. 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 February 15, 2021, each respondent may file with the Clerk of the Commission, and serve on the Commission's Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission at the address above. In all filings, respondents shall comply with the Commission's 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-2019-00095.

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

The Company's Application, the Commission's Rules of Practice, and the Commission's Order for Notice and Comment may be viewed at: https://scc.virginia.gov/pages/Case-Information.

VIRGINIA NATURAL GAS, INC.

(10) On or before July 24, 2020, VNG shall serve a copy of this Order for Notice and Hearing on the following local officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors and county attorney of each county, and the mayor or manager (or equivalent official) and city or town attorney of every city and town. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(11) On or before August 7, 2020, VNG shall file proof of the notice and service required by Ordering Paragraphs (9) and (10), including the name, title, and address of each official served, with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

(12) On or before April 27, 2021, any interested person may file written comments on the Application with the Clerk of the Commission at the address set forth in Ordering Paragraph (11). Any interested person desiring to file comments electronically may do so on or before April 27, 2021, by following the instructions found on the Commission's website: https://scc.virginia.gov/casecomments/Submit-Public-Comments. Compact disks or any other form of electronic storage medium cannot be filed with the comments. All comments shall refer to Case No. PUR-2020-00095.

(13) On or before September 14, 2020, any person or entity may participate as a respondent in this proceeding by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of a notice of participation shall be filed with the Clerk of the Commission at the address in Ordering Paragraph (11), and each respondent shall serve a copy of the notice of participation on counsel to VNG at the electronic mail address set forth in Ordering Paragraph (8). Pursuant to Rule 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 shall be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00095.

(14) 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 this Order for Notice and Hearing, a copy of the Application, and all materials filed by the Company with the Commission, unless these materials already have been provided to the respondent.

(15) On or before February 15, 2021, each respondent may file with the Clerk of the Commission and serve on the Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (11). In all filings, respondents shall comply with the Commission's Rules of Practice, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2020-00095.

(16) The Staff shall investigate the Application. On or before March 31, 2021, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of testimony and exhibits concerning the Application, 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.

(17) On or before April 14, 2021, VNG 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 thereof on the Staff and all respondents. If not filed electronically, an original and fifteen (15) copies of such rebuttal testimony and exhibits shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (11).

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

(19) 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.[17] 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.*

(20) This case is continued.

[17] The assigned Staff attorney is identified on the Commission's website, https://scc.virginia.gov/pages/Case-Information by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2020-00095, in the appropriate box.

CASE NO. PUR-2020-00097
JUNE 23, 2020

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For approval of a loan

ORDER GRANTING AUTHORITY

On May 26, 2020, Mecklenburg Electric Cooperative ("MEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code")[1] for approval of a loan. MEC has paid the requisite filing fee of $250.

MEC is seeking authority to borrow up to $3,793,234 from the Rural Utilities Service ("RUS"). The purpose of the loan is to allow the Cooperative to build approximately 64 miles of aerial distribution optical fiber and 4.82 miles of underground distribution optical to serve areas within southcentral and southeast Brunswick County with fiber to the premises. This will allow the Cooperative potentially to offer high-speed internet service to approximately 844 premises. The Application states that the term of the loan will be 23 years and the interest rate will be fixed at 2%.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

In granting this approval, the Commission notes the COVID-19 public health crisis and MEC's need for greater flexibility in its response options thereto. The Commission has further responded to this economic emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency.[2]

Accordingly, IT IS ORDERED THAT:

(1) MEC is authorized to receive a loan of up to $3,793,234 from RUS, in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) Within thirty (30) days of the date of any advance of funds from RUS, MEC shall submit a physical and electronic Report of Action to the Director of Commission's Division of Utility Accounting and Finance, which shall include the amount of the advance and the interest rate.

(3) The authority granted herein shall have no accounting or ratemaking implications.

(4) This case is dismissed.

[1] Code. § 56-55 *et seq.*

[2] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020), *and* Doc. Con. Cen. No. 200630135, Order on Suspension of Service Disconnections (June 12. 2020).

CASE NO. PUR-2020-00098
AUGUST 13, 2020

JOINT PETITION OF
FRONTIER COMMUNICATIONS CORPORATION and FRONTIER COMMUNICATIONS OF VIRGINIA, INC.

For approval of the transfer of control of Frontier Communications of Virginia, Inc., pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On June 22, 2020, Frontier Communications Corporation ("Frontier") and Frontier Communications of Virginia, Inc. ("FCV") (collectively, "Petitioners"),[1] completed the filing of a Joint Petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[2] requesting approval of the transfer of control of FCV ("Transfer").

FCV is authorized to be the incumbent provider of local exchange telecommunications services in the Crows-Hematite exchange in Allegheny County, Virginia, pursuant to its certificate of public convenience and necessity issued by the Commission.[3]

According to the Petition, on April 14, 2020, Frontier and its subsidiaries, including FCV, filed voluntary cases with the United States Bankruptcy Court for the Southern District of New York under Chapter 11 of Title 11 of the United States Code.[4] The Petitioners state that following a plan of reorganization arising from the bankruptcy proceedings, the restructuring of Frontier will result, *inter alia*, in the creation of a new corporate structure consisting of three newly formed companies that will replace Frontier: FCP, FCI, and FCH. Frontier will transfer ownership of all of its subsidiaries to FCH, which will result in the contemplated transfer of control of FCV.[5]

The Petitioners assert that the proposed Transfer will not involve any change in assignment of operating authority, assets, or customers of FCV. The Petitioners further state that FCV will continue to provide services to its customers without any immediate changes to the rates, terms or conditions of service as currently provided. Lastly, information provided with the Petition indicates that FCV will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the Transfer.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff through its action brief, is of the opinion and finds that the above-described Transfer should be approved.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(3) This case is dismissed.

---

[1] Frontier Communications Parent ("FCP"), Frontier Communications Intermediate ("FCI"), and Frontier Communications Holdings ("FCH") are also considered Petitioners and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] *See Application of Frontier Communications of Virginia, Inc., For a certificate of public convenience and necessity to provide local exchange telecommunications services,* Case No. PUC-2009-00073, 2010 S.C.C. Ann. Rept. 236, Final Order (May 17, 2010).

[4] *See* Petition at 1.

[5] *Id.* at Exhibit H.

CASE NO. PUR-2020-00104
JULY 22, 2020

APPLICATION OF
APPI ENERGY, LLC

For a license to conduct business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On May 27, 2020, APPI Energy, LLC ("APPI" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to act as an aggregator of electricity and natural gas services ("Application"). APPI seeks authority to provide electric and natural gas aggregation services throughout Virginia to eligible commercial, industrial, and governmental customers.[1] In its Application, APPI attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[2]

On June 11, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically on or before June 17, 2020, to each of the companies on Attachment A of the Procedural Order, and to file proof of service on or before June 25, 2020. On June 18, 2020, APPI filed its proof of service.

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before June 26, 2020. Dominion filed comments by the deadline required by the Procedural Order.

The Procedural Order directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on July 2, 2020, which summarized APPI's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that APPI be granted an aggregator's license to conduct business as a competitive service provider of electricity and natural gas to eligible commercial, industrial, and governmental customers in the Virginia service territories that are open to retail competition.

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that APPI's Application for a license to provide electric aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) APPI is hereby granted license No. A-104 to provide competitive aggregation service of electricity and natural gas to eligible commercial, industrial, and governmental customers in the Virginia service territories that are open to retail competition. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

---

[1] Retail choice for natural gas service presently exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

[2] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2020-00105
AUGUST 27, 2020

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval of its 2020 SAVE Rider Update

ORDER GRANTING APPROVAL

On June 1, 2020, Virginia Natural Gas, Inc. ("VNG" or the "Company") filed an Application pursuant to § 56-604 E of the Code of Virginia ("Code") and in accordance with Rule 80 of the Rules of Practice and Procedure ("Rules of Practice")[1] of the State Corporation Commission ("Commission"). VNG requests approval of its 2020 annual rider update filing for its Steps to Advance Virginia's Energy Plan ("SAVE Plan"),[2] under which VNG's SAVE Rider, designated Rider E, is reconciled and adjusted ("2020 Annual Update").[3]

---

[1] 5 VAC 5-20-10 *et seq.*

[2] Code § 56-603 *et seq*.

[3] Application at 1.

The Company's SAVE Plan is designed to facilitate the accelerated replacement of SAVE-eligible natural gas infrastructure.[4] Rider E is designed to recover eligible infrastructure replacement costs associated with the SAVE Plan.[5] VNG states that the calculation of the revenue requirement and rates associated with Rider E consist of two components: the SAVE Actual Cost Adjustment ("SACA") and the Annual SAVE Factor ("ASF"), which were approved by the Commission in its 2012 SAVE Order.[6]

According to the Company, the SACA is an adjustment that ensures that the SAVE Rider recovers no more or less than the actual cost of implementing the SAVE Plan projects during the prior calendar year.[7] Based on this calculation, the Company is proposing a SACA adjustment for the upcoming rate period of November 1, 2020, through October 31, 2021, of $158,144.[8]

The Company states that the ASF is the calculation of the revenue requirement related to the cumulative SAVE Plan infrastructure investment through the period for which the currently planned SAVE Rider will be in effect, November 1, 2020, through October 31, 2021.[9] Based on this calculation, the ASF for the upcoming rate period is $2,825,970.[10]

Combining the ASF of $2,825,970 and the SACA of $158,144, the Company calculates a SAVE Rider revenue requirement of $2,984,114 for the rate period of November 1, 2020, through October 31, 2021.

According to VNG, its 2019 SAVE Rider Rate is approved through August 31, 2020.[11] The Company requests a two-month extension of its 2019 SAVE Rider Rate (through October 31, 2020) to "facilitate concurrent implementation" of the 2020 SAVE Rider Rate, proposed in this Application, with the Company's proposed rates and charges in its 2020 Rate Case filing,[12] filed June 1, 2020, in a separate docket. In that docket, the Commission has authorized VNG to implement its proposed rates, on an interim basis, subject to refund with interest, for service rendered on and after October 29, 2020, or alternately, for service rendered on and after November 1, 2020, as requested by the Company.[13] VNG states the following with regard to its 2020 Rate Case filing:

> The proposed rates and charges include in rate base the cumulative SAVE capital investment through October 31, 2020. Because the rates proposed in the 2020 Rate Case incorporate eligible infrastructure replacement costs incurred prior to November 1, 2020, the SAVE Rider rate base will be reset to zero as of November 1, 2020.[14]

The Company further states that for purposes of the 2020 Annual Update, it is applying the revenue allocation factors proposed in the 2017 Rate Case, with one exception.[15] According to the Company, the monthly SAVE Rider rate for customers receiving service under Schedule 1 – Residential will be $0.70, while the monthly SAVE Rider rate for customers receiving service under Schedules 6 and 7 – Large Firm C&I will be $81.97 and $45.69, respectively.[16]

---

[4] *Id.* at 2-3.

[5] *Id.* at 3.

[6] Application at 4. *See also Application of Virginia Natural Gas, Inc., For approval of a SAVE plan and rider as provided by Virginia Code § 56-604*, Case No. PUE-2012-00012, 2012 S.C.C. Ann. Rept. 393, Order Approving SAVE Plan and Rider (June 25, 2012).

[7] Application at 9.

[8] *Id.* at 10.

[9] *Id.*

[10] *Id.*

[11] *Application of Virginia Natural Gas, Inc., For approval of its 2019 SAVE Rider Update*, Case No. PUR-2019-00095, 2019 S.C.C. Ann. Rept. 454, Order Approving SAVE Rider (Aug. 29, 2019).

[12] *Application of Virginia Natural Gas, Inc., For a general rate increase and for authority to revise its terms and conditions applicable to natural gas service*, Case No. PUR-2020-00095, Doc. Con. Cen. No. 200610137, Application (June 1, 2020) ("2020 Rate Case filing").

[13] *Application of Virginia Natural Gas, Inc., For a general rate increase and for authority to revise its terms and conditions applicable to natural gas service*, Case No. PUR-2020-00095, Doc. Con. Cen. No. 200650070, Order for Notice and Hearing at 7 (June 30, 2020).

[14] Application at 8. *See also, e.g.*, 2020 Rate Case filing at 3 ("VNG is proposing to include recovery of cumulative SAVE investment through October 31, 2020 in base rates . . . ."). Rider E, proposed in this Application, includes recovery of new SAVE investment the Company plans to make between November 1, 2020, and October 31, 2021. Effectively, this means that the SAVE Rider rate base is reset to zero for only a moment. On the same day it is reset to zero (when prior SAVE investment becomes part of the 2020 Rate Case rate base), the Company begins to make new additional SAVE investment. This additional investment is proposed to be recovered through the proposed ASF. Thus, there is no double-recovery of SAVE-related investment proposed for recovery in the 2020 Rate Case or in the Application.

[15] Application, Direct Testimony of Moses Dagdu at 11. The Company states that it continues to combine the two residential rate schedules (Rate Schedules 1 and 3) for a single SAVE Plan rate. For Rate Schedule 1A and 1B, which the Company has proposed in the 2020 Rate Case filing, the Company proposes to use the same SAVE rate as Rate Schedule 1. *Id.*

[16] Application, Direct Testimony of Moses Dagdu at 12.

On June 18, 2020, the Commission issued an Order for Notice and Comment in this docket that, among other things, required the Company to publish notice of its Application; provided interested persons an opportunity to file comments, participate as a respondent, or request a hearing; required the Staff of the Commission ("Staff") to investigate the Application and file a report ("Staff Report" or "Report") containing its findings and recommendations; and permitted the Company to file a response to the Staff Report ("Response").

On June 24-25, 2020, VNG served and published notice of this case in accordance with the June 18, 2020 Order. Thereafter, no comments, requests for hearing, or notices of participation were filed with the Commission.

On August 10, 2020, Staff filed its Staff Report wherein, after review and analysis, Staff recommended approval of the 2020 SAVE Rider for VNG (composed of a True-Up Factor[17] and a Projected Factor[18]), to be effective November 1, 2020, based on the following revenue requirements: a True-Up Revenue Requirement of $165,422, a Projected Factor Revenue Requirement of $2,825,970, and a Total 2020 SAVE Revenue Requirement of $2,991,392.[19]

Per Staff, its proposed revenue requirement is $7,278 more than the $2,984,114 requested in the Company's Application and contained in the public notice.[20] While Staff's recommended revenue requirement is higher than that proposed by the Company, Staff notes the Commission historically has limited the revenue requirement to the amounts that were originally filed and noticed to the public.[21] Should the Commission limit the revenue requirement to the noticed amount of $2,984,114 for VNG's 2020 SAVE Rider, the $7,278 excess would be included in a future SAVE Reconciliation Factor.[22] In addition, Staff recommends that the implementation impact of the change in depreciation rates that are a result of the depreciation study currently being reviewed in the 2020 Rate Case be incorporated in a future Rider E true-up factor.[23] Further, Staff maintains that there have been no significant changes associated with this proceeding that would necessitate a change in the methodology used to develop the proposed Rider E rates and as such, should the Commission approve a revenue requirement that differs from the Company's requested revenue requirement, Staff recommends that the corresponding Rider E charges be adjusted proportionately.[24]

On August 19, 2020, VNG filed a response letter ("Response") in lieu of Reply Comments to Staff's Report. With respect to Staff's analysis and recommendation to pro-rate Accumulated Deferred Income Taxes ("ADIT"), the Company maintains that the appropriate factors to use for the true-up period are the same factors that applied in the projected period used to develop the projected rates, instead of the calendar year factors that the Staff used in its true-up calculation.[25] Per VNG, since Staff's pro-ration calculation results in a decrease to ADIT and an increase to the revenue requirement, there is not a normalization violation.[26] The Company cautions, however, that if Staff's inclusion of factors based on a calendar year - instead of factors consistent with the projected period in future proceedings - causes a decrease in the true-up factor revenue requirement because of an increase in the prorated ADIT balance, such result could be a violation of the tax normalization rules.[27] Notwithstanding this concern, VNG does not object to the conclusions and recommendations of the Staff Report for purposes of this proceeding and requests that the Commission approve its Application.[28]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that VNG's SAVE Rider E Revenue Requirement and rates for the 2020 Rate Year should be approved as recommended by Staff and not objected to by the Company for purposes of this proceeding. As a result, the revenue requirement approved herein shall be the $2,991,392 recommended by Staff, but the recovery of such revenue requirement shall be limited in this case to the $2,984,114 that was contained in the public notice. As noted by Staff, the remaining $7,278 will be included in a future SAVE Reconciliation Factor. In addition, implementation impact of the change in depreciation rates that are a result of the depreciation study currently being reviewed in the 2020 Rate Case shall be incorporated in a future Rider E true-up factor.

In approving this increase, the Commission notes its awareness of the ongoing COVID-19 public health crisis, which has had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application, as modified herein, is approved. Rates consistent with this Order shall become effective beginning November 1, 2020, and shall remain in effect until October 31, 2021.

---

[17] Also referred to by the Company as the "SACA." Application at 4.

[18] Also referred to by the Company as the "ASF." *Id*.

[19] Staff Report at 11-12.

[20] *Id*. at 12.

[21] Staff Report at 12.

[22] *Id*.

[23] *Id*.

[24] *Id.*

[25] Response at 2.

[26] *Id*.

[27] *Id.*

[28] *Id.*

(2) VNG forthwith shall file, with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, revised tariffs for the SAVE Rider and all workpapers supporting the total revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order.

(3) This matter hereby is dismissed.

CASE NO. PUR-2020-00106
AUGUST 25, 2020

APPLICATION OF
AQUA VIRGINIA, INC.

For an Increase in Rates

ORDER FOR NOTICE AND HEARING

On July 30, 2020, Aqua Virginia, Inc. ("Aqua" or "Company"), filed with the State Corporation Commission ("Commission") an application pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq.*) of the Code of Virginia ("Code") requesting authority to increase its rates and charges and to revise other terms and conditions applicable to its water and wastewater service ("Application").[1] The Company requests that its new rates become effective, subject to refund pending a final order in this matter, no later than 180 days after the Company's Application is deemed complete.[2]

As noted by the Company, Aqua comprises 168 water and 9 wastewater systems and employs a full-time staff of more than 50 people to service these systems in 37 counties across the Commonwealth.[3] The Company states its headquarters are located in Rockville, Virginia; with the Rockville office also functioning as the Company's operational center with small regional offices located in Lake Monticello and Roanoke.[4] Per Aqua, the Company serves approximately 33,000 customers, 97% of which are residential ratepayers; only a small portion of the remaining 3% of Aqua's customers are governmental and, therefore, non-jurisdictional.[5] Because the number of non-jurisdictional customers is quite small and all but three of such customers pay rates that are the same as the Company's regulated rates, Aqua has asserted and the Commission has agreed, that preparation of a full jurisdictional cost of service study would not produce any significant impact on the development of jurisdictional rates.[6] Per the Commission's Order on Waiver in this docket, Aqua was directed to file "all required rate schedules with its Application (including Schedule 40(c)), excepting Schedules 40 (a) and 40 (b)."[7]

Aqua states that it has been six years since its last rate increase[8] and indicates that the proposed rates and charges are designed to increase the Company's annual base rate revenue by approximately $1,732,585 per year, which includes an increase in rates for water and wastewater service, to produce an increase in water revenues of $1,475,615 and an increase in wastewater revenues of $256,970.[9] The requested increases constitute a 10.8% increase in water revenues and a 3.4% increase in wastewater revenues, for a combined increase of 8.2%.[10]

Aqua states that the requested increase in annual base rate revenue reflects its costs and revenues for the twelve-month Test Year ended March 31, 2020.[11] The Company has proposed, as appropriate for ratemaking purposes, a capital structure consisting of 50.42% long-term debt, 1.08% short-term debt and 48.49% common equity and an authorized return on equity capital of 11.20%.[12]

---

[1] Application at 1.

[2] *Id.* at 5. The Memorandum of Completeness in this case was filed on August 7, 2020, finding the Application complete as of July 31, 2020.

[3] Direct testimony of John J. Aulbach, II, P.E. ("Aulbach") at 6.

[4] *Id.* at 6-7.

[5] Application at 6.

[6] *Id. See also*, *Application of Aqua Virginia, Inc. For an Increase in Rates*, PUR-2020-00106, Doc. Con. Cen. No. 200630034, Order on Waiver at 3 (June 8, 2020) ("Order on Waiver").

[7] Application at 6. *See also*, Order on Waiver at 3.

[8] Application at 2.

[9] *Id.*

[10] *Id.*

[11] Direct testimony of Richard F. Hale, Jr. ("Hale") at 4.

[12] Application at 5.

Aqua has also included in its Application, pursuant to guidance from the Commission's April 29, 2020 Order in Case No. PUR-2020-00074, a request for its recorded COVID-19-related costs in the amount of $153,913,[13] presently booked as a regulatory asset for accounting purposes.[14] For ratemaking purposes, Aqua requests a three-year normalization of the COVID-19-related costs that represent costs incurred from April 1, 2020, and projected through December 31, 2020.[15] The Company also states that given its requested base rate increase, Aqua has proposed changes to the water and wastewater rate design in order to accommodate the reset of its Water and Wastewater Infrastructure Service Charge.[16] As further basis for its requested increase to its rates and charges, the Company cites operational efficiency improvements, water and wastewater system capital investments and cost of capital treatment for information technology assets.[17]

Finally, the Company has also requested certain changes to its tariff.[18] The proffered changes include, *inter alia*, a new section regarding controls on substances disposed of into the wastewater system, elimination of sewer volumetric allowances for portable handheld irrigation deduction meters, and additional changes discussed in greater detail in the Company's Schedule 41 attached to the Application.[19]

Aqua also seeks to further combine its water and wastewater tariff groups in progression towards the uniform consolidated rates for water and sewer service required by Virginia law.[20] The Company proposes reducing its current tariff's three water rate groups (W1, W2, W3) to two (W1 and W2), and establishing new rate groups W0 and S0 for certain water and sewer systems whose rates are significantly below those of current Rate Groups W1 and S1.[21] Non-consolidated systems whose current rates are similar to those of current Rate Groups have been assigned to those current groups whose rates they most closely match.[22] The Company states that this proposal continues to reduce the differences between the rate groups and implements the authorized movement toward uniform water and wastewater rates while adhering to the goals of gradualism and the avoidance/minimization of rate shock in utility rate increases.[23]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that Aqua should provide notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Company's Application; a procedural schedule should be established to allow interested persons an opportunity to file written or electronic comments on the Company's Application or to participate in this proceeding as a respondent; 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 appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

The Commission takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.[24] The Commission has taken certain actions, and may take additional actions going forward, that could impact the procedures in this proceeding.[25] 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.

---

[13] *See id.* at Schedule 29 at 24.

[14] Hale at 6.

[15] *Id*.

[16] Aulbach at 8.

[17] Application at 2-3.

[18] Application at 3.

[19] *Id*.

[20] Code § 56-235.11 B and C.

[21] Application at 4-5.

[22] *Id*. at 5.

[23] Code § 56-235.11 B and C.

[24] *See, e.g.*, Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Governor Ralph S. Northam. *See also* Executive Order No. 53, Temporary Restrictions on Restaurants, Recreational, Entertainment, Gatherings, Non-Essential Retail Businesses, and Closure of K-12 Schools Due to Novel Coronavirus (COVID-19), issued March 23, 2020, by Governor Ralph S. Northam, and Executive Order No. 55, Temporary Stay at Home Order Due to Novel Coronavirus (COVID-19), issued March 30, 2020, by Governor Ralph S. Northam. These and subsequent Executive Orders related to COVID-19 may be found at: https://www.governor.virginia.gov/executive-actions/.

[25] *See, e.g.*, *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders,* Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), *extended by* Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), *extended by* Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020).

Also, in light of the current COVID-19 public health crisis that has caused devastating economic effects that impact all utility customers, we will suspend Aqua's proposed rates for 180 days, the maximum allowed by law.[26] We have further responded to this economic emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency.[27] We note that the proposed revenue requirement, if approved, would result in an increase to customer bills, and are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to this case, as well as the findings of fact supported by evidence in the record. That is what we will do in this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2020-00106.

(2) All pleadings, briefs, or other documents required to be served in this matter shall 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").[28] Confidential and Extraordinarily Sensitive information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information,* of the Rules of Practice. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.[29]

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

(4) As provided by Code § 12.1-31 and Rule 5 VAC 5-20-120, *Procedures before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

(5) Pursuant to Code § 56-238, Aqua may, but is not required to, implement its proposed rates on an interim basis, subject to refund with interest, for service rendered on and after January 27, 2021.

(6) On or before November 20, 2020, Aqua shall file a bond with the Commission in the amount of $1,732,585 payable to the Commission and conditioned to insure the prompt refund by the Company to those entitled thereto of all amounts the Company shall collect in excess of such rates and charges as the Commission may finally fix and determine.

(7) A public hearing on the Application shall be convened on April 20, 2021, at 10 a.m., to receive the testimony of public witnesses and the evidence of the Company, any respondents, and the Staff. Further details on the hearing will be provided by subsequent Commission Order or Hearing Examiner's Ruling.

(8) Interested persons may obtain a copy of the Company's Application by submitting a written request to counsel for Aqua, John K. Byrum, Jr., Esquire, Woods Rogers PLC, 901 East Byrd Street, Suite 1550, Richmond, Virginia, 23219, jbyrum@woodsrogers.com. Where possible, the interested person's request shall include an electronic mail address to which the Company may send the requested documents. The Company shall provide the documents by electronic means where possible. Interested persons may also download unofficial copies from the Commission's website: https://scc.virginia.gov/pages/Case-Information.

(9) On or before October 1, 2020, Aqua 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:

---

[26] *See* Code § 56-238.

[27] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020), and Doc. Con. Cen. No. 200630135, Order on Suspension of Service Disconnections (June 12, 2020).

[28] 5 VAC 5-10-20 *et seq*.

[29] 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 not be processed for an indefinite period due to the COVID-19 emergency.

NOTICE TO THE PUBLIC OF AN APPLICATION BY
AQUA VIRGINIA, INC.,
FOR A GENERAL INCREASE IN RATES AND
FOR AUTHORITY TO REVISE THE TERMS AND
CONDITIONS APPLICABLE TO WATER AND WASTEWATER SERVICE
CASE NO. PUR-2020-00106

- **Aqua Virginia Inc. ("Aqua") has applied for approval of a general increase in rates.**
- **Aqua requests a total annual increase in revenue requirement of about $1.7 million per year.**
- **A Hearing Examiner appointed by the Commission will hear the case on April 20, 2021.**
- **Further information about this case is available on the State Corporation Commission's website at:** https://scc.virginia.gov/pages/Case-Information.

On July 30, 2020, Aqua Virginia, Inc. ("Aqua" or "Company"), filed with the State Corporation Commission ("Commission") an application pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq.*) of the Code of Virginia ("Code") requesting authority to increase its rates and charges and to revise other terms and conditions applicable to its water and wastewater service ("Application").

As noted by the Company, Aqua comprises 168 water and 9 wastewater systems in 37 counties across the Commonwealth. Per Aqua, the Company serves approximately 33,000 customers, 97% of which are residential ratepayers; only a small portion of the remaining 3% of Aqua's customers are governmental.

Aqua indicates that the proposed rates and charges are designed to increase the Company's annual rate base revenue by approximately $1,732,585 per year to produce an increase in water revenues of $1,475,615 and an increase in wastewater revenues of $256,970. The requested increases constitute a 10.8% increase in water revenues and a 3.4% increase in wastewater revenues, for a combined increase of 8.2%.

Aqua states that the requested increase in annual base rate revenue reflects its costs and revenues for the twelve-month Test Year ended March 31, 2020. The Company has proposed as appropriate for ratemaking purposes, a capital structure consisting of 50.42% long-term debt, 1.08% short-term debt and 48.49% common equity and an authorized return on equity capital of 11.20%.

Aqua has also included in its Application a request for its recorded COVID-19-related expenses in the amount of $153,913, presently booked as a regulatory asset for accounting purposes. Aqua requests a three-year normalization of the COVID19-related costs, which represent costs incurred from April 1, 2020 and projected through December 31, 2020. The Company's Application also includes pro forma adjustments for Aqua's Water and Wastewater Infrastructure Surcharge ("WWISC") revenue requirement. Per Aqua, the Company's WWISC Rider has, accordingly, been reset to zero. As further basis for its requested increase to its rates and charges, the Company cites operational efficiency improvements, water and wastewater system capital investments and cost of capital treatment for information technology assets.

Through its Application, Aqua also seeks to further combine its water and wastewater groups towards the uniform consolidated rates for water and sewer service required by Virginia law. The Company proposes reducing the current three water rate groups (W1, W2, W3) to two (W1 and W2), and establishing new rate groups W0 and S0 for certain water and sewer systems whose rates are significantly below those of current Rate Groups W1 and S1. Non-consolidated systems whose current rates are similar to those of current Rate Groups have been assigned to those current groups whose rates they most closely match. The Company states that this proposal continues to reduce the differences between the rate groups and implements movement toward uniform water and wastewater rates while adhering to the goals of gradualism and the avoidance/minimization of rate shock in utility rate increases. Details concerning these proposed rate group changes are provided in the Company's Schedules 42 and 43 attached to the Application.

The rates proposed for water and wastewater service in this Application are as follows:

WATER SERVICE RATE SCHEDULE BY GROUP Water 0 (W0), Water 1 (W1), and Water 2 (W2)

METERED ACCOUNTS: Metered connections shall be charged the monthly base facility charge plus the gallonage charge for all gallons used as set forth below:

Base Facilities Charge Water Group 0: (Residential and Non-residential) - No bill will be rendered for less than the minimum charge set forth below:

Monthly Water Base Facility Charge - Water Group 0 (W0)

Meter Size	W0	Gallons Included in Allowance
Less than 1"	$ 25.30	3,000
1"	$ 63.25	7,500
1½"	$ 126.50	15,000
2"	$ 202.40	24,000
3"	$ 404.80	48,000
4"	$ 632.50	75,000
6"	$1,265.00	150,000

Gallonage Charge: (Residential and Non-residential) Per 1,000 gallons used over allowance listed above:

W0:
$6.05

Base Facilities Charge Water Group 1 and Water Group 2: (Residential and Non-residential) - No bill will be rendered for less than the minimum charge set forth below:

Monthly Water Base Facility Charge - Water Group 1 (W1) and Water Group 2 (W2)

Meter Size	W1	W2
Less than 1"	$ 18.81	$ 18.81
1"	$ 42.74	$ 42.74
1½"	$ 85.48	$ 85.48
2"	$136.77	$136.77
3"	$273.55	$273.55
4"	$427.42	$427.42
6"	$854.84	$854.84

Gallonage Charge: (Residential and Non-residential) Per 1,000 gallons used for all meter sizes by Water Group:

	W1	W2
	$6.45	$8.07
Powhatan Irrigation	$3.87	

UNMETERED ACCOUNTS: Unmetered connections shall be charged as set forth below:

Flat Rate (Unmetered) Water Service

	W0	W1	W2
Residential	$ 45.00	$ 45.00	$ 45.00
Non-residential	$104.00	$104.00	$104.00

PRIVATE FIRE SERVICE FEES: The monthly fee charged for each private fire service connection and/or private fire hydrant shall be as follows:

Connection Size	Monthly Minimum Charge
1 inch	$ 9.13
1½ inch	$ 18.26
2 inch	$ 29.21
3 inch	$ 58.42
4 inch	$ 91.29
6 inch	$182.58

WASTEWATER SERVICE RATE SCHEDULE BY GROUP - Sewer 0 (S0), Sewer 1 (S1), & Sewer 2 (S2)

METERED ACCOUNTS: Metered connections shall be charged the monthly base facility charge plus the gallonage charge for all gallons used as set forth below:

Base Facility Charge: (Residential and Non-residential) - No bill will be rendered for less than the minimum charges set forth below:

Monthly Wastewater Base Facility Charge - Sewer Group 0 (S0)

Meter Size	**S0**	Gallons Included in Allowance
Residential Any Size	$48.00	3,000

Gallonage Charge: (Residential) Per 1,000 gallons used over allowance listed above:

S0
$12.47

Non-Residential		Gallons Included in Allowance
Meter Size	**S0**	
less than 1"	$ 48.00	3,000
1"	$ 120.00	7,500
1½"	$ 240.00	15,000
2"	$ 384.00	24,000
3"	$ 768.00	48,000
4"	$1,200.00	75,000
6"	$2,400.00	150,000

Gallonage Charge: (Non-residential) Per 1,000 gallons used over allowance listed above:

S0

$14.96

Monthly Wastewater Base Facility Charge Sewer Group 1 (S1) and Sewer Group 2 (S2)

Meter Size	**S1**	**S2**
Residential Any Size	$33.38	$33.38
Non-Residential		
less than 1"	$ 33.38	$ 33.38
1"	$ 75.87	$ 75.87
1½"	$ 151.74	$ 151.74
2"	$ 242.78	$ 242.78
3"	$ 485.55	$ 485.55
4"	$ 758.68	$ 758.68
6"	$1,517.36	$1,517.36

Gallonage Charge: (Residential and Non-residential)

	S1	**S2**	
Residential	$13.38	$15.74	*Monthly **residential** usage charges are limited to 6,000 gallons*
Non-Residential	$16.06	$18.89	

UNMETERED ACCOUNTS: Unmetered connections shall be charged as set forth below:

Flat Rate (Unmetered) Service:

	S0	S1	S2
Residential	$ 85.58	$ 85.58	$ 85.58
Non-residential	$277.01	$277.01	$277.01

Finally, the Company has also requested certain changes to its tariff. These changes include: (1) An additional voluntary service connection fee of $750 for a customer receiving both water and wastewater service from the Company for measuring irrigation/outdoor water usage; (2) elimination of sewer volumetric allowances for portable handheld irrigation deduction meters; and (3) changes to grinder pump installation and maintenance, and additional changes discussed in greater detail in the Company's Schedule 41 attached to the Application.

The details of these and other proposals are set forth in the Company's Application. Interested persons are encouraged to review the Company's Application, testimony and supporting exhibits for the details of these proposals.

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, suspends the Company's proposed rates for the maximum period allowed by law, given the COVID-19 pandemic, and permits the Company to place its proposed rates, charges, and terms and conditions of service into effect on an interim basis, subject to refund, effective January 27, 2021.

The Commission's Order for Notice and Hearing scheduled a public hearing at 10 a.m. on April 20, 2021, to receive the testimony of public witnesses and the evidence of the Company, any respondents, and the Commission's Staff. Further details on the hearing will be provided by subsequent Commission Order or Hearing Examiner's Ruling.

The Commission has taken judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter should 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. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's 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 Comment for further instructions concerning Confidential or Extraordinarily Sensitive Information.

Interested persons may download unofficial copies of the Application from the Commission's website: https://scc.virginia.gov/pages/Case-Information. Copies of these documents also may be obtained, at no charge, by submitting a written request to counsel for the Company: John K. Byrum, Jr., Esquire, Woods Rogers PLC, 901 East Byrd Street, Suite 1550, Richmond, Virginia, 23219, jbyrum@woodsrogers.com.

On or before April 1, 2021, any interested person may file written comments on the Application with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, or https://scc.virginia.gov/casecomments/Submit-Public-Comments. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUR-2020-00106.

Any person or entity may participate as a respondent in this proceeding by filing a notice of participation on or before November 13, 2020. If not filed electronically, an original and fifteen (15) copies of a notice of participation shall be filed with the Clerk of the Commission at the address set forth above. A copy of the notice of participation shall be sent to counsel for Aqua at the address set forth above. Pursuant to Rule 5 VAC 5-20-80, *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 shall be represented by counsel as required by Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00106. 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 February 12, 2021, each respondent may file with the Clerk of the Commission, and serve on the Commission's Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission at the address above. In all filings, respondents shall comply with the Commission's 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 2020-00106.

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

The Company's Application, the Commission's Rules of Practice, and the Commission's Order for Notice and Comment may be viewed at: https://scc.virginia.gov/pages/Case-Information.

AQUA VIRGINIA, INC.

(10) On or before October 1, 2020, Aqua shall serve a copy of this Order for Notice and Hearing on the following local officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors and county attorney of each county, and the mayor or manager (or equivalent official) and city or town attorney of every city and town. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(11) On or before October 15, 2020, Aqua shall file proof of the notice and service required by Ordering Paragraphs (9) and (10), including the name, title, and address of each official served, with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

(12) On or before April 1, 2021, any interested person may file written comments on the Application with the Clerk of the Commission at the address set forth in Ordering Paragraph (11). Any interested person desiring to file comments electronically may do so on or before April 1, 2021, by following the instructions found on the Commission's website: https://scc.virginia.gov/casecomments/Submit-Public-Comments. Compact disks or any other form of electronic storage medium cannot be filed with the comments. All comments shall refer to Case No. PUR-2020-00106.

(13) On or before November 13, 2020, any person or entity may participate as a respondent in this proceeding by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of a notice of participation shall be filed with the Clerk of the Commission at the address in Ordering Paragraph (11), and each respondent shall serve a copy of the notice of participation on counsel to Aqua at the electronic mail address set forth in Ordering Paragraph (8). Pursuant to Rule 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 shall be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00106.

(14) 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 this Order for Notice and Hearing, a copy of the Application, and all materials filed by the Company with the Commission, unless these materials already have been provided to the respondent.

(15) On or before February 12, 2021, each respondent may file with the Clerk of the Commission and serve on the Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (11). In all filings, respondents shall comply with the Commission's Rules of Practice, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2020-00106.

(16) The Staff shall investigate the Application. On or before March 15, 2021, Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of testimony and exhibits concerning the Application, and each Staff witness's testimony shall include a summary not to exceed one page. Staff shall serve a copy thereof on counsel to the Company and all respondents.

(17) On or before April 7, 2021, Aqua 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 thereof on Staff and all respondents. If not filed electronically, an original and fifteen (15) copies of such rebuttal testimony and exhibits shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (11).

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

(19) 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 the Staff.[30] 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.*

(20) This case is continued.

[30] The assigned Staff attorney is identified on the Commission's website, https://scc.virginia.gov/pages/Case-Information by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2020-00106, in the appropriate box.

CASE NO. PUR-2020-00107
AUGUST 21, 2020

APPLICATION OF
ATMOS ENERGY CORPORATION

For approval of a 2020 SAVE Rider Projected Factor

ORDER APPROVING SAVE RIDER

On June 1, 2020, Atmos Energy Corporation ("Atmos" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a revised Infrastructure Replacement Current Rate ("Projected Factor" or "SAVE Rider") under the Company's Commission-approved Steps to Advance Virginia's Energy Plan ("SAVE Plan").[1] The Company filed this Application in accordance with § 56-604 E of the Code of Virginia ("Code"), Rule 80 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-80, and the Commission's September 24, 2019 Order Approving SAVE Plan and Rider in Case No. PUR-2019-00054.[2]

The Company's total proposed SAVE Plan investment for fiscal year 2021 is approximately $3,702,383.[3] Based on the Company's proposed SAVE Plan investment for fiscal year 2021, Atmos requests a Projected Factor revenue requirement of $410,156, effective with the first billing cycle in October 2020.[4]

On June 16, 2020, the Commission entered an Order for Notice and Comment in this proceeding that, among other things, required the Company to publish notice of its Application; provided interested persons an opportunity to file comments, participate as a respondent, or request a hearing; required the Staff of the Commission ("Staff") to investigate the Application and file a report ("Staff Report" or "Report") containing its findings and recommendations; and permitted the Company to file a response to the Staff Report ("Response").

On July 30, 2020, Atmos filed proof of notice and service. The Commission received no comments, notices of participation, or requests for hearing in this proceeding.

On August 7, 2020, Staff filed its Report. In its Report, Staff recommended that the Commission approve a 2020 SAVE Rider for Atmos, effective for customer bills rendered on or after October 1, 2020, based on a True-Up Factor revenue requirement of $0 and a Projected Factor revenue requirement of $388,299, resulting in a total 2020 SAVE Rider revenue requirement of $388,299.[5] Staff's recommended revenue requirement calculation is $21,857 less than the $410,156 revenue requirement requested by Atmos in its Application.[6] Staff's recommended revenue requirement calculation is lower than the Company's as a result of Staff's adjustments to the projected level of rate base to eliminate double-averaging of Accumulated Deferred Income Taxes ("ADIT") and to correct a computation error to Atmos' Net Operating Loss Carryforward ("NOLC").[7]

[1] The Company states that because this is the first annual update for its second SAVE Plan, it has not yet completed its first year of investment under the SAVE Plan and thus is seeking only approval of its Projected Factor for the upcoming SAVE year. Application at 3 n.4.

[2] *Application of Atmos Energy Corporation, For approval of a SAVE Plan and Rider as provided by Chapter 26 of Title 56 of the Code of Virginia*, Case No. PUR-2019-00054, 2019 S.C.C. Ann. Rept. 411, Order Approving SAVE Plan and Rider (Sept. 24, 2019) ("2019 SAVE Order").

[3] Application at 3, Schedule 12b.

[4] *Id.* at 3, Schedule 1.

[5] Staff Report at 9.

[6] *Id.* at 10.

[7] *Id.* at 5-6.

In its Report, Staff also found that the class allocation factors proposed by Atmos are consistent with the allocation methodology approved previously by the Commission.[8] Regarding rate design, Staff noted that the Commission also approved previously the SAVE Rider to be charged to customer bills as a fixed monthly charge.[9] Staff therefore recommended that the Company's proposed allocation methodology and its resulting rate remain in place. Staff added that should the Commission approve a revenue requirement that differs from the Company's requested revenue requirement, the corresponding SAVE Rider charges should be adjusted proportionally.[10]

On August 14, 2020, Atmos filed its Response. In the Company's Response, Atmos agreed to Staff's adjustment for double-averaging ADIT, but proposed to include the cumulative ending ADIT and NOLC balance in the net rate base calculation on Rebuttal Schedule 11a (Net Rate Base for Fiscal Year 2021).[11] Atmos also agreed a correction to the NOLC was necessary, but asserted that such correction must be synchronized with changes to ADIT or other revenue requirement elements the Company is making.[12] Atmos asserted that any proposed adjustments to ADIT balances should result in offsetting adjustments to the calculated NOLC.[13] Atmos also proposed a correction to the Staff's 2020 September ADIT calculation to pro-rate and thus avoid a true-up to ADIT before the appropriate fuel year.[14] Ultimately, Atmos proposed a revised Projected Factor revenue requirement of $406,836.[15]

In connection with these proposals, however, Atmos noted that all amounts will be subject to true-up in subsequent filings.[16] The Company asserted that the true-up will resolve any differences in methodology between Staff and the Company relating to pro-rated ADIT and the proper amount of NOLC included in net rate base.[17]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that a Projected Factor revenue requirement of $388,299 should be approved for the Company's 2020 SAVE Rider. In granting this approval, the Commission notes its awareness of the ongoing COVID-19 public health crisis, which has resulted in negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to this case, as well as the findings of fact supported by the evidence in the record, which we have done in this case. Staff's recommended $388,299 revenue requirement is less than the Company's recommended revenue requirement of $406,836. We recognize the differences in methodology between the Company and Staff. We further recognize, as did Staff and Atmos, that all amounts will be subject to true-up or correction in subsequent filings. These differences in methodology may be revisited in Atmos' next SAVE Plan proceeding.

Accordingly, IT IS ORDERED THAT:

(1) Atmos' 2020 SAVE Rider revenue requirement of $388,299, consisting of a True-Up Factor revenue requirement of $0 and a Projected Factor revenue requirement of $388,299, is hereby approved. Rates consistent with this Order shall become effective with the first billing cycle in October 2020 and remain in effect until September 30, 2021.

(2) Atmos forthwith shall file with the Clerk of the Commission and shall submit to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance revised tariffs for the 2020 SAVE Rider, with workpapers supporting the total revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order. The Clerk of the Commission shall retain such filing for public inspection both in person and on the Commission's website: https://scc.virginia.gov/pages/Case-Information.

(3) This matter is dismissed.

---

[8] *Id.* at 7-8, 10; 2019 SAVE Order at 412.

[9] Staff Report at 8; 2019 SAVE Order at 412.

[10] Staff Report at 10.

[11] Response at 2-3.

[12] *Id.* at 2, 3-4.

[13] *Id.*

[14] *Id.* at 2-3.

[15] *Id.* at 1, Schedule 1.

[16] *Id.* at 2, 4.

[17] *Id.* at 2.

CASE NO. PUR-2020-00108
JUNE 18, 2020

APPLICATION OF
SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For approval to obtain financing

ORDER GRANTING AUTHORITY

On June 1, 2020, Shenandoah Valley Electric Cooperative ("SVEC" or "Cooperative") filed a petition ("Application") with the State Corporation Commission ("Commission") for approval to obtain financing under the federally-administered Paycheck Protection Program ("PPP").[1] The requested authority is required pursuant to Chapter 3 of Title 56 of the Code of Virginia.[2] The Cooperative paid the requisite fee of $25.

SVEC requests authority to borrow $3,967,000 of PPP funding under a loan from an existing SBA-approved lender, Atlantic Union Bank. Funds under the PPP primarily are intended to support levels of business employment prior to the COVID-19 pandemic by providing funds for employee payroll payments and other qualified uses. PPP borrowings used to meet program criteria are eligible to be forgiven. Under the language of the original PPP, any portions of such borrowed funds not forgiven would be repayable over a term of two years at an interest rate of 1.0%.[3]

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

In granting this PPP borrowing authority, the Commission notes the COVID-19 public health crisis and SVEC's need for financial flexibility in its response options thereto. In addition to the PPP loan authority granted to the Cooperative in this case, the Commission has further responded to this economic emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency.[4]

Accordingly, IT IS ORDERED THAT:

(1) SVEC hereby is authorized to borrow $3,967,000 under the PPP all in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) Within thirty (30) days of SVEC filing information required for loan forgiveness with the PPP loan administrator, the Cooperative shall submit a copy of such information with the Director of the Division of Accounting and Finance ("UAF Director").

(3) Within thirty (30) days of a decision on forgiveness of any of its PPP borrowings, SVEC shall submit a physical and electronic copy of the documents received pertaining to that decision to the UAF Director, along with details regarding any amount of PPP borrowings not forgiven, to include: the total amount of any unforgiven PPP borrowings plus accrued interest due, the amount and frequency of installment payments on any unforgiven borrowings, and the scheduled dates for the initial and final payments.

(4) Approval of this Application has no implications for ratemaking purposes.

(5) There appearing nothing further to be done in this matter, it hereby is dismissed.

---

[1] The PPP is a federal program established under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, administered by the Small Business Administration ("SBA") and funded by the U.S. Treasury Department. *See* https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program#section-header-0

[2] Code § 56-55 *et seq*.

[3] Since the filing of this Application, the U.S. Treasury and the SBA announced, on June 8, 2020, changes to the PPP by enactment of the PPP Flexibility Act ("PPPFA"). Under certain circumstances, the PPPFA allows for some altering of borrowing terms from the original PPP.

[4] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020) *and* Doc. Con. Cen. No. 200630135, Order on Suspension of Service Disconnections (June 12, 2020).

CASE NO. PUR-2020-00109
DECEMBER 23, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: Establishing the rates, terms and conditions of a universal fee to be paid by the retail customers of the Virginia Electric and Power Company

ORDER

During its 2020 Session, the Virginia General Assembly enacted Chapters 1193 (HB 1526) and 1194 (SB 851) of the 2020 Virginia Acts of Assembly. These duplicate Acts of Assembly, known as the Virginia Clean Economy Act ("VCEA" or "Act"), became effective on July 1, 2020. The VCEA, *inter alia,* establishes the Percentage of Income Payment Program ("Program" or "PIPP"), which is designed to limit the electric utility payments of persons or households participating in certain, specified public assistance programs, based upon a percentage of their income, for customers of Appalachian Power Company ("APCo") and Virginia Electric and Power Company ("Dominion").

The Act directs the State Corporation Commission ("Commission") to initiate a proceeding to establish the rates, terms and conditions of a "non-bypassable universal service fee" to fund the Program. This service fee will be paid by the customers of APCo and Dominion**.**

The VCEA directs that the fee

> shall be allocated to retail electric customers of a Phase I and Phase II Utility on the basis of the amount of kilowatt-hours used and be established at such level to adequately address the PIPP's objectives to (i) reduce the energy burden of eligible participants by limiting electric bill payments directly to no more than six percent of the eligible participant's annual household income if the household's heating source is anything other than electricity, and to no more than 10 percent of an eligible participant's annual household income on electricity costs if the household's heating source is electricity, and (ii) reduce the amount of electricity used by the eligible participant's household through participation in weatherization or energy efficiency programs and energy conservation education programs.[1]

The Act also requires the Commission to determine reasonable administrative costs investor-owned utilities may recover associated with the PIPP and the mechanism by which utilities may recover those costs. The Act requires the Commission to issue a Final Order concerning this proceeding by December 31, 2020.[2]

The Act also directs two executive branch agencies--the Department of Housing and Community Development and the Department of Social Services ("Agencies")--to convene a stakeholder working group and develop recommendations regarding the implementation of the PIPP.[3] The Agencies' recommendations were required to be submitted to certain legislative committees in December 2020 ("Agencies' Report").

On June 11, 2020, the Commission issued an Order Establishing Proceeding ("Order") that, among other things, initiated this docket to establish the rates, terms and conditions of a non-bypassable universal service fee to fund the PIPP, to be paid by the retail customers of Dominion. The Order directed Dominion, on or before July 21, 2020, to propose such rates, terms and conditions ("PIPP filing"), and in so doing, address, at a minimum, the following issues:

- The number of eligible customers assumed and the basis for that assumption, including data sources used to develop customer eligibility levels;
- How heating sources were determined for eligible customers;
- A calculation of the dollars assumed not to be recovered as a result of the program being implemented for eligible customers heating with electricity;
- A calculation of the dollars assumed not to be recovered as a result of the program being implemented for customers heating with other sources;
- Costs proposed to be recovered related to arrearages and administrative costs incurred by Dominion and by state agencies involved in the program;

---

[1] Code § 56-585.6. Universal service fee; Percentage of Income Payment Program. APCo is a Phase I Utility, and Dominion is a Phase II Utility. *See* Code § 56-585.1 A 1.

[2] Act's 12th Enactment: "12. That the State Corporation Commission shall issue its final order in the Percentage of Income Payment Program (PIPP) proceeding established pursuant to § 56-585.6 of the Code of Virginia, as created by this act, by December 31, 2020, provided that the non-bypassable universal service fee shall not be collected from customers of a Phase I or a Phase II Utility, as those terms are defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, as amended by this act, until such time as the PIPP is established. The Department of Housing and Community Development and the Department of Social Services shall convene a stakeholder working group and develop recommendations regarding the implementation of PIPP. Such recommendations shall allow for a utility to reimburse the administrative costs of the PIPP, not to exceed $3 million, and shall be submitted to the Chairs of the House Committee on Labor and Commerce and the Senate Committee on Commerce and Labor by December 1, 2020."

[3] *Id.*

- How the objective of reducing usage through participation in weatherization, energy efficiency, and conservation will be accomplished; identify any costs associated with these programs that are proposed to be collected by the fee;
- Total costs proposed to be recovered by the universal service fee detailing the components previously identified and other costs proposed to be recovered;
- The billing determinants used and a calculation of the proposed fee;
- How customer eligibility will be monitored and the frequency of monitoring;
- Whether program participants are statutorily exempted from being assessed the fee and, if they are, how such will be accomplished; and
- The amount of uncollectible expense in base rates associated with eligible customers. Include a credit in the calculation of the proposed fee to avoid double-recovery of this expense.

The Order also established a procedural schedule; permitted interested persons to file written or electronic comments or to participate in this proceeding as a respondent; and scheduled hearings to receive testimony from public witnesses and testimony and evidence offered by Dominion, respondents, and the Commission's Staff ("Staff") on Dominion's PIPP filing.

On September 2, 2020, the Commission issued an Order Assigning Hearing Examiner, appointing 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.

The following filed notices of intent to participate as a respondent: Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"); Appalachian Voices; Sierra Club; Virginia Committee for Fair Utility Rates; Virginia Poverty Law Center ("VPLC"); and the Agencies (collectively, "Respondents").

On October 14, 2020, the hearing in this matter was convened via Skype for Business, with no party present in the Commission's physical courtroom.[4] Dominion, Consumer Counsel, Appalachian Voices, Sierra Club, VPLC, the Agencies, and the Staff participated in the hearing.[5] A late-filed exhibit was reserved for the Agencies' Report upon filing with the legislative committees.[6]

On October 28, 2020, Dominion, Appalachian Voices, and Sierra Club filed post-hearing briefs; VPLC filed a letter in lieu of a brief. The Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report"), was filed on November 16, 2020. In his Report, the Hearing Examiner summarized the record and made the following findings and recommendations:[7]

1. A PIPP fee set to recover between approximately $49 million and $93 million annually would allow Dominion to adequately address the two objectives of Code § 56-585.6 A and to recover the estimated administrative costs identified in the record;
2. Record evidence supports a broad range of PIPP cost estimates because of uncertainties regarding the future implementation of the PIPP and participation therein;
3. The process for establishing the PIPP remains ongoing. Late-filed Exhibit 7 - legislative implementation recommendations from the stakeholder group led by the Departments - will provide an update on this process;
4. Enactment Clause 12 of the VCEA prohibits any PIPP fee set in this case from being collected from Dominion's customers until such time as the PIPP is established;
5. The PIPP fee set in this case should be approved, subject to condition(s) to ensure the Commission's review and, if necessary, revision of such fee prior to collection from Dominion's customers;
6. Approving a PIPP fee to recover approximately $93 million could increase regulatory flexibility for the Commission to review and, if necessary, revise the PIPP fee prior to any collection from customers;
7. After the PIPP is established and implemented, an annual or semi-annual review of the PIPP fee should allow for the timely consideration of whether the level of the fee remains adequate; however, a PIPP fee with formulaic components should also be considered; and
8. An arrearage estimate should be incorporated in a PIPP fee that becomes effective at least three months prior to the first arrearage write-down in order to, among other things, mitigate the rate impact associated with the incurrence of this significant cost.

In addition, the Hearing Examiner made the following findings that were not included in the enumerated list of "Findings and Recommendations:"[8]

[4] The hearing originally scheduled for October 13, 2020, to receive the testimony of public witnesses, was cancelled after no public witnesses signed up by the appointed deadline.

[5] Respondents Sierra Club, Appalachian Voices and the Agencies pre-filed testimony and exhibits on September 3, 2020. Staff pre-filed testimony and exhibits on September 17, 2020, and Dominion filed rebuttal testimony on October 1, 2020.

[6] The Commission received the Agencies' Report, for which Exhibit No. 7 was reserved during the hearing, on December 18, 2020.

[7] Report at 25.

[8] Although these findings were not numbered in the Report, we assign numbers herein for purposes of discussing the Commission's findings.

9. The record does not support Dominion's proposal to expense certain information technology costs that would typically be capitalized for ratemaking purposes;[9]

10. The PIPP fee could result in double-recovery of costs if not adjusted to account for uncollectible expense currently recovered through base rates. Given the uncertain implications of the government-ordered moratorium on service disconnections on Dominion's incurrence and recovery of arrearages and bad debt, however, the PIPP fee should not incorporate a specific credit at this time;[10]

11. The mandatory nature of participation in weatherization or energy efficiency programs by PIPP participants appears to be a policy decision already made by the General Assembly. The current language is mandatory in nature. Accordingly, the cost implications of such policy must be considered in setting the PIPP fee;[11]

12. Based on legal and factual uncertainties, it is unclear whether incorporating a specific energy efficiency budget into the initial PIPP rate calculation is necessary; however, it is reasonable at this time to incorporate an estimate of Dominion's share of the $3 million amount reimbursable to the Agencies for administrative cost of the PIPP, which could be used for, among other things, the Agencies' planned expansion of their existing weatherization program;[12]

13. The Commission should not exercise its discretion to use lower caps on participant payments than the maximum 6% cap (if heating with another energy source) and 10% cap (if heating with electricity) set forth in the VCEA until after the program has been implemented; however, based on updated information, it may be appropriate to adjust these percentages;[13]

14. Program participants are not statutorily exempted from being assessed the PIPP fee.[14]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows:

Recommendation Nos. 1, 2, 3 and 6

The Commission adopts the Hearing Examiner's Recommendation Nos. 1, 2, 3 and 6 for the reasons stated in the Report.[15] As noted in the Report, the Hearing Examiner recommended establishing Dominion's initial PIPP fee to recover between approximately $49 million and $93 million of PIPP costs, noting that establishing the rate to recover $93 million may increase the Commission's regulatory flexibility.[16] We agree with the Hearing Examiner that approving a PIPP fee to recover approximately $93 million could increase regulatory flexibility. We further note that the $93 million PIPP revenue requirement could be adjusted up or down in a future proceeding depending on additional information that may hereafter become available, further direction from the General Assembly, and other factors. Additionally, we find that a flat per-kilowatt hour ("kWh") rate design for the PIPP fee is consistent with Code § 56-585.6. As noted in the Report, Dominion assumed an estimated level of 82,728,134,143 Virginia kWh sales in calculating rates in its PIPP filing.[17] A flat per-kilowatt hour rate design for the universal service fee based on a PIPP revenue requirement of approximately $93 million is $0.001125/kWh,[18] or approximately $1.125/month for a customer using 1,000 kWh/month.[19]

Recommendation No. 4

We agree with and adopt the Hearing Examiner's Recommendation No. 4.[20] By doing so, the Commission is following Enactment Clause 12 of the VCEA by not allowing any PIPP fee to be collected until the General Assembly establishes the PIPP.[21]

---

[9] Report at 23-24.

[10] *Id.* at 19.

[11] *Id.* at 21.

[12] *Id.* at 22.

[13] *Id.* at 17.

[14] *Id.* at 17.

[15] *See id.* at 1, 25.

[16] *Id.* at 1, 24.

[17] *Id.* at 14.

[18] *Id.* at 13

[19] A flat rate universal service fee based on a revenue requirement of approximately $49 Million would be $0.000591/kWh, or $0.591 per month for a customer using 1,000 kWh/month.

[20] Report at 25.

[21] 2020 Va. Acts Chs. 1193, 1194.

Recommendation No. 5

We adopt the Hearing Examiner's Recommendation No. 5. Specifically, the Commission is adopting a PIPP fee with no effective date. We will direct Dominion to return to the Commission to request review and, if necessary, revision of the PIPP fee in a separate proceeding once more details have been established through future legislation by the General Assembly. As part of that later proceeding, it is envisioned that the PIPP fee and an effective date will be set. The timing for such filing by Dominion will be determined based on future PIPP legislation.

Recommendation No. 7

We adopt the Hearing Examiner's Recommendation No. 7. To clarify, the Commission is not adopting any specific timing for review now. The Commission will consider the timing of regular review of the PIPP fee in the next PIPP case, as discussed in connection with the Hearing Examiner's Recommendation No. 5, above. After the PIPP has been established, the Commission will then prescribe an appropriate review process going forward.

Recommendation No. 8

We agree with the Hearing Examiner that an arrearage estimate should be incorporated in the PIPP fee in the future. We decline to specify a certain timeframe for incorporating an arrearage estimate in the PIPP fee. We further clarify that no arrearage estimate is included in the estimated $93 million PIPP revenue requirement now. We recognize that much is still unknown, such as how federal funding through the Coronavirus Aid, Relief, and Economic Security Act[22] may help to alleviate utility bill arrearages.[23]

Finding No. 9

We agree with the Hearing Examiner's Finding No. 9, as identified above. Dominion should capitalize its information technology costs related to PIPP consistent with the Company's standard amortization practice.[24]

Finding No. 10

We decline to make a finding as to the potential for double recovery of costs if the PIPP fee is not adjusted to account for uncollectible expense recovered through base rates. This issue will be addressed in future proceedings when Dominion will provide more data to support a fully informed evaluation.

Finding No. 11

With regard to the issue of mandatory participation in weatherization or energy efficiency programs by PIPP participants, the Commission reads the statute to require the PIPP to address the objective to reduce energy use as described in Code § 56-585.6 A (ii) ("Subsection A (ii)"). We further note the singular nature of Subsection A (ii): ". . . electricity used by the eligible participant's household through participation . . ." (emphasis added). To make participation in weatherization or energy efficiency programs optional for PIPP participants is to ignore Subsection A (ii). Accordingly, the Commission views such participation as mandatory unless and until another way is apparent to accomplish the objectives of the PIPP fee as set forth in Code § 56-585.6 A.

Finding No. 12

We agree with the Hearing Examiner that it is not now necessary to include a specific energy efficiency budget in the PIPP rate calculation. Meeting the requirement in Subsection A (ii) is the combined obligation of the utilities and the executive agencies involved, as both are able to offer programs of the types designated in Subsection A (ii). The adequacy of the PIPP fee is in part dependent on rates set in other cases (e.g., Dominion's DSM cases[25]). It is currently unclear whether programs being used now will be enlarged, or currently are sufficient, to cover PIPP participants. Accordingly, in this case it is not necessary to include a specific energy efficiency budget in the PIPP fee calculation. We note that the Hearing Examiner found that it is reasonable at this time to incorporate an estimate of Dominion's share of the $3 million amount reimbursable to the Agencies for administrative cost of the PIPP, which could be used for the Agencies' planned expansion of their existing weatherization program. Though Dominion's exact share of the $3 million is not yet known, we find that setting the PIPP fee on the higher end (at approximately $93 million) provides flexibility to cover this cost. With updates, this amount can be adjusted up or down depending on the facts.

Finding No. 13

We agree with and adopt the Hearing Examiner's Finding No. 13. Adopting caps on income that are lower than the 6% and 10% caps in the statute is a matter of discretion that the Commission chooses not to exercise at this time. Currently, there are many unknowns as to how many people qualify for the PIPP and the cost of using even the 6% and 10% caps. Lowering the caps would require more funding for the PIPP, which we do not find reasonable at this nascent stage of PIPP establishment and implementation.

---

[22] Pub. L. No. 116-136, 134 Stat. 281 (Mar. 27, 2020).

[23] We further note that arrearages will drive up the PIPP fee until they are extinguished, and the record did not contain reliable Virginia-specific estimates, only extrapolations from other states.

[24] Dominion's normal amortization period for capitalized software costs is fifteen years. *See* Ex. 6 (Carr) at 5 n.7.

[25] *See, e.g., Petition of Virginia Electric and Power Company, For approval of its 2019 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia, Case No. PUR-2019-00201, Doc. Con. Cen. No. 200740067, Final Order (July 30,2020).* Dominion's current DSM proposal is being considered in Case No. PUR-2020-00274. *See Petition of, Virginia Electric Power Company, For approval of its 2020 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia,* Case No. PUR-2020-00274, filed December 18, 2020.

Finding No. 14

We agree with the Hearing Examiner that program participants are not statutorily exempted from being assessed the PIPP fee. This finding was not disputed by any of the case participants. The VCEA calls the fee a "non-bypassable universal service fee" (emphasis added).[26] Therefore, all retail electric customers of Dominion will be charged the fee. We recognize, however, that most PIPP participants will reach the 6% or 10% cost cap, as applicable, based on their energy use alone, so the PIPP fee will be part of the "bill overage" that participants will not pay.[27]

Accordingly, IT IS ORDERED THAT:

(1) A PIPP fee of $0.001125/kWh, to recover approximately $93 million annually, is approved, with no effective date at this time.

(2) Upon enactment of legislation setting forth further details on the PIPP and subsequent direction by this Commission, Dominion shall file for review and revision (if necessary) of the PIPP fee, prior to collection of the fee from customers.

(3) This matter is dismissed.

[26] Code § 56-585.6 A.

[27] *See* Report at 17. As noted by the Hearing Examiner, "PIPP participants with low usage during the relevant period could receive bills for less than the statutory capped amounts. Application of the universal fee would increase the bills for such customers." *Id.* at 17 n.109.

CASE NO. PUR-2020-00110
NOVEMBER 10, 2020

APPLICATION OF
KENTUCKY UTILITIES COMPANY D/B/A OLD DOMINION POWER COMPANY

For approval and certification of electric transmission facilities under Va. Code § 56-46.1 and the Utility Facilities Act, Va. Code § 56-265.1, *et seq*

FINAL ORDER

On June 3, 2020, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU-ODP" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and certificates of public convenience and necessity ("CPCN") for structure replacements on three 161 kilovolt ("kV") transmission lines within the Company's existing rights-of-way ("ROWs") in Lee and Wise Counties, Virginia ("Application"). KU-ODP filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq*.

KU-ODP seeks to replace certain wood structures with galvanized steel structures on three separate 161 kV transmission circuits, entirely within its existing ROWs (collectively, "Rebuild Project").[1] Specifically, the Company proposes to complete the following:

(1) Dorchester to Arnold, 14.4 miles: remove and replace 27 wood structures and repair 6 structures currently ranging in height from 52 feet to 70 feet, with an average height of 60.20 feet. As proposed the new structures would range from 52 feet to 74.50 feet in height, with an average height of 63.17 feet. The estimated cost for this portion of the Rebuild Project is $3.2 million;

(2) Dorchester to Pocket North, 25.6 miles: remove and replace 89 wood structures and repair 22 structures currently ranging in height from 49.70 feet to 69.90 feet, with an average height of 57.45 feet. As proposed the new structures would range from 48.40 feet to 78.10 feet in height, with an average height of 60.41 feet. The estimated cost for this portion of the Rebuild Project is $10.7 million; and

(3) Harlan Wye to Pocket North, 5.2 miles: remove and replace 5 wood structures and repair 3 structures currently ranging in height from 52 feet to 65.50 feet, with an average height of 58.30 feet. As proposed the new structures would range from 56.50 feet to 70 feet in height, with an average height of 61.90 feet. The estimated cost for this portion of the Rebuild Project is $0.9 million.[2]

The Company states that the Rebuild Project is required to ensure the longevity of KU-ODP's transmission infrastructure and to ensure the Company is equipped to comply with its mandate to provide reliable electric service to its Virginia customers.[3] The Company further states that replacement of only those structures identified as defective with longer-lasting galvanized steel structures within the Company's existing ROWs is the least intrusive and lowest-cost means of ensuring transmission reliability long into the future, and the structure replacements are needed to ensure future compliance with transmission planning performance requirements promulgated by the North American Electric Reliability Corporation and the Company's planning guidelines for reliability.[4]

[1] Application at 2.

[2] *Id.*at 2, Appendix Section V at 32. *See also* KU-ODP Letter Supplementing Notice Filing with Updated Route Descriptions (June 30, 2020).

[3] Application at 2.

[4] *Id*.

The Company states that subject to the Commission's issuance of a CPCN, KU-ODP plans to complete the structure replacements and put them into service beginning in July 2021 and ending by October 2022.[5] The Company represents that the estimated cost of the Rebuild Project is $14.8 million.[6]

On July 2, 2020, the Commission issued an Order for Notice and Comment ("Procedural Order"), which, among other things, docketed the Application, directed KU-ODP to publish notice of its Application, and invited comments, notices of participation, and requests for hearing from interested persons. The Procedural Order further directed the Commission Staff ("Staff") to investigate the Application and to file a Staff Report containing Staff's findings and recommendations.

The Commission received no public comments, requests for hearing, or notices of participation in this case.

As noted in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Rebuild Project by the appropriate agencies and to provide a report on the review. On July 31, 2020, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following Summary of Findings and Recommendations regarding the Rebuild Project. According to the DEQ Report, the Company should:

(a) Follow DEQ recommendations including the avoidance and minimization of impacts to wetlands and streams;

(b) Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels;

(c) Evaluate identified Pollution Complaint cases and their potential to impact the proposed project;

(d) Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable;

(e) Coordinate with the U.S. Fish and Wildlife Service on potential project impacts to federal-listed species;

(f) Consider the development and implementation of an invasive species plan to be included as part of the maintenance practices for the ROWs;

(g) Coordinate with the Department of Conservation and Recreation on a plan to minimize the fragmentation of ecological cores;

(h) Coordinate with the Department of Conservation and Recreation for updates to the Biotics Data System database (if the scope of the project changes or six months passes before the project is implemented);

(i) Coordinate with the Department of Wildlife Resources to discuss the need for mussel surveys related to the Project;

(j) Coordinate with the Department of Wildlife Resources as necessary regarding the general protection of wildlife resources;

(k) Coordinate with the Virginia Outdoors Foundation should the project change or if construction does not begin within 24 months of this response;

(l) Employ best management practices (BMPs) and Spill Prevention and Control Countermeasures as appropriate for the protection of water supply sources;

(m) Follow the principles and practices of pollution prevention to the extent practicable; and

(n) Limit the use of pesticides and herbicides to the extent practicable.[7]

On September 30, 2020, Staff filed its Staff Report summarizing the results of its investigation of KU-ODP's Application. Staff concludes that KU-ODP has reasonably demonstrated the need to construct the proposed Rebuild Project.[8] Staff does not oppose the Company's request that the Commission issue the CPCN required for the Rebuild Project.[9]

On October 8, 2020, KU-ODP filed its Comments to the Staff Report ("Comments"). In its Comments, the Company states it does not object to the analysis and conclusions in the Staff Report.[10]

---

[5] *Id*. at 3, Appendix Section I at 3. KU-ODP requests that the Commission enter a final order by November 30, 2020, for the Company to meet its timeline objectives. *Id.* at Appendix Section I at 3.

[6] *Id.* at Appendix Section I at 3.

[7] DEQ Report at 5-6.

[8] Staff Report at 19.

[9] *Id.*

[10] Comments at 1.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require that the Company construct the Rebuild Project. The Commission finds that a CPCN authorizing the Rebuild Project should be issued subject to certain findings and conditions contained herein.

Approval

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Code § 56-265.2 A 1 provides that "it shall be unlawful for any public utility to construct . . . facilities for use in public utility service . . . without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

Code § 56-46.1 further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

> Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, . . . and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Code § 56-46.1 B further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned."

The Code further requires that the Commission consider existing right-of-way easements when siting transmission lines. Code § 56-46.1 C provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, Code § 56-259 C provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

Public Convenience and Necessity

KU-ODP states that the Rebuild Project is necessary so that the Company can maintain the structural integrity and reliability of its transmission system and provide reliable electric service to its customers in the area.[11] Based on information provided by the Company, Staff concurs with the Company regarding the need to perform the repairs and replacements identified in the Rebuild Project.[12] The Commission finds that the Company's proposed Rebuild Project is needed to replace aging infrastructure to maintain the overall long-term reliability of the Company's transmission system.[13]

Economic Development

We find that the evidence in this case demonstrates that the Rebuild Project will facilitate economic growth in the Commonwealth by continuing to provide reliable electric service in the Rebuild Project area.[14]

Rights-of-Way and Routing

We find that the Company has adequately considered existing ROWs and that the Company's selection of the route for the Rebuild Project is reasonable. The Rebuild Project, as proposed, will be constructed on existing ROWs already owned and maintained by the Company.[15]

Scenic Assets and Historic Districts

We further find that use of the existing ROWs will minimize adverse impacts on scenic assets and historic districts in the Commonwealth of Virginia as required by Code § 56-46.1 B.[16]

Environmental Impact

Pursuant to Code § 56-46.1 A and B, we consider the Rebuild Project's impact on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides that the Commission shall receive and give consideration to all reports that relate to the Rebuild Project by state agencies concerned with environmental protection.

---

[11] Application at 1-2.

[12] Staff Report at 11.

[13] Application at 2-3; Staff Report at 3-11.

[14] Staff Report at 18.

[15] Application at 3; Staff Report at 15.

[16] Staff Report at 16-18.

We find that there are no adverse environmental impacts that will prevent the construction or operation of the Rebuild Project. This finding is supported by the DEQ Report submitted in this case. The Company does not oppose any of the recommendations included in the DEQ Report for the Commission's consideration.[17] We find, as a condition to this CPCN, that the Company shall comply with all recommendations included in the DEQ Report.

Accordingly, IT IS ORDERED THAT:

(1) KU-ODP is authorized to construct and operate the Rebuild Project as proposed in its Application subject to the findings and conditions imposed herein.

(2) Pursuant to Code §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for CPCNs to construct and operate the Rebuild Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, Code § 56-265.1 *et seq.*, the Commission issues the following CPCNs to KU-ODP:

> Certificate No. ET-3d, which authorizes Kentucky Utilities Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Lee County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00110, cancels Certificate No. ET-3c, transferred to Kentucky Utilities Company in Case No. PUE-1991-00005 on February 26, 1992.
>
> Certificate No. ET-4b, which authorizes Kentucky Utilities Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Wise County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00110, cancels Certificate No. ET-4a, transferred to Kentucky Utilities Company in Case No. PUE-1991-00005 on February 26, 1992.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation three copies of an appropriate map that shows the routing of the transmission lines approved herein.

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCNs issued in Ordering Paragraph (3) with the maps attached.

(6) The Rebuild Project approved herein must be constructed and in service by October 31, 2022. No later than 90 days before the in-service date approved herein, except for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter hereby is dismissed.

[17] DEQ Report at 5-6; Comments at 1.

CASE NO. PUR-2020-00112
AUGUST 7, 2020

APPLICATION OF
AVIDXCHANGE, INC.

For a license to conduct business as an aggregator of electricity and natural gas

ORDER GRANTING LICENSE

On June 3, 2020, AvidXchange, Inc. ("Avid" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to act as aggregator of electricity and natural gas services ("Application"). The Company supplemented its Application on June 9, 2020. Avid seeks authority to provide electric and natural gas aggregation services throughout Virginia, to eligible commercial, industrial, and governmental customers. In its Application, Avid attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On June 29, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to electronically serve a copy of the Procedural Order on or before July 8, 2020, on each of the companies on Attachment A to the Procedural Order; and to file proof of service on or before July 15, 2020. On June 29, 2020, Avid filed its proof of service.

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before July 22, 2020. Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV") filed timely comments. In its comments, DEV, among other things, requested that the Commission carefully consider the prior regulatory violations disclosed by Avid in its Application.[1]

[1] DEV Comments at 2.

The Procedural Order directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on July 29, 2020, which summarized Avid's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, as well as Avid's responses to Staff's inquiries about the regulatory violations in other states,[2] Staff recommended that Avid be granted an aggregator's license to conduct business as a competitive service provider of electricity and natural gas to eligible commercial, industrial, and governmental customers throughout Virginia. Staff determined the prior violations did not adversely impact Avid's service to any customer or were unrelated to the provision of utility services altogether.[3]

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Avid's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Avid is hereby granted license No. A-108 to provide competitive aggregation service of electricity and natural gas to eligible commercial, industrial, and governmental customers throughout Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

[2] Staff Case Report at 4.

[3] *Id*.

CASE NO. PUR-2020-00113
JULY 29, 2020

PETITION OF
WINDSTREAM HOLDINGS, INC., *et al.*, and ELLIOTT MANAGEMENT CORPORATION, *et al.*

For approval of the transfer of control of Windstream Holdings, Inc.'s Virginia Subsidiaries, pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On June 5, 2020, Windstream Holdings, Inc. ("Windstream Holdings"), on behalf of its 16 subsidiaries operating in Virginia ("Windstream Licensees")[1] (collectively, "Windstream"), and Elliott Management Corporation and its affiliated entities (collectively, "Elliott") (collectively with Windstream, "Petitioners"),[2] filed a Petition with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[3] requesting approval of the transfer of indirect control of the Windstream Licensees ("Transfer"). The Petitioners also filed a Motion for Confidential Treatment ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

In Virginia, thirteen of the Windstream Licensees are authorized to provide local exchange and/or interexchange telecommunications services pursuant to their respective certificates of public convenience and necessity ("Certificates") issued by the Commission.[4] The remaining three Windstream Licensees (DeltaCom, LLC, McLeodUSA Telecommunications Services, LLC, and Windstream Communications, LLC) are resellers of interexchange services and do not currently provide regulated services in Virginia. As such, these resellers are not required to hold Certificates from the Commission.

According to the Petition, on February 26, 2019, Windstream notified the Commission of its commencement with the United States Bankruptcy Court for the Southern District of New York of voluntary cases on behalf of each of the Windstream companies, including the Windstream Licensees, under Chapter 11 of Title 11 of the United States Code.[5] The Petitioners state that following an approved Plan of Reorganization arising from the bankruptcy proceedings, the reorganization transactions necessary for Windstream's emergence from bankruptcy ("Reorganization") will result in the creation of a reorganized Windstream parent structure ("New Windstream") and, therefore, the contemplated transfer of indirect control of the Windstream Licensees.

The Petitioners represent that the Reorganization transactions, which are also subject to review and approval by the Federal Communications Commission ("FCC"), will occur in two steps, which are described in detail in the Petition.[6] The Petitioners state that under this two-step process, the

[1] The Windstream Licensees are: ATX Telecommunications Services of Virginia, LLC; Broadview Networks of Virginia, Inc.; Business Telecom of Virginia, Inc.; Cavalier Telephone, L.L.C.; CTC Communications Virginia, Inc.; DeltaCom, LLC; EarthLink Business, LLC; Eureka Telecom of VA, Inc.; InfoHighway of Virginia, Inc.; Intellifiber Networks, LLC; McLeodUSA Telecommunications Services, LLC; PaeTec Communications of Virginia, LLC; Talk America of Virginia, LLC; US LEC of Virginia L.L.C.; Windstream Communications, LLC; and, Windstream KDL-VA, LLC.

[2] Elliott Management Corporation's affiliated entities, Nexus Aggregator L.P., Elliott Associates, L.P., and Elliott International, L.P., are also considered Petitioners and have provided the statutorily required verifications.

[3] Code § 56-88 *et seq*.

[4] *See* Appendix C attached to the Action Brief filed in this proceeding by the Commission Staff ("Staff").

[5] *See* Petition at 1.

[6] *Id.* at 8-10.

Windstream companies will emerge from bankruptcy with the First Lien Investors[7] holding a mix of equity interests that do not require FCC review or approval of foreign ownership and warrants in New Windstream. Then, New Windstream will request FCC approval for the warrant holders to exercise the warrants.[8] The Petitioners further state that Windstream is using this two-step process because some of the First Lien Investors' affiliated entities or subsidiaries that will be acquiring equity interests in New Windstream are registered in other countries and/or have foreign investors. Federal law requires additional review of foreign ownership above defined thresholds in entities that hold certain FCC-issued licenses and federal authorizations held by Windstream affiliates.[9]

The Petitioners assert that, upon completion of the Reorganization, the proposed Transfer will occur at the parent company level only and will not involve any change in assignment of operating authority, assets, or customers. The Petitioners further state that the Windstream Licensees will continue to provide services to their customers without any immediate changes to the rates, terms or conditions of service as currently provided. Lastly, the Petitioners represent that the Windstream Licensees will continue to have the financial, managerial, and technical resources to provide services in Virginia following the completion of the proposed Transfer.

Approval of the Transfer is also being sought by the Petitioners from the FCC in WC Docket No. 20-151. As discussed above and in the Petition, the FCC will be conducting additional review of the foreign ownership issues associated with New Windstream's emergence from bankruptcy. In 2019, the FCC conducted a similar review of a transfer of control involving a Virginia certificated competitive local exchange carrier and a foreign-owned company. In Case No. PUR-2019-00110, the Commission conditioned its approval of such transfer of control upon the transaction receiving the approval of the FCC.[10]

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that, consistent with our prior rulings, the approval granted herein should be conditioned upon approval of step two of the proposed Transfer by the FCC. Upon satisfaction of this condition, no further action is required by the Commission in this matter. Finally, we find that the Petitioners' Motion is no longer necessary and, therefore, should be denied.[11]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the proposed Transfer, as described herein, conditioned upon approval of step two of the Transfer by the FCC. Upon satisfaction of this condition, no further action is required by the Commission in this matter.

(2) The Petitioners shall file with the Commission proof of such approval or denial within ten (10) days of the issuance of the FCC's determination.

(3) Should approval be granted by the FCC, the Petitioners shall file a report of action with the Commission in its Document Control Center within thirty (30) days after closing of the Transfer, which shall include the date of the completion of the Transfer.

(4) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(5) This case is dismissed.

---

[7] The "First Lien Investors" are defined as the subsidiaries, affiliates, or affiliated entities of six investment companies that are first lien debtholders of Windstream. *Id.* at 7.

[8] *Id.* at 9.

[9] *Id.* at 8.

[10] *See Joint Petition of Zayo Group Holdings, Inc., Zayo Group, LLC, Front Range TopCo, Inc., and Front Range BidCo, Inc., For approval of the transfer of indirect control of Zayo Group, LLC, to Front Range TopCo, Inc., pursuant to Va. Code § 56-88 et seq.*, Case No. PUR-2019-00110, Doc. Con. Cen. No. 191120805, Order Granting Approval (Nov. 8, 2019). The Commission imposed similar conditions in prior cases. *See, e.g., Joint Petition of Sprint Communications Company of Virginia, Inc., Sprint Communications Company L.P., SoftBank Group Corp., Deutsche Telekom AG, and T-Mobile USA, Inc., For approval of an indirect transfer of control of Sprint Communications Company of Virginia, Inc., to T-Mobile USA, Inc., pursuant to Va. Code § 56-88 et seq.*, Case No. PUR-2018-00110, 2018 S.C.C. Ann. Rept. 475, Order Granting Approval (Dec. 6, 2018).

[11] The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2020-00113
AUGUST 17, 2020

PETITION OF
WINDSTREAM HOLDINGS, INC., *et al.* and ELLIOTT MANAGEMENT CORPORATION, *et al.*

For approval of the transfer of control of Windstream Holdings, Inc.'s Virginia Subsidiaries, pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING RECONSIDERATION

On June 5, 2020, Windstream Holdings, Inc., on behalf of its 16 subsidiaries operating in Virginia ("Windstream Licensees"),[1] and Elliott Management Corporation and its affiliated entities,[2] collectively ("Petitioners"), filed a petition with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia,[3] requesting approval of a transfer of control of the Windstream Licensees ("Transfer").

On July 29, 2020, the Commission issued an Order Granting Approval of the proposed Transfer. On August 14, 2020, the Petitioners filed a Petition for Reconsideration.[4]

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration. The Order Granting Approval is hereby suspended pending the Commission's reconsideration.

Accordingly, IT IS ORDERED THAT:

(1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration.

(2) Pending the Commission's reconsideration, the Order Granting Approval is suspended.

(3) This matter is continued generally.

[1] The Windstream Licensees are: ATX Telecommunications Services of Virginia, LLC; Broadview Networks of Virginia, Inc.; Business Telecom of Virginia, Inc.; Cavalier Telephone, L.L.C.; CTC Communications of Virginia, Inc.; DeltaCom, LLC; EarthLink Business, LLC; Eureka Telecom of VA, Inc.; InfoHighway of Virginia, Inc.; Intellifiber Networks, LLC; McLeodUSA Telecommunications Services, LLC; PaeTec Communications of Virginia, LLC; Talk America of Virginia, LLC; US LEC of Virginia L.L.C.; Windstream Communications, LLC; and, Windstream KDL-VA, LLC.

[2] Elliott Management Corporation's affiliated entities, Nexus Aggregator L.P., Elliott Associates, L.P., and Elliott International, L.P., are also considered Petitioners and have provided the statutorily required verifications.

[3] Code § 56-88 *et seq*.

[4] The Petition for Reconsideration includes Franklin Resources Inc. ("Franklin"), among the Petitioners, and discusses the role of Franklin and its affiliates in revisions to the Transfer.

CASE NO. PUR-2020-00113
AUGUST 31, 2020

PETITION OF
WINDSTREAM HOLDINGS, INC., *et al.* and ELLIOTT MANAGEMENT CORPORATION, *et al.*

For approval of the transfer of control of Windstream Holdings, Inc.'s Virginia Subsidiaries, pursuant to Va. Code § 56-88 *et seq.*

ORDER ON RECONSIDERATION

On June 5, 2020, Windstream Holdings, Inc., and its 16 subsidiaries operating in Virginia ("Windstream Licensees"),[1] collectively ("Windstream") and Elliott Management Corporation and its affiliates,[2] (collectively with Windstream, "Petitioners"), filed a petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia,[3] requesting approval of a transfer of control of the Windstream Licensees ("Transfer").

[1] The Windstream Licensees are: ATX Telecommunications Services of Virginia, LLC; Broadview Networks of Virginia, Inc.; Business Telecom of Virginia, Inc.; Cavalier Telephone, L.L.C.; CTC Communications of Virginia, Inc.; DeltaCom, LLC; EarthLink Business, LLC; Eureka Telecom of VA, Inc.; InfoHighway of Virginia, Inc.; Intellifiber Networks, LLC; McLeodUSA Telecommunications Services, LLC; PaeTec Communications of Virginia, LLC; Talk America of Virginia, LLC; US LEC of Virginia L.L.C.; Windstream Communications, LLC; and, Windstream KDL-VA, LLC.

[2] Elliott Management Corporation's affiliated entities, Nexus Aggregator L.P., Elliott Associates, L.P., and Elliott International, L.P., are also considered Petitioners and have provided the statutorily required verifications.

[3] Code § 56-88 *et seq*.

On July 29, 2020, the Commission issued an Order Granting Approval of the proposed Transfer. On August 14, 2020, the Petitioners filed a Petition for Reconsideration.[4] On August 17, 2020, the Commission issued an Order Granting Reconsideration for purposes of continuing Commission jurisdiction over the matter while considering the Petition for Reconsideration.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the Petition for Reconsideration should be granted.

In the initial Petition filed in this proceeding, the Petitioners stated that the bankruptcy plan of reorganization involves a two-step process, with the Windstream companies emerging from bankruptcy with a reorganized Windstream parent structure ("New Windstream"), and the First Lien Investors[5] holding a mix of equity interests that do not require Federal Communication Commission ("FCC") review or approval of foreign ownership and warrants in New Windstream ("Step One").[6] Subsequently, New Windstream would request FCC approval for the warrant holders to exercise the warrants. ("Step Two").[7] As noted in the Petition and the Order Granting Approval, federal law requires additional review of foreign ownership above defined thresholds in entities that hold certain FCC-issued licenses and federal authorizations held by Windstream affiliates.[8]

In the Petition for Reconsideration, the Petitioners state that after the filing of the initial Petition on June 5, 2020, some of the First Lien Investors with foreign affiliates have decided to take additional warrants in lieu of equity in Step One to facilitate the FCC's review and approval of Step One.[9] Petitioners state that this will not alter the ultimate ownership percentages as approved by the Commission in the Order Granting Approval, but will temporarily alter some of the ownership percentages among the remaining equity holders during Windstream's initial emergence from bankruptcy.[10] Specifically, investment funds managed by Franklin Mutual Advisers LLC, which is ultimately controlled by Franklin, are expected to ultimately hold 7.7% of the equity interest in New Windstream at the end of the Step Two, but will hold an approximately 30.3% equity interest in the company during Step One.[11] Given the statutory definition of control in Code § 56-88.1, Petitioners request that the approved Transfer be amended to include the acquisition and disposition of control by Franklin and its affiliates over the Windstream Licenses.[12] The Petition for Reconsideration reflects that the Staff of the Commission ("Staff") has conferred with the Petitioners and that Staff does not object to granting of the Petitioners' request that the Commission modify its Order Granting Approval to reflect these changed circumstances.[13]

Accordingly, IT IS ORDERED THAT:

(1) The Petition for Reconsideration is granted.

(2) The Order Granting Approval is amended to include Franklin and its affiliates as Petitioners in the proposed Transfer as described above.

(3) The Order Granting Approval is no longer suspended.

(4) This case is dismissed.

---

[4] The Petition for Reconsideration adds Franklin Resources Inc. ("Franklin"), to the Petitioners, and discusses the role of Franklin and its affiliates in the revisions to the Transfer. Franklin, and its affiliates, Franklin/Templeton Distributors, Inc., Franklin Mutual Advisers LLC, Franklin Mutual Quest Fund, Franklin Mutual Shares Fund, and Franklin Mutual Shares VIP Fund have provided the statutorily required verifications, and so, are also considered Petitioners.

[5] The "First Lien Investors" are defined as the subsidiaries, affiliates, or affiliated entities of six investment companies that are first lien debtholders of Windstream. Petition at 7.

[6] *See id.* at 1, 3, 8-10.

[7] *Id*. at 8-9.

[8] *See id.* at 8; Order Granting Approval at 3.

[9] Petition for Reconsideration at 4.

[10] *Id.*

[11] *Id.*

[12] *See e.g., id.* at 4, 9.

[13] *Id.* at 4-5.

CASE NO. PUR-2020-00114
JUNE 9, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: Aggregation Pilot Program pursuant to 2020 Va. Acts ch. 796

ORDER ON PILOT PROGRAM

The following legislation becomes effective July 1, 2020:

> §1. That the State Corporation Commission (the Commission) shall conduct a pilot program under which two or more nonresidential customers that, as of February 25, 2019, had filed applications seeking to aggregate their load pursuant to subdivision A 4 of § 56-577 of the Code of Virginia within the service territory of a Phase II Utility, as that term is defined in subsection A of § 56-585.1 of the Code of Virginia, shall be permitted to purchase electric energy from any supplier of electric energy licensed to sell electric energy within the Commonwealth, subject to the following terms, conditions, and restrictions:
>
> a. A pilot program shall be conducted within the certified service territory of the Phase II Utility in which such nonresidential customers are located.
>
> b. The aggregated load participating in the pilot program shall not exceed 200 megawatts.
>
> c. All customers participating in the pilot program shall be subject in all respects to the provisions of subdivision A 3 of § 56-577 of the Code of Virginia (with participation in this pilot program being deemed to satisfy subdivision A 4 of § 56-577 of the Code of Virginia), with the load set forth in each application being treated as a single, individual customer for purposes of said subdivision, and shall submit an annual report to the Commission by March 31 each year to demonstrate that, for the preceding calendar year, such load continued to meet the demand limitations of subdivision A 3 of § 56-577 of the Code of Virginia.
>
> §2. The Commission shall review the pilot program established pursuant to §1 of this act in 2022.[1]

NOW THE COMMISSION, upon consideration of the above, orders as follows.

1) The pilot program required by Chapter 796 ("Aggregation Pilot") shall commence on July 1, 2020.

2) Prior to participating in the Aggregation Pilot, nonresidential customers satisfying the criteria in Chapter 796 shall file with the Commission (in the instant docket) a notice of intent to participate in the pilot, which at a minimum shall include:

   a. The case number of the Commission proceeding in which the nonresidential customers had filed an application seeking to aggregate load as referenced in Chapter 796;

   b. The "individual demand during the most recent calendar year"[2] of each nonresidential customer that will be participating in the Aggregation Pilot and the aggregated total demand for all of the customers; and

   c. Certification that the notice of intent to participate has been served on counsel for the Company.

3) The notice of intent to participate can be filed at any time prior to participating in the Aggregation Pilot. The Commission, however, will not accept any such notice – and will inform the filer and the Company thereof – if doing so results in the "aggregated load participating in the pilot program [to] exceed 200 megawatts" as limited by Chapter 796.

4) As required by Chapter 796, "[a]ll customers participating in the pilot program … shall submit an annual report to the Commission by March 31 each year to demonstrate that, for the preceding calendar year, such load continued to meet the demand limitations of subdivision A 3 of § 56-577 of the Code of Virginia." Such reports shall be filed in the instant docket.

Accordingly, IT IS SO ORDERED, and this matter is CONTINUED.

---

[1] 2020 Va. Acts ch. 796 ("Chapter 796"). Virginia Electric and Power Company ("Company") is the Phase II Utility under Code § 56-585.1 A.

[2] Code § 56-577 A 4.

CASE NO. PUR-2020-00115
AUGUST 10, 2020

APPLICATION OF
MSI UTILITIES, INC.

For a license to conduct business as an aggregator of electricity and natural gas

ORDER GRANTING LICENSE

On June 8, 2020, MSI Utilities, Inc. ("MSI" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to act as aggregator of electricity and natural gas services ("Application"). MSI seeks authority to provide electric and natural gas aggregation services throughout Virginia to eligible commercial, industrial, and governmental customers. In its Application, MSI attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On July 1, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically on or before July 8, 2020, to each of the companies on Attachment A of the Procedural Order, and to file proof of service on or before July 15, 2020. On July 1, 2020, MSI filed its proof of service.

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before July 29, 2020. Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV") filed comments by the deadline required by the Procedural Order.

The Procedural Order directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on July 29, 2020, which summarized MSI's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that MSI be granted an aggregator's license to conduct business as a competitive service provider of electricity and natural gas to eligible commercial, industrial, and governmental customers throughout Virginia.

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that MSI's Application for a license to provide electric aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) MSI is hereby granted license No. A-109 to provide competitive aggregation service of electricity and natural gas to eligible commercial, industrial, and governmental customers throughout Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUR-2020-00116
AUGUST 27, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting new rules of the State Corporation Commission governing utility applications seeking fair valuation of acquisitions of municipal water or wastewater systems

ORDER ADOPTING REGULATIONS

The Virginia General Assembly enacted legislation during its 2020 Session[1] requiring the State Corporation Commission ("Commission") to establish rules governing utility applications seeking fair valuation of acquisitions of municipal water or wastewater systems related to applications filed pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Fair Value Legislation").[2] The new rules are to be effective by January 1, 2021.

On June 16, 2020, the Commission entered an Order for Notice and Comment ("Initial Order") initiating this proceeding to promulgate rules governing water or wastewater utility applications seeking fair valuation of acquisitions of municipal water or wastewater systems. The Commission appended to its Initial Order proposed rules ("Proposed Rules"), which were prepared by the Staff of the Commission ("Staff").

Notice of the proceeding and the Proposed Rules were published in the *Virginia Register of Regulations* on July 6, 2020. An Errata with corrections was printed in the August 3, 2020 issue of the *Virginia Register of Regulations*. Additionally, the Clerk of the Commission provided notice to utilities providing water or sewer service in the Commonwealth of Virginia that are subject to regulation by the Commission. An electronic version of the Proposed Rules was posted on the Commission's website and the Commission's Division of Public Utility Regulation website. Interested persons were directed to file any comments and requests for hearing on the Proposed Rules on or before July 27, 2020.

[1] Chapter 519 of the 2020 Acts of Assembly (SB 831); Chapter 518 of the 2020 Acts of Assembly (HB 835).

[2] Section 56-88 *et seq.*

Virginia-American Water Company, Inc. and Aqua Virginia, Inc. ("Aqua") (collectively the "Commenters") filed comments. No one requested a hearing on the Proposed Rules. On August 17, 2020, the Staff filed its report. On August 20, 2020, Aqua filed comments to the Staff report ("Comments").

The Commenters noted that the Fair Value Legislation did not prohibit the effective date of the Proposed Rules *before* January 1, 2021, since it required such rules to be established *by* January 1, 2021. The Commenters requested that the effective date of the Proposed Rules coincide with the Commission's Final Order adopting the Proposed Rules. In its Report, Staff did not oppose an effective date of the Proposed Rules prior to January 1, 2021. Staff correctly noted that the effective date of new rules cannot precede the date that the final rules are filed with the Registrar's Office. Staff also noted that the Commission may wish to consider whether the regulations should be published prior to an effective date. In its Comments to the Staff Report, Aqua supported the Staff's anticipated timeframe for finalizing the Proposed Rules.

The Fair Value Legislation does not prohibit the new rules from being effective *before* January 1, 2021. In consideration of the Commenters' request that the effective date occur with a final order adopting the regulations, we will adopt the Proposed Rules effective October 1, 2020. This effective date will allow time for the final adopted rules to be filed with the Registrar's Office and should also allow their publication in the *Virginia Register of Regulations* prior to the effective date.

The Commenters also made suggested edits to Section 20VAC5-210-20 B(3)(c) of the Proposed Rules. This section requires the analysis of an independent professional engineer licensed in Virginia regarding the condition of the system, the in-service date and useful life of each asset, and operating condition. In its report, Staff indicated that the Commenters worked with Staff to reach agreement on revisions proposed in the report. In its Comments, Aqua stated that it accepted Staff's proposed amendment and clarification. We find that these changes are reasonable and incorporate them into the final rules.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the revised regulations attached hereto as Appendix A should be adopted as final rules, as discussed herein.

Accordingly, IT IS ORDERED THAT:

(1) The rules governing Water or Wastewater Utility Applications Seeking Fair Valuation of Acquisitions of Municipal Water or Wastewater Systems, as shown in Appendix A to this Order, are hereby adopted and are effective as of October 1, 2020.

(2) The Commission's Division of Information Resources shall forward a copy of this Order, with Appendix A, to the Registrar of Regulations for publication in the *Virginia Register of Regulations*.

(3) An electronic copy of this Order with Appendix A including the rules governing Water or Wastewater Utility Applications Seeking Fair Valuation of Acquisitions of Municipal Water or Wastewater Systems shall be made available on the Division of Public Utility Regulation's section of the Commission's website: https://scc.virginia.gov/pages/Rulemaking.

(4) This docket is dismissed.

NOTE: A copy of Appendix A is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUR-2020-00117
DECEMBER 23, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: Establishing the rates, terms and conditions of a universal fee to be paid by the retail customers of Appalachian Power Company

ORDER

During its 2020 Session, the Virginia General Assembly enacted Chapters 1193 (HB 1526) and 1194 (SB 851) of the 2020 Virginia Acts of Assembly. These duplicate Acts of Assembly, known as the Virginia Clean Economy Act ("VCEA" or "Act"), became effective on July 1, 2020. The VCEA, *inter alia,* establishes the Percentage of Income Payment Program ("Program" or "PIPP"), which is designed to limit the electric utility payments of persons or households participating in certain, specified public assistance programs, based upon a percentage of their income, for customers of Appalachian Power Company ("APCo") and Virginia Electric and Power Company ("Dominion").

The Act directs the State Corporation Commission ("Commission") to initiate a proceeding to establish the rates, terms and conditions of a "non-bypassable universal service fee" to fund the Program. This service fee will be paid by the customers of APCo and Dominion**.**

The VCEA directs that the fee

> shall be allocated to retail electric customers of a Phase I and Phase II Utility on the basis of the amount of kilowatt-hours used and be established at such level to adequately address the PIPP's objectives to (i) reduce the energy burden of eligible participants by limiting electric bill payments directly to no more than six percent of the eligible participant's annual household income if the household's heating source is anything other than electricity, and to no more than 10 percent of an eligible participant's annual household income on electricity costs if the household's heating source is electricity, and (ii) reduce the amount of electricity used by the eligible participant's household through participation in weatherization or energy efficiency programs and energy conservation education programs.[1]

The Act also requires the Commission to determine reasonable administrative costs investor-owned utilities may recover associated with the PIPP and the mechanism by which utilities may recover those costs. The Act requires the Commission to issue a Final Order concerning this proceeding by December 31, 2020.[2]

The Act also directs two executive branch agencies--the Department of Housing and Community Development and the Department of Social Services ("Agencies")--to convene a stakeholder working group and develop recommendations regarding the implementation of the PIPP.[3] The Agencies' recommendations were required to be submitted to certain legislative committees in December 2020 ("Agencies' Report").

On June 12, 2020, the Commission issued an Order Establishing Proceeding ("Order") that, among other things, initiated this docket to establish the rates, terms and conditions of a non-bypassable universal service fee to fund the PIPP, to be paid by the retail customers of APCo. The Order directed APCo, on or before July 21, 2020, to propose such rates, terms and conditions ("PIPP filing"), and in so doing, address, at a minimum, the following issues:

- The number of eligible customers assumed and the basis for that assumption, including data sources used to develop customer eligibility levels;
- How heating sources were determined for eligible customers;
- A calculation of the dollars assumed not to be recovered as a result of the program being implemented for eligible customers heating with electricity;
- A calculation of the dollars assumed not to be recovered as a result of the program being implemented for customers heating with other sources;
- Costs proposed to be recovered related to arrearages and administrative costs incurred by APCo and by state agencies involved in the program;
- How the objective of reducing usage through participation in weatherization, energy efficiency, and conservation will be accomplished; identify any costs associated with these programs that are proposed to be collected by the fee;
- Total costs proposed to be recovered by the universal service fee detailing the components previously identified and other costs proposed to be recovered;
- The billing determinants used and a calculation of the proposed fee;
- How customer eligibility will be monitored and the frequency of monitoring;
- Whether program participants are statutorily exempted from being assessed the fee and, if they are, how such will be accomplished; and
- The amount of uncollectible expense in base rates associated with eligible customers. Include a credit in the calculation of the proposed fee to avoid double-recovery of this expense.

The Order also established a procedural schedule; permitted interested persons to file written or electronic comments or to participate in this proceeding as a respondent; and scheduled hearings to receive testimony from public witnesses and testimony and evidence offered by APCo, respondents, and the Commission's Staff ("Staff") on APCo's PIPP filing.

On September 2, 2020, the Commission issued an Order Assigning Hearing Examiner, appointing 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.

---

[1] Code § 56-585.6. Universal service fee; Percentage of Income Payment Program. APCo is a Phase I Utility, and Dominion is a Phase II Utility. *See* Code § 56-585.1 A 1.

[2] Act's 12th Enactment: "12. That the State Corporation Commission shall issue its final order in the Percentage of Income Payment Program (PIPP) proceeding established pursuant to § 56-585.6 of the Code of Virginia, as created by this act, by December 31, 2020, provided that the non-bypassable universal service fee shall not be collected from customers of a Phase I or a Phase II Utility, as those terms are defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, as amended by this act, until such time as the PIPP is established. The Department of Housing and Community Development and the Department of Social Services shall convene a stakeholder working group and develop recommendations regarding the implementation of PIPP. Such recommendations shall allow for a utility to reimburse the administrative costs of the PIPP, not to exceed $3 million, and shall be submitted to the Chairs of the House Committee on Labor and Commerce and the Senate Committee on Commerce and Labor by December 1, 2020."

[3] *Id.*

The following filed notices of intent to participate as a respondent: Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"); Appalachian Voices ("Environmental Respondent"); Sierra Club; Steel Dynamics, Inc.; Old Dominion Committee for Fair Utility Rates; Virginia Poverty Law Center ("VPLC"); and the Agencies (collectively, "Respondents").

On October 15, 2020, the hearing in this matter was convened via Skype for Business, with no party present in the Commission's physical courtroom.[4] APCo, Consumer Counsel, Environmental Respondent, Sierra Club, VPLC, the Agencies, and the Staff participated in the hearing.[5] A late-filed exhibit was reserved for the Agencies' Report upon filing with the legislative committees.[6]

On October 20, 2020, Appalachian Voices, Sierra Club, and VPLC filed post-hearing briefs. The Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report"), was filed on November 16, 2020. In his Report, the Hearing Examiner summarized the record and made the following findings and recommendations:[7]

1. A PIPP fee set to recover between approximately $20 million and $25 million annually would allow APCo to adequately address the two objectives of Code § 56-585.6 A and to recover the estimated administrative costs identified in the record;

2. Record evidence supports a broad range of PIPP cost estimates because of uncertainties regarding the future implementation of the PIPP and participation therein;

3. The process for establishing the PIPP remains ongoing. Late-filed Exhibit 7 - legislative implementation recommendations from the stakeholder group led by the Departments - will provide an update on this process;

4. Enactment Clause 12 of the VCEA prohibits any PIPP fee set in this case from being collected from APCo's customers until such time as the PIPP is established;

5. The PIPP fee set in this case should be approved, subject to condition(s) to ensure the Commission's review and, if necessary, revision of such fee prior to collection from APCo's customers;

6. Approving a PIPP fee to recover approximately $25 million - without a downward adjustment for program "ramp up" - could increase regulatory flexibility for the Commission to review and, if necessary, revise the PIPP fee prior to any collection from customers;

7. A flat per-kilowatt hour rate design for the PIPP fee is consistent with Code § 56-585.6 A;

8. After the PIPP is established and implemented, an annual or semi-annual review of the PIPP fee should allow for the timely consideration of whether the level of the fee remains adequate; however, a PIPP fee with formulaic components should also be considered; and

9. An arrearage estimate should be incorporated in a PIPP fee that becomes effective at least three months prior to the first arrearage write-down in order to, among other things, mitigate the rate impact associated with the incurrence of this significant cost.

In addition, the Hearing Examiner made the following findings that were not included in the enumerated list of "Findings and Recommendations":[8]

10. The record does not support APCo's proposal to expense certain information technology costs that would typically be capitalized for ratemaking purposes;[9]

11. The PIPP fee could result in double-recovery of costs if not adjusted to account for uncollectible expense currently recovered through base rates. Given the uncertain implications of the government-ordered moratorium on service disconnections on APCo's incurrence and recovery of arrearages and bad debt, however, the PIPP fee should not incorporate a specific credit at this time;[10]

12. The mandatory nature of participation in weatherization or energy efficiency programs by PIPP participants appears to be a policy decision already made by the General Assembly. The current language is mandatory in nature. Accordingly, the cost implications of such policy must be considered in setting the PIPP fee;[11]

---

[4] The hearing originally scheduled for October 13, 2020, to receive the testimony of public witnesses, was cancelled after no public witnesses signed up by the appointed deadline.

[5] Respondents Sierra Club, Environmental Respondent and the Agencies pre-filed testimony and exhibits. Staff pre-filed testimony and exhibits on September 17, 2020, and APCo filed rebuttal testimony on October 1, 2020.

[6] The Commission received the Agencies' Report, for which Exhibit No. 7 was reserved during the hearing, on December 18, 2020.

[7] Report at 22-23.

[8] Although these findings were not numbered in the Report, we assign numbers herein for purposes of discussing the Commission's findings.

[9] Report at 20.

[10] *Id.* at 16.

[11] *Id.* at 18.

13. Based on legal and factual uncertainties, it is unclear whether incorporating a specific energy efficiency budget into the initial PIPP rate calculation is necessary; however, it is reasonable at this time to incorporate an estimate of APCo's share of the $3 million amount reimbursable to the Agencies for administrative cost of the PIPP, which could be used for, among other things, the Agencies' planned expansion of the existing weatherization program;[12]

14. The Commission should not exercise its discretion to use lower caps on participant payments than the maximum 6% cap (if heating with another energy source) and 10% cap (if heating with electricity) set forth in the VCEA until after the program has been implemented; however, based on updated information, it may be appropriate to adjust these percentages;[13]

15. It is premature at this time to incorporate the cost to establish an escrow account to act as a cushion in the event PIPP reimbursement to participants exceeds recovery for a given period;[14] and

16. Program participants are not statutorily exempted from being assessed the PIPP fee.[15]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows:

Recommendation Nos. 1, 2, 3 and 6

The Commission adopts the Hearing Examiner's Recommendation Nos. 1, 2, 3 and 6 for the reasons stated in the Report.[16] As noted in the Report, the low-end of the Hearing Examiner's recommended range of $20 million to $25 million for the initial PIPP annual revenue requirement corresponds to Staff's estimate, and the high-end of the range corresponds to Sierra Club's customer credit and administrative costs plus APCo's agency energy efficiency estimate.[17] We agree with the Hearing Examiner that approving a PIPP fee to recover approximately $25 million could increase regulatory flexibility.[18] We further note that the $25 million PIPP revenue requirement could be adjusted up or down in a future proceeding depending on additional information that may hereafter become available, further direction from the General Assembly, and other factors.

Recommendation No. 4

We agree with and adopt the Hearing Examiner's Recommendation No. 4.[19] By doing so, the Commission is following Enactment Clause 12 of the VCEA by not allowing any PIPP fee to be collected until the General Assembly establishes the PIPP.[20]

Recommendation No. 5

We adopt the Hearing Examiner's Recommendation No. 5. Specifically, the Commission is adopting a PIPP fee with no effective date. We will direct APCo to return to the Commission to request review and, if necessary, revision of the PIPP fee in a separate proceeding once more details have been established through future legislation by the General Assembly. As part of that later proceeding, it is envisioned that the PIPP fee and an effective date will be set. The timing for such filing by APCo will be determined based on future PIPP legislation.

Recommendation No. 7

We adopt the Hearing Examiner's Recommendation No. 7 for the reasons stated in the Report.[21] A flat per-kilowatt hour ("kWh") rate design for the universal service fee based on a PIPP revenue requirement of $25 million is $0.001803/kWh, or $1.80/month for a customer using 1,000 kWh/month.[22]

Recommendation No. 8

We adopt the Hearing Examiner's Recommendation No. 8. To clarify, the Commission is not adopting any specific timing for review now. The Commission will consider the timing of regular review of the PIPP fee in the next PIPP case, as discussed in connection with the Hearing Examiner's Recommendation No. 5, above. After the PIPP has been established, the Commission will then prescribe an appropriate review process going forward.

---

[12] *Id.* at 18-19.

[13] *Id.* at 14.

[14] *Id.* at 16, 20. However, based on updated information on administrative costs, adjustments to a recovery mechanism for these costs may be necessary. *Cf. id.* at 20.

[15] *Id.* at 14-15.

[16] *See id.* at 1, 21-22.

[17] *Id.* at 21 n.136.

[18] *Id.* at 21-22.

[19] *Id.* at 22.

[20] 2020 Va. Acts Chs. 1193, 1194.

[21] Report at 21.

[22] A flat rate universal service fee based on a $20 million revenue requirement would be $0.001443/kWh, or $1.44/month for a customer using 1,000 kWh/month.

Recommendation No. 9

We agree with the Hearing Examiner that an arrearage estimate should be incorporated in the PIPP fee in the future. We decline to specify a certain timeframe for incorporating an arrearage estimate in the PIPP fee. We further clarify that no arrearage estimate is included in the estimated $25 million PIPP revenue requirement now. We recognize that much is still unknown, such as how federal funding through the Coronavirus Aid, Relief, and Economic Security Act[23] may help to alleviate utility bill arrearages.[24]

Finding No. 10

We agree with the Hearing Examiner's Finding No. 10, as identified above. APCo should capitalize its information technology costs related to PIPP consistent with the Company's standard amortization practice.[25]

Finding No. 11

We decline to make a finding as to the potential for double recovery of costs if the PIPP fee is not adjusted to account for uncollectible expense recovered through base rates. This issue will be addressed in future proceedings when APCo will provide more data to support a fully informed evaluation.

Finding No. 12

With regard to the issue of mandatory participation in weatherization or energy efficiency programs by PIPP participants, the Commission reads the statute to require the PIPP to address the objective to reduce energy use as described in Code § 56-585.6 A (ii) ("Subsection A (ii)"). We further note the singular nature of Subsection A (ii): ". . . electricity used by the eligible participant's household through participation . . ." (emphasis added). To make participation in weatherization or energy efficiency programs optional for PIPP participants is to ignore Subsection A (ii). Accordingly, the Commission views such participation as mandatory unless and until another way is apparent to accomplish the objectives of the PIPP fee as set forth in Code § 56-585.6 A.

Finding No. 13

We agree with the Hearing Examiner that it is not now necessary to include a specific energy efficiency budget in the PIPP rate calculation. Meeting the requirement in Subsection A (ii) is the combined obligation of the utilities and the executive agencies involved, as both are able to offer programs of the types designated in Subsection A (ii). The adequacy of the PIPP fee is in part dependent on rates set in other cases (e.g., APCo's EE-RAC case[26]). It is currently unclear whether programs being used now will be enlarged, or currently are sufficient, to cover PIPP participants. Accordingly, in this case it is not necessary to include a specific energy efficiency budget in the PIPP fee calculation. We note that the Hearing Examiner found that it is reasonable at this time to incorporate an estimate of APCo's share of the $3 million amount reimbursable to the Agencies for administrative cost of the PIPP, which could be used for the Agencies' planned expansion of the existing weatherization program. Though APCo's exact share of the $3 million is not yet known, we find that setting the PIPP fee on the higher end (at $25 million) provides flexibility to cover this cost. With updates, this amount can be adjusted up or down depending on the facts.

Finding No. 14

We agree with and adopt the Hearing Examiner's Finding No. 14. Adopting caps on income that are lower than the 6% and 10% caps in the statute is a matter of discretion that the Commission chooses not to exercise at this time. Currently, there are many unknowns as to how many people qualify for the PIPP and the cost of using even the 6% and 10% caps. Lowering the caps would require more funding for the PIPP, which we do not find reasonable at this nascent stage of PIPP establishment and implementation.

Finding No. 15

We agree with the Hearing Examiner that it is premature to incorporate the cost to establish an escrow account to act as a cushion in the event PIPP reimbursement to participants exceeds recovery for a given period. Accordingly, we deny APCo's request. The higher $25 million estimate for the initial PIPP revenue requirement provides a cushion such that an escrow account is not now needed.

---

[23] Pub. L. No. 116-136, 134 Stat. 281 (Mar. 27, 2020).

[24] We further note that arrearages will drive up the PIPP fee until they are extinguished, and the record did not contain reliable Virginia-specific estimates, only extrapolations from other states.

[25] APCo's normal amortization period for capitalized software costs is five years. *See* Ex. 6 (Wong) at 6 n.10.

[26] *See, e.g., Petition of Appalachian Power Company, For approval to continue rate adjustment clause, the EE-RAC, and for approval of new energy efficiency programs pursuant to §§ 56-585.1 A 5 c and 56-596.2 of the Code of Virginia*, Case No. PUR-2019-00122, Doc. Con. Cen. No. 200550013, Final Order (May 21, 2020). APCo's current EE-RAC proposal is being considered in Case No. PUR-2020-00251. *See Petition of Appalachian Power Company, For approval to continue a rate adjustment clause, the EE-RAC, and for approval of new energy efficiency programs pursuant to §§ 56-585.1 A 5 c and 56-596.2 of the Code of Virginia*, Case No. PUR-2020-00251, filed November 30, 2020.

Finding No. 16

We agree with the Hearing Examiner that program participants are not statutorily exempted from being assessed the PIPP fee. This finding was not disputed by any of the case participants. The VCEA calls the fee a "non-bypassable universal service fee" (emphasis added).[27] Therefore, all retail electric customers of APCo will be charged the fee. We recognize, however, that most PIPP participants will reach the 6% or 10% cost cap, as applicable, based on their energy use alone, so the PIPP fee will be part of the "bill overage" that participants will not pay.[28]

Accordingly, IT IS ORDERED THAT:

(1) A PIPP fee of $0.001803/kWh, to recover $25 million annually, is approved, with no effective date at this time.

(2) Upon enactment of legislation setting forth further details on the PIPP and subsequent direction by this Commission, APCo shall file for review and revision (if necessary) of the PIPP fee, prior to collection of the fee from customers.

(3) This matter is dismissed.

[27] Code § 56-585.6 A.

[28] *See* Report at 14-15. As noted by the Hearing Examiner, "PIPP participants with low usage during the relevant period could receive bills for less than the statutory capped amounts. Application of the universal fee would increase the bills for such customers." *Id.* at 15 n.96.

CASE NO. PUR-2020-00118
JULY 14, 2020

JOINT PETITION OF
IPI PARTNERS, LLC, DF&I INVESTORS, L.P., DF&I ASHBURN HOLDINGS, LLC, and
DARK FIBER AND INFRASTRUCTURE, LLC

For approval of the transfer of control of Dark Fiber and Infrastructure, LLC

ORDER GRANTING APPROVAL

On June 16, 2020, IPI Partners, LLC, DF&I Investors, L.P. ("DF&I Investors"), DF&I Ashburn Holdings, LLC ("Ashburn Holdings"), and Dark Fiber and Infrastructure, LLC ("DF&I") (collectively, "Petitioners"),[1] completed the filing of a Joint Petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[2] requesting approval of the proposed transfer of control of DF&I to DF&I Investors ("Transfer"). The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

DF&I is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to its certificates of public convenience and necessity issued by the Commission.[3] Pursuant to a Membership Interest Purchase Agreement, DF&I Investors will indirectly acquire a 62.43% ownership interest in DF&I through its subsidiary, Ashburn Holdings. Immediately following the consummation of the Transfer, DF&I will become a direct subsidiary of Ashburn Holdings, and will become an indirect subsidiary of DF&I Investors and its ultimate owners.

The Petitioners assert that the proposed Transfer will not involve any change in assignment of operating authority, assets, or customers. The Petitioners further state that DF&I will continue to provide services to its customers without any immediate changes to the rates, terms or conditions of service as currently provided. Lastly, information provided with the Petition indicates that DF&I will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the proposed Transfer.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff through its action brief, is of the opinion and finds that the above-described Transfer should be approved. The Commission also finds that the Petitioners' Motion is no longer necessary and, therefore, should be denied.[4]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein.

[1] DF&I GP, LLC, IPI Fund II Splitter3, L.P., Judd O. Carothers, and John R. Schmitt, are also considered Petitioners and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] *See Application of Dark Fiber and Infrastructure, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia,* Case No. PUR-2018-00016, 2018 S.C.C. Ann. Rept. 356, Final Order (May 15, 2018).

[4] The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(3) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

CASE NO. PUR-2020-00119
JUNE 29, 2020

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For approval pursuant to Title 56 Chapter 3 of the Virginia Code

ORDER GRANTING AUTHORITY

On June 18, 2020, Rappahannock Electric Cooperative ("REC" or "Cooperative") filed a petition ("Application") with the State Corporation Commission ("Commission") for approval to obtain financing under the federally-administered Paycheck Protection Program ("PPP").[1] The requested authority is required pursuant to Chapter 3 of Title 56 of the Code of Virginia.[2] The Cooperative paid the requisite fee of $25.

REC requests authority to borrow $8,487,295 of PPP funding under a loan from an existing SBA-approved lender, CoBank.[3] Funds under the PPP primarily are intended to support levels of business employment prior to the COVID-19 pandemic by providing funds for employee payroll payments and other qualified uses. PPP borrowings used to meet program criteria are eligible to be forgiven. Under the language of the PPP, any portions of such borrowed funds not forgiven would be repayable over a term of five years at an interest rate of 1.0%.[4]

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

In granting this PPP borrowing authority, the Commission notes the COVID-19 public health crisis and REC's need for financial flexibility in its response options thereto. In addition to the PPP loan authority granted to the Cooperative in this case, the Commission has further responded to this economic emergency by, among other actions, temporarily suspending service disconnections for customers of Virginia utilities during the pandemic emergency.[5]

Accordingly, IT IS ORDERED THAT:

(1) REC hereby is authorized to borrow $8,487,295 under the PPP all in the manner, under the terms and conditions, and for the purposes set forth in the application.

(2) Within thirty (30) days of REC filing information required for loan forgiveness with the PPP loan administrator, the Cooperative shall submit a copy of such information with the Director of the Division of Accounting and Finance ("UAF Director").

---

[1] The PPP is a federal program established under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, administered by the Small Business Administration ("SBA") and funded by the U.S. Treasury Department. *See* https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program#section-header-0

[2] Code § 56-55 *et seq*.

[3] The original request made on June 18, 2020, was to borrow $8,582,003. This was subsequently amended by the Cooperative to $8,487,295 by a revision letter filed on June 22, 2020. *See* Doc. Con. Cen. No. 200640072, Letter revising requested authority (Jun. 22, 2020).

[4] The U.S. Treasury and the SBA announced, on June 8, 2020, changes to the PPP by enactment of the PPP Flexibility Act ("PPPFA"). Under certain circumstances the PPPFA allows for some altering of borrowing terms from the original PPP.

[5] *Commonwealth of Virginia ex rel., State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020), *extended by* Doc. Con. Cen. No. 200630135, Order on Suspension of Service Disconnections (Jun. 12, 2020).

(3) Within thirty (30) days of a decision on forgiveness of any of its PPP borrowings, REC should submit a physical and electronic copy of the documents received pertaining to that decision to the UAF Director, along with details regarding any amount of PPP borrowings not forgiven, to include: the total amount of any unforgiven PPP borrowings plus accrued interest due, the amount and frequency of installment payments on any unforgiven borrowings, and the scheduled dates for the initial and final payments.

(4) Approval of this application shall have no implications for ratemaking purposes.

(5) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUR-2020-00120
DECEMBER 18, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing rules and regulations pursuant to § 56-585.5 E 5 of the Code of Virginia related to the deployment of energy storage

ORDER ADOPTING REGULATIONS

During its 2020 Session, the Virginia General Assembly enacted the Virginia Clean Economy Act ("VCEA").[1] Among other things, the VCEA, in Code § 56-585.5 E, requires Appalachian Power Company ("APCo") and Virginia Electric and Power Company ("Dominion") to petition the State Corporation Commission ("Commission") for approval to construct or acquire 400 megawatts ("MW") and 2,700 MW, respectively, of new utility-owned energy storage resources by 2035. Section 56-585.5 E 5 further provides in part that:

> By January 1, 2021, the Commission shall adopt regulations to achieve the deployment of energy storage for the Commonwealth required in subdivisions 1 and 2, including regulations that set interim targets and update existing utility planning and procurement rules. The regulations shall include programs and mechanisms to deploy energy storage, including competitive solicitations, behind-the-meter incentives, non-wires alternatives programs, and peak demand reduction programs.

On June 29, 2020, the Commission established this proceeding for the purpose of complying with this statutory requirement and sought comment on several questions raised by § 56-585.5 E 5 of the Code. The Commission directed APCo and Dominion to submit comments and permitted any other interested person or entity to submit comments. In addition to answering specific questions, commenters were also permitted to propose specific regulations. In response, comments were filed by Dominion and APCo (collectively, "Joint Commenters") as well as by various other interested persons and entities. Proposed regulations were filed by Joint Commenters; the U.S. Energy Storage Association ("ESA"); and Delorean Power LLC ("Delorean").

On September 11, 2020, the Commission issued an Order for Notice and Comment ("Procedural Order") in this docket. Draft proposed Rules Governing the Deployment of Energy Storage ("Proposed Rules" or "Rules") prepared by the Commission Staff ("Staff") were appended to the Procedural Order. The Procedural Order permitted interested persons to submit comments on or before November 2, 2020, which could include proposals and hearing requests. The Procedural Order further required Staff to file, on or before November 16, 2020, a report ("Staff Report") providing any response to comments, proposals, or requests for hearing submitted to the Commission on the Proposed Rules. Comments concerning the Proposed Rules were filed by: Joint Commenters; Energy Storage Stakeholders ("ES Stakeholders");[2] Solar Stakeholders;[3] Data Center Coalition;[4] Office of the Attorney General's Division of Consumer Counsel; Environmental Advocates;[5] Delorean; Mitsubishi Power Americas, Inc. ("Mitsubishi"); Sierra Club; Virginia Department of Mines, Minerals And Energy ("DMME"); and GlidePath Development LLC ("GlidePath"). Comments were also received jointly from the following members of the Virginia General Assembly: Senator Jennifer McClellan, Senator Scott Surovell, Delegate Rip Sullivan, Delegate Jay Jones, Delegate Mark Keam, and Delegate Alfonso Lopez ("Virginia Legislators"). No requests for hearing were received.

On November 16, 2020, Staff filed a Staff Report including certain revisions to the Proposed Rules proposed by Staff after reviewing the comments provided.

---

[1] Senate Bill 851, 2020 Va. Acts ch. 1194, and identical House Bill 1526, 2020 Va. Acts ch. 1193 (effective July 1, 2020).

[2] The ES Stakeholders include the ESA, Virginia Advanced Energy Economy, the Maryland, D.C., and Virginia Solar Energy Industries Association ("MDV SEIA") and the Solar Energy Industries Association ("SEIA").

[3] The Solar Stakeholders include MDV SEIA and SEIA. The Solar Stakeholders state they "are providing supplemental comments to the Energy Storage Stakeholders, specifically to focus on distributed energy resources, behind-the-meter storage and environmental justice considerations." Solar Stakeholders Comments at 1.

[4] The Data Center Coalition represents that it is the national trade association for the data center industry.

[5] Environmental Advocates include the Southern Environmental Law Center, Appalachian Voices, and the Piedmont Environmental Council.

NOW THE COMMISSION, upon consideration of the foregoing, finds that we should adopt the Rules appended hereto as Attachment A effective January 1, 2021. As an initial matter, the Commission expresses appreciation to those who have submitted written comments for our consideration. We have carefully reviewed and considered all comments filed in this matter. The VCEA envisions significant increased deployment of energy storage resources in Virginia through 2035. The Rules adopted today are intended to support this increased deployment, while also protecting the electric system and Virginia consumers. As experience is gained and lessons are learned, the Commission intends to update and revise these Rules as needed. In this regard, we further note that the Rules, as modified herein, permit requests for waiver.[6]

The Rules we adopt herein contain a number of modifications to those that were first proposed by Staff and published in the *Virginia Register of Regulations* on October 12, 2020. These modifications follow our consideration of further proposed changes made by the Staff in its Staff Report and the comments filed in this proceeding. Although we will not comment on each Rule in detail, there are several issues that we will address further herein.

Task Force, Annual Renewable Portfolio Standard ("RPS") Plans, and Order 2222

Before discussing specific Rules adopted today, the Commission recognizes that this rulemaking is not happening in a vacuum and our decision herein is impacted and informed by other legislation and developments on the national level, which will be discussed further herein.

First, we note that legislation (House Bill 1183)[7] passed by the 2020 Virginia General Assembly directs the Commission to:

> create a task force ["Task Force"][8] to evaluate and analyze the regulatory, market, and local barriers to the deployment of distribution and transmission-connected bulk energy storage resources to help integrate renewable energy into the electrical grid, reduce costs for the electricity system, allow customers to deploy storage technologies to reduce their energy costs, and allow customers to participate in electricity markets for energy, capacity, and ancillary services. . . . The [Commission] shall submit a copy of the task force's evaluation and analysis to the General Assembly no later than October 1, 2021.

As discussed further below, we find that many of the issues raised by commenters in this proceeding should be further addressed and evaluated by the Task Force,[9] given the limited timeframe for finalization of the Rules.[10] The Task Force's report, which must be submitted to the General Assembly by October 1, 2021, may include any recommended changes or additions to the Rules that we adopt today, as well as any supporting analysis.

Second, we also note that Dominion and APCo are required to file annual RPS Plans that address each utility's progress and plans towards reaching the energy storage targets. Specifically, the VCEA requires the utilities to:

> submit annually a plan and petition for approval for the development of new solar and onshore wind generation capacity. . . . Such plan shall also include the utility's plan to meet the energy storage project targets of subsection E, including the goal of installing at least 10 percent of such energy storage projects behind the meter.[11]

As discussed further below, utility specific issues related to energy storage deployment may be raised in the utilities' annual RPS Plan proceedings.[12] The statute requires that the utilities must include information on the progress toward meeting energy storage deployment interim targets to obtain the necessary approvals to construct or acquire, new utility-owned energy storage resources outlined in the VCEA.

Third, the Federal Energy Regulatory Commission ("FERC") issued an Order ("Order 2222") earlier this year.[13] As described by Joint Commenters:

> [i]n Order No. 2222, FERC adopted reforms to remove barriers to the participation of distributed energy resource aggregations in the Regional Transmission Organization (RTO) and Independent System Operator (ISO) markets (RTO/ISO markets). FERC's definition of distributed energy resources includes electric storage resources.
>
> ***

[6] 20 VAC 5-335-130.

[7] 2020 Va. Acts of Assembly ch. 863.

[8] The legislation provides that the Task Force shall include "representatives of municipalities, the Virginia Solar Energy Development and Energy Storage Authority, the Department of Mines, Minerals and Energy, the Office of the Attorney General, and at least one representative each from the following sectors: regulated electric service providers, competitive electric service providers, rural utility consumer services cooperatives, commercial or industrial energy customers or an association representing such customers, and energy storage companies or an association representing such companies."

[9] The Task Force is directed by the VCEA to: "(i) assess the potential costs and benefits, including impacts to the transmission and distribution systems, of such energy storage resources and (ii) assess how electric utilities, competitive service providers, customers, and other third parties are able to deploy energy storage resources in the bulk market, in the utility system, and in behind-the-meter applications."

[10] As quoted above, the VCEA requires the Commission to adopt the Rules by January 1, 2021.

[11] Code § 56-585.5 D 4.

[12] Dominion filed its 2020 RPS Filing on October 30, 2020, in Case No. PUR-2020-00134. APCo filed its 2020 RPS Filing on November 2, 2020, in Case No. PUR-2020-00135.

[13] *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators,* 172 FERC ¶ 61,247 (2020).

> Order No. 2222 also requires . . . coordination between aggregators, ISO/RTOs, distribution utilities, and state and local regulatory authorities. In so doing, FERC sought to avoid creating undue barriers to entry for distributed energy resource aggregations while also considering the substantial role of distribution utilities and state and local regulators in ensuring the safety and reliability of the distribution system.[14]

In adopting the Rules, we are cognizant that Order 2222 may impact the deployment of energy storage and participation of Virginia-sited energy storage in the wholesale markets, including through aggregation of smaller resources and behind-the-meter incentives.

20 VAC 5-335-20

Turning to specific Rules, we adopt the definitions section as proposed in the Staff Report. We find those clarifications and refinements reasonable for purposes of the Rules. Among other things, we adopt a definition for "energy storage" that is technology neutral, so long as the technology is capable of absorbing energy, storing that energy for a period of time, and re-delivering that energy after storage.[15]

20 VAC 5-335-30

The comments filed in this case reflect disagreement concerning the specific interim targets for energy storage deployment that should be adopted by the Commission. For example, the Joint Commenters argue "by back-end loading interim targets, customers will likely benefit from any advancements in rapidly-evolving energy storage technology and from projected decreases in costs."[16] The ES Stakeholders disagree, arguing that "by delaying the deployment of energy storage, the Commission will delay anticipated cost declines and miss important benefits of early deployment of energy storage."[17] Among other things, ES Stakeholders reason that "[a] limited storage deployment in early years will prevent Virginia from gaining experience with a diversity of customer benefits, interconnection types, technologies, ownership models, and customer benefits to determine the best long-term path forward as the Commonwealth concurrently pursues 100 percent clean electricity."[18]

We adopt the interim targets as originally proposed. In so doing, we are mindful of the current nascent stage of energy storage deployment in Virginia. Earlier this year, for example, we approved Dominion's first energy storage pilot program, which includes 16 MW of new Company-owned energy storage projects.[19] As approved herein, the interim targets require Dominion and APCo to seek approval of 250 MW and 25 MW, respectively, of new energy storage by December 31, 2025. We find this level, as well as the other interim targets, to be reasonable at this time. These interim targets are designed to provide steady continuous development in energy storage complementary to the VCEA. We urge the utilities to make steady progress toward the 2035 mandate, and these interim targets reflect this goal. The Task Force may, in its discretion, address and report on the costs and benefits of more aggressive interim targets. Dominion and APCo are also required to report on their progress towards meeting these particular targets in their annual RPS Plan filings. Should circumstances warrant, the Commission may adjust the interim targets in a future proceeding to amend the Rules. Moreover, nothing prevents Dominion and APCo from seeking Commission approval of amounts of energy storage above the interim targets.

Several commenters request that the Commission establish certain additional requirements associated with the interim targets. For example, GlidePath recommends that 100 percent of non-utility projects be procured via long-term power purchase agreement ("PPA") style mechanisms.[20] Environmental Advocates propose to add the legislatively set goal of 10 percent behind-the-meter energy storage to the regulations.[21] Delorean suggests that the interim targets have individual requirements for distribution-connected, behind-the-meter, and standalone energy storage.[22] ES Stakeholders suggest that energy storage located in the service territory of a municipal utility that purchases electricity primarily from Dominion or APCo should count towards the interim targets for that utility.[23]

The Commission finds that these additional requirements need not be included in the Rules at this time. As noted by Staff, the VCEA establishes a goal of installing 10 percent of energy storage behind-the-meter, and there is no need to repeat that provision in the Rules.[24] The Task Force may make recommendations related to the need for specific requirements for distribution-connected and stand-alone storage and whether energy storage of a municipal utility should count towards a utility's interim targets.

---

[14] Joint Commenters Comments at 6 (internal quotation marks and footnotes omitted).

[15] We agree with certain commenters that the Rules should be technology neutral, and the Commission declines to incorporate references in the Rules to specific types of storage technology such as hydrogen-based technology, as also requested by some commenters. *See* Mitsubishi Comments at 6.

[16] Joint Commenters Comments at 1.

[17] ES Stakeholders Comments at 4.

[18] *Id.* at 5-6.

[19] *Application of Virginia Electric and Power Company, To participate in the pilot program for electric power storage batteries pursuant to § 56-585.1:6 of the Code of Virginia, and for certification of a proposed battery energy storage system pursuant to § 56-580 D of the Code of Virginia*, PUR-2019-00124, Doc. Con. Cen. No. 200220170, Final Order (Feb. 14, 2020) ("Storage Pilot Order").

[20] GlidePath Comments at 3.

[21] Environmental Advocates Comments at 18.

[22] Delorean Comments at 3-4.

[23] ES Stakeholders Comments at 20.

[24] Staff Report at 8-9.

Finally in regard to 20 VAC 5-335-30, the VCEA requires that "[a]fter July 1, 2020, at least 35 percent of the energy storage facilities placed into service shall be (i) purchased by the public utility from a party other than the public utility or (ii) owned by a party other than a public utility, with the capacity from such facilities sold to the public utility."[25] As initially proposed, Section 30 included language that would prevent a utility-affiliated company from qualifying as "persons other than a public utility" and counting towards the 35 percent threshold. We agree with Joint Commenters and Staff that this language can be removed.[26] We note that any contract or arrangement between a utility and an affiliated interest is subject to approval by this Commission under the Affiliates Act,[27] as acknowledged by the Joint Commenters.[28]

20 VAC 5-335-40

Pursuant to 20 VAC 5-335-40, utilities will be required to competitively procure energy storage resources, including at least one competitive solicitation per calendar year, subject to the provisions of the Rule. Some commenters recommend that utilities be required to provide bidders with access to relevant electric system data with appropriate confidentiality safeguards in place for privacy, system security, and public safety.[29] Staff agrees with this recommendation and included proposed new language in Section 40 to address this issue.[30] We agree with this change and have included it in the Rules.

Delorean and ES Stakeholders recommend that the notice period for requests for proposals ("RFPs") be extended from at least 45 days to at least 90 days.[31] In the Staff Report, Staff recommends extending the notice period to at least 60 days.[32] Given that distributed energy storage use on the electric system represents a largely new technology, we find it reasonable to adopt a 60-day minimum notice period for RFPs. This additional time will benefit energy storage developers by providing additional time to prepare their responses to utility RFPs.

Several parties recommend the Commission explore use of a third-party administrator to evaluate bids to ensure all energy storage projects are competitively procured in a fair, impartial, and transparent manner.[33] Staff agrees with the idea in concept but states that several questions remain unanswered about how this process would be run in practice, including cost responsibilities.[34] We will not require use of a third-party administrator at this time; however, this may be an appropriate topic for further consideration by the Task Force. Similarly, we decline to expand the Rules to:

- Require cost-benefit analyses and identify compliance and Commission oversight procedures;[35]
- Require utilities to report on the results of completed RFPs;[36]
- Identify procedures for evaluating the outcome of completed RFPs to determine whether the anticipated benefits to specific storage system performance were achieved and whether there are any lessons learned that might inform future RFPs;[37] and
- Provide an opportunity for interested parties to comment on or petition to hold proceedings to further shape future RFPs.[38]

We find inclusion of these proposed requirements in the Rules to be premature at this time. These topics, however, may be appropriate for further consideration by the Task Force or as part of evaluating Dominion's and APCo's annual RPS Plan filings.

---

[25] Code § 56-585.5 E 5.

[26] Staff Report at 7-8; Joint Commenters Comments at 2-5.

[27] Code § 56-76 *et seq.*

[28] Joint Commenters Comments at 4-5. The Environmental Advocates recommend independent management of competitive procurements involving utility affiliates. Environmental Advocates Comments at 16. We find such requirement premature at this time, but we note that this issue may be evaluated further by the Task Force.

[29] Data Center Coalition Comments at 6; ES Stakeholders Comments at 8.

[30] Staff Report at 9.

[31] Delorean Comments at 6; ES Stakeholders Comments at 20.

[32] Staff Report at 9.

[33] *See, e.g.,* Virginia Legislators Comments at 2; ES Stakeholders Comments at 8; Delorean Comments at 6.

[34] Staff Report at 10.

[35] *See, e.g.,* Data Center Coalition Comments at 4-5; Solar Stakeholders Comments at 4; Delorean Comments at 7.

[36] Data Center Coalition Comments at 5-6.

[37] *Id.* at 5.

[38] *Id.*

20 VAC 5-335-50, 20 VAC 5-335-60, and 20 VAC 5-335-70

Rules 50, 60, and 70 address behind-the-meter incentives, non-wires alternatives programs and peak demand reduction programs, respectively. Generally, these Rules require the utility to address these incentives and programs in each utility's annual RPS Plan proceeding discussed above. If a proposed incentive or program is offered as a part of a demand-side management program, the Rules also permit a utility to seek approval through existing processes for demand-side programs under Code § 56-585.1 A 5.

Certain commenters request that language be added to require utilities to describe how a proposed program would enable the utility to meet the energy storage targets, including the 10 percent behind-the-meter goal.[39] Other recommendations include making program approval under these sections contingent on whether the program supports meeting the statutory goal of installing at least 10 percent of energy storage behind-the-meter.[40] Staff does not support these recommendations, expressing concern they would unduly limit deployment of energy storage at its current nascent stage.[41] We share this concern and will not include these requirements in the Rules. Notwithstanding our decision in this regard, issues related to meeting the behind-the-meter goals may be raised as part of the Task Force or in cases for approval of specific programs, which could be part of the annual RPS Plan proceeding, part of a demand-side management filing, or a stand-alone filing. We also note that, given the lack of experience in Virginia with behind-the-meter storage programs, it is currently unknown how receptive customers will be to such programs.

ES Stakeholders recommend including deadlines for proposing an initial set of programs to ensure near-term implementation of behind-the-meter incentives, non-wires alternative programs and peak demand reductions programs.[42] We do not find this requirement necessary at this time. Should the Commission find at a later point that Dominion and APCo have unreasonably delayed filing programs for Commission approval, we can address such in each utility's annual RPS Plan proceeding or other appropriate proceeding.

ES Stakeholders also recommend the Commission direct utilities to specifically propose "Bring Your Own Device Programs" to incentivize behind-the-meter storage systems.[43] Staff recommends this topic be explored by the Task Force.[44] We agree with Staff that inclusion of this specific program in the Rules is not necessary at this time and that the Task Force may want to address this program further.[45]

Environmental Advocates recommend the Commission limit a utility's ability to seek approval of energy storage through existing demand-side management programs by requiring the utility to demonstrate energy storage is cost competitive with other solutions available to the utility.[46] We find this recommendation unnecessary at this time and agree with Staff that such a requirement could unduly limit energy storage deployment development.[47] We decline to limit energy storage in this manner through a rulemaking. This determination, however, in no way limits the evidence the Commission might consider relevant in approving a specific program.

20 VAC 5-335-80 – Applicability and Burden of Permitting Requirements

Many commenters address the permitting of non-utility energy storage facilities set forth in 20 VAC 5-335-80. Several commenters take issue with the permitting requirements of the Rules applying only to non-utility owned storage.[48] As explained by the Staff Report, utility construction of electrical facilities is already encompassed in other statutes that need not be incorporated into the Rules.[49] For example, under Code § 56-265.2, a public utility must obtain a certificate of public convenience and necessity "to construct, enlarge or acquire, by lease or otherwise, any facilities for use in public utility service, except ordinary extensions or improvements in the usual course of business." Similarly, under Code § 56-580 D,

> [t]he Commission shall permit the construction and operation of electrical generating facilities in Virginia upon a finding that such generating facility and associated facilities (i) will have no material adverse effect upon reliability of electric service provided by any regulated public utility, (ii) are required by the public convenience and necessity, if a petition for such permit is filed after July 1, 2007, and if they are to be constructed and operated by any regulated utility whose rates are regulated pursuant to § 56-585.1, and (iii) are not otherwise contrary to the public interest.[50]

[39] *See, e.g.,* ES Stakeholders Comments at 10.

[40] *Id*.

[41] Staff Report at 11-12.

[42] ES Stakeholders Comments at 10-11.

[43] *Id.* at 11.

[44] Staff Report at 10.

[45] Similarly, we decline to limit further the parameters of proposed non-wires alternatives programs and peak reduction programs as part of this rulemaking. *See, e.g.,* Delorean Comments at 10 (recommending limitations on peak demand reduction programs); Environmental Advocates Comments at 20 (recommending limits on non-wires alternative plans). If deemed appropriate, the Task Force may consider and recommend changes related to these recommendations.

[46] Environmental Advocates Comments at 18.

[47] *See* Staff Report at 12.

[48] Delorean Comments at 11; ES Stakeholders Comments at 13; GlidePath Comments at 3.

[49] Staff Report at 13.

[50] As part of approving Dominion's energy storage pilot program, the Commission approved an amended certificate of public convenience and necessity for the Company's Scott solar generating facility pursuant to Code § 56-580 D. Storage Pilot Order at 5.

Several commenters also take issue with the potential burden of the permitting process set forth in 20 VAC 5-335-80.[51] The Commission has no desire to impose unnecessary regulatory burdens; however, the Commission has the duty to protect the reliability and safety of the electric system to which these non-utility energy storage assets will interconnect. The Rules are intended to ensure developers seeking to operate within the Commonwealth will operate safely, will not negatively impact the reliability of the electric power system, and will be ethically responsible in their interactions with Virginia consumers. The Rules are not intended to curtail private development of energy storage. Like generating units, energy storage facilities will inject power onto the electric grid and it is logical that the permitting process be similar to that of generating units.[52] As set forth in the Staff Report, the permitting process set forth in the Rules is structured similar to (i) the Commission's rules applicable to non-storage generating facilities certificated by the Commission[53] and (ii) guidelines applicable to solar and wind facilities participating in the Commission's pilot program for third party PPAs.[54] Energy storage deployment is only beginning to develop in Virginia, but once additional experience is gained in the deployment of energy storage, the Commission may find streamlining the permitting requirements to be reasonable.[55]

Finally, there is significant disagreement about the appropriate size threshold for triggering the permitting requirements of 20 VAC 5-335-80. As originally proposed, the threshold would be triggered by an energy storage power rating of 100 kilowatts or larger. Environmental Advocates and ES Stakeholders recommend the Commission increase the threshold size to 20 MW, and Delorean recommends the Commission increase the threshold size to 25 MW.[56] Recognizing that the Commission's Generation Rules have a threshold of 5 MW to trigger permitting requirements, the Staff Report recommends the Commission increase the size threshold to 1 MW given the early stage of energy storage deployment in Virginia.[57] We agree with Staff's proposal to increase the threshold to 1 MW. In reaching this determination, we find persuasive that broad deployment of distributed energy storage across Virginia's electric system represents a new use of this technology and warrants a cautious approach. We find a 1 MW threshold appropriately balances the burden of compliance with the need to determine and monitor the full impacts of these resources on the electric system. Once additional experience is gained, the Commission may consider adjusting the threshold further.

20 VAC 5-335-80 Notice Requirements

Commenters take issue with the proposed public notice requirements in 20 VAC 5-335-80.[58] The Staff Report argues that public notice is needed to address environmental justice policies, among other things.[59] We agree that public notice should be required by the Rules for facilities exceeding the size to trigger permitting requirements. The Commission requires public notice in numerous proceedings brought before it, particularly those involving new generation facilities.[60] Notably, the Commission also required public notice of Dominion's energy storage pilot program.[61] The Commission recognizes that public notice may involve additional costs for applicants and would consider recommendations from the Task Force on ways to minimize these costs while still ensuring adequate public notice.

---

[51] *See, e.g.,* ES Stakeholders Comments at 11-12; Delorean Comments at 2; Virginia Legislators Comments at 2; DMME Comments at 1-2.

[52] In addition, when charging, energy storage resources are a source of new load.

[53] Rules Governing the Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility, 20 VAC 5-302-10 *et seq.* ("Generation Rules").

[54] *Commonwealth of Virginia, ex rel. State Corporation Commission, Concerning the establishment of a renewable energy pilot program for third party power purchase agreements*, Case No. PUE-2013-00045, 2013 S.C.C. Ann. Rept. 405, Order Establishing Guidelines (Nov. 14, 2013).

[55] Several commenters raised the possibility of applying in various ways the Permit-by-Rule ("PBR") process used by the Department of Environmental Quality ("DEQ") to permit certain small renewable facilities. *See, e.g.,* ES Stakeholders Comments at 12; GlidePath Comments at 4. As noted in the Staff Report, the DEQ's permitting authority does not apply to energy storage. Staff Report at 19. *See* Code § 10.1-1197.5 *et seq.*

[56] *See, e.g.,* Environmental Advocates Comments at 23; ES Stakeholders Comments at 12; Delorean Comments at 12.

[57] Staff Report at 15-16.

[58] *See, e.g.,* Delorean Comments at 14; ES Stakeholders Comments at 13-14.

[59] Staff Report at 18. The 2020 General Assembly passed legislation that formally adopted the following as the policy of the Commonwealth: "to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities." Code § 2.2-235.

[60] *See, e.g., Petition of Virginia Electric and Power Company, For approval and certification of the proposed US-4 Solar Project pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, and for approval of a rate adjustment clause, designated Rider US-4, under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2019-00105, Doc. Con. Cen. No. 190750095, Order for Notice and Hearing at 10-16 (July 31, 2019); *Application of C4GT, L.L.C., For certification of an electric generating facility in Charles City County pursuant to § 56-580 D of the Code of Virginia*, Case No. PUE-2016-00104, Doc. Con. Cen. No. 161020267, Order for Notice and Hearing at 6-9 (Oct. 18, 2016).

[61] *Application of Virginia Electric and Power Company to participate in the pilot program for electric power storage batteries pursuant to § 56-585.1:6 of the Code of Virginia, and for certification of a proposed battery energy storage system pursuant to § 56-580 D of the Code of Virginia*, PUR-2019-00124, Doc. Con. Cen. No. 190830034, Order for Notice and Hearing at 7-10 (Aug. 16, 2019). The Commission further notes that pursuant to Code § 10.1-1197.6, applicants for a DEQ PBR must also comply with certain notice requirements.

20 VAC 5-335-80 Requisite Commission Findings

Pursuant to subsection B of 20 VAC 5-335-80, in order to approve an energy storage facility, the Commission must find it (i) will have no material adverse effect upon the reliability of electric service provided by any regulated public utility; (ii) does not adversely impact any goal established by the Virginia Environmental Justice Act; and (iii) is not otherwise contrary to the public interest. One or more commenters request the Commission consider excluding each of these required findings. As discussed further below, we find these minimum determinations necessary at this time to protect the electric system as well as utility customers.

With respect to the finding of "no material adverse effect on the reliability of electric service," we note that this requirement is also found in Code § 56-580 D, quoted above, which is applicable to generation facilities. We see no valid reason to treat energy storage facilities differently in this regard. As previously mentioned, like generation facilities, energy storage facilities will inject energy onto the electric grid. In addition, they will also be a source of new incremental load. While we appreciate that other entities such as PJM Interconnection, L.L.C. ("PJM"),[62] and the North American Electric Reliability Corporation ("NERC") may also have responsibilities to safeguard the reliability of the electric grid, those entities are concerned primarily with the bulk electric (*i.e.*, transmission) system. The States have near complete responsibility over the safety, reliability and adequacy of the distribution grid that delivers power to end use customers; we will not abdicate our responsibility in this regard. We note that certified compliance with the reliability requirements of PJM, NERC, or other relevant authority, could be of evidentiary value to a finding of compliance with the Rule's "no material adverse effect" requirement.

Next, regarding environmental justice, we do not find compliance with this requirement to be unduly burdensome for developers at this time. The General Assembly has made it the Commonwealth's policy to pursue environmental justice, and the Commission finds it reasonable to recognize this requirement in our Rules.

Finally, certain commenters request that the Commission remove the required finding that a facility is "not otherwise contrary to the public interest."[63] In addition to being included in Code § 56-580 D, this requirement is also part of the Commission's Generation Rules.[64] We see no reason to treat energy storage facilities differently at this time.

20 VAC 5-335-80 Filing Requirements

Commenters also take issue with certain filing requirements included in 20 VAC 5-335-80. Delorean proposes to add language permitting applicants to indicate instances where any environmental information required is not applicable to a particular project or technology.[65] We agree with this recommended change and have included it in the Rules.

ES Stakeholders recommend that the Commission remove the requirement for an applicant to provide financial information, reasoning that it is duplicative of requirements of the PJM interconnection process and localities.[66] The Commission agrees with Staff that proof of financial viability is an important consumer protection and finds the Rules should include this requirement.[67] The VCEA provides that "at least 35 percent of the energy storage facilities placed into service shall be (i) purchased by the public utility from a party other than the public utility or (ii) owned by a party other than a public utility, with the capacity from such facilities sold to the public utility."[68] Particularly given this large carve-out, it is important that non-utility energy storage be provided in a reliable manner by reputable, financially secure entities. If an energy storage provider were to default on a PPA with a utility, for example, the utility may have to obtain a replacement resource that could be at a higher cost to customers. Environmental concerns could also be raised if an energy storage provider were to go bankrupt and abandon a resource without providing for its continued maintenance and upkeep. Finally, we note that comparable information is also required of other entities licensed by the Commission, including competitive service providers, competitive local exchange carriers, and electric and natural gas aggregators.[69]

---

[62] PJM is the regional transmission organization that coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia.

[63] *See, e.g.,* Delorean Comments at 12; GlidePath Comments at 4.

[64] *See* 20 VAC 5-302-10.

[65] Delorean Comments at 13.

[66] ES Stakeholders Comments at 13.

[67] *See* Staff Report at 18.

[68] Code § 56-585.1 E 5.

[69] *See e.g.,* 20 VAC 5-312-40; 20 VAC 5-417-20.

20 VAC 5-335-90, 20 VAC 5-335-100, and 20 VAC 5-335-110

Pursuant to 20 VAC 5-335-90, aggregators of energy storage facilities are required to obtain a license from the Commission. Several commenters urge the Commission not to require such licensure, or to only require limited licensure for aggregators offering certain services.[70] We will include the required licensure of energy storage aggregators in the Rules. In doing so, we recognize that similar licensure is required of aggregators of competitive electric and natural gas services under the Commission's Rules Governing Retail Access to Competitive Energy Services.[71] We also recognize there may likely be an increased number of entities seeking to provide aggregation services related to energy storage as a result of Order 2222, as discussed above. We note that the Commission currently has 82 active aggregator licenses in Virginia involving aggregation of electric and natural gas services. The Commission is not aware of any complaints by licensees that the Commission's oversight has suppressed the market for these aggregators.

Also with respect to this Rule, Joint Commenters request clarification regarding the requirement of subsection B 18 of 20 VAC 5-335-90, which requires an applicant to include information related to the standards of conduct.[72] We do not find additional clarification necessary at this time and note that similar requirements have been adopted recently for other applicants in similar situations.[73]

Other matters

Delorean provides additional proposed rules to be applicable to APCo's and Dominion's annual RPS Plan filings. While we appreciate the intent behind Delorean's proposal, we decline to adopt those rules as part of the Rules Governing the Deployment of Energy Storage. In the future, we may consider adopting rules applicable to the Annual RPS Plan filings once the Commission has gained some experience with those proceedings, which have just recently begun. Such consideration would be through a separate docketed proceeding with appropriate notice and opportunity for comment.

Accordingly, IT IS ORDERED THAT:

(1) The Regulations Governing the Deployment of Energy Storage, 20 VAC 5-335-10 *et seq*., as shown in Attachment A to this Order, are hereby adopted and are effective as of January 1, 2021.

(2) The Commission's Division of Information Resources shall forward a copy of this Order, with Attachment A, to the Registrar of Regulations for appropriate publication in the Virginia Register of Regulations.

(3) An electronic copy of this Order with Attachment A shall be made available on the Division of Public Utility Regulation's section of the Commission's website: scc.virginia.gov/pages/Rulemaking

(4) This docket is dismissed.

NOTE: A copy of the Attachment A entitled "Chapter 335 Regulations Governing the Deployment of Energy Storage" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

[70] Sierra Club Comments at 4; ES Stakeholders Comments at 14-15; Solar Stakeholders Comments at 5; Environmental Advocates Comments at 24.

[71] 20 VAC 5-312-10 *et seq*.

[72] Joint Commenters Comments at 7.

[73] *See, e.g.,* 20 VAC 5-315-77 (effective March 1, 2020).

CASE NO. PUR-2020-00121
AUGUST 12, 2020

APPLICATION OF
PARK POWER, LLC

Application for Competitive Service Provider license

ORDER GRANTING LICENSE

On June 25, 2020, Park Power, LLC ("Park" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to act as a competitive service provider of electricity and natural gas service ("Application"). Park seeks authority to provide electric supply and natural gas supply services throughout Virginia to eligible commercial, industrial, and residential customers. In its Application, Park attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[1]

On July 2, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order on or before July 9, 2020, to each of the utilities listed in Attachment A of the Procedural Order. On July 10, 2020, Park filed proof of service.

[1] 20 VAC 5-312-10 *et seq*.

The Commission, through its Procedural Order, directed that any comments in the matter be filed with the Clerk of the Commission on or before July 23, 2020. Virginia Electric and Power Company d/b/a Dominion Energy Virginia filed comments.

The Procedural Order also directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on July 30, 2020, which summarized Park's proposal and evaluated its financial condition and technical fitness. On August 7, 2020, Staff filed a Revised Report.[2] Based on its review of the Application, Staff recommended that Park be granted a license to conduct business as a competitive service provider of electric supply and natural gas supply services to eligible commercial, industrial, and residential customers throughout Virginia.

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Park's Application for a license to provide competitive electricity supply and natural gas services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Park is hereby granted license No. E-44 to provide competitive electricity supply services to eligible commercial, industrial, and residential customers throughout Virginia. This license to act as an electricity supplier is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) Park is hereby granted license No. G-56 to provide competitive natural gas supply services to eligible commercial, industrial, and residential customers throughout Virginia. This license to act as a natural gas supplier is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(3) Park shall provide proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of $50,000.

(4) Park shall establish an escrow account with a Virginia financial institution to comply with the requirements in Retail Access Rule 20 VAC 5-312-90 for the protection of any customer deposits or payments.

(5) The Staff shall conduct a periodic review of the level of financial security that is commensurate with Park's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction.

(6) This license is not valid authority for the provision of any product or service not identified within the license itself.

(7) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

[2] No party in this case objected to the filing of the Revised Report.

CASE NO. PUR-2020-00126
JULY 2, 2020

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For authority to incur debt

ORDER GRANTING AUTHORITY

On July 1, 2020, Mecklenburg Electric Cooperative ("MEC" or "Cooperative") completed a petition ("Application") with the State Corporation Commission ("Commission") for approval to obtain financing under the federally-administered Paycheck Protection Program ("PPP").[1] The requested authority is required pursuant to Chapter 3 of Title 56 of the Code of Virginia.[2] The Cooperative paid a fee of $250.

MEC requests authority to borrow up to $2,285,451 of PPP funding under a loan from an existing SBA approved lender, CoBank. Funds under the PPP primarily are intended to support pre-pandemic levels of business employment by providing funds for employee payroll payments and other qualified uses. PPP borrowings used to meet program criteria are eligible to be forgiven. Under the language of the PPP, any portions of such borrowed funds not forgiven would be repayable over a term of five (5) years at an interest rate of 1.0%.[3]

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

[1] The PPP is a federal program established under the Coronavirus Aid, Relief, and Economic Security Act, administered by the Small Business Administration ("SBA") and funded by the U.S. Treasury Department; *See* https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program#section-header-0

[2] Code § 56-55 *et seq.*

[3] The U.S. Treasury and the SBA announced, on June 8, 2020, changes to the PPP by enactment of the PPP Flexibility Act ("PPPFA"). Under certain circumstances the PPPFA allows for some altering of borrowing terms from the original PPP.

In granting this PPP borrowing authority, the Commission notes the COVID-19 public health crisis and MEC's need for financial flexibility in its response options thereto. In addition to the PPP loan authority granted to the Cooperative in this case, the Commission has further responded to this economic emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency.[4]

Accordingly, IT IS ORDERED THAT:

(1) MEC hereby is authorized to borrow $2,285,451 under the PPP all in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) Within thirty (30) days of MEC filing information required for loan forgiveness with the PPP loan administrator, the Cooperative shall submit a physical and electronic copy of such information with the Director of the Division of Accounting and Finance ("UAF Director").

(3) Within thirty (30) days of a decision on forgiveness of any of its PPP borrowings, MEC should submit a physical and electronic copy of the documents received pertaining to that decision to the UAF Director, along with details regarding any amount of PPP borrowings not forgiven, to include: the total amount of any unforgiven PPP borrowings plus accrued interest due, the amount and frequency of installment payments on any unforgiven borrowings, and the scheduled dates for the initial and final payments.

(4) Approval of this Application shall have no implications for ratemaking purposes.

(5) There appearing nothing further to be done in this case, it hereby is dismissed.

[4] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020), *extended by* Doc. Con. Cen. No. 200630135, Order on Suspension of Service Disconnections (Jun. 12, 2020).

CASE NO. PUR-2020-00124
DECEMBER 23, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing regulations for a multi-family shared solar program pursuant to § 56-585.1:12 of the Code of Virginia

ORDER ADOPTING RULES

During its 2020 Session, the Virginia General Assembly enacted Chapters 1188 (HB 572), 1189 (HB 1184), 1239 (HB 1647), and 1187 (SB 710) of the 2020 Virginia Acts of Assembly. These Acts of Assembly amend the Code of Virginia ("Code") by adding a section numbered 56-585.1:12,[1] effective July 1, 2020. Code § 56-585.1:12 requires that by January 1, 2021, the State Corporation Commission ("Commission") establish by regulation a program affording eligible multi-family customers of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") and Kentucky Utilities Company d/b/a Old Dominion Power Company ("ODP") the opportunity to participate in shared solar projects. Code § 56-585.1:12 C 7 states: "All environmental attributes associated with a shared solar facility, including renewable energy certificates, shall be considered property of the subscriber organization. At the subscriber organization's discretion, those attributes may be distributed to subscribers, sold to investor-owned utilities or other buyers, accumulated, or retired."

On July 1, 2020, the Commission entered an Order Directing Comment in this proceeding that sought comments on the multi-family shared solar program and associated regulations. The Commission's Order Directing Comment directed Dominion and ODP, and invited interested persons or entities, to file comments. The Order Directing Comment also permitted commenters to propose specific regulations.

The following parties filed comments: the Coalition for Community Solar Access and the Maryland-DC-Delaware-Virginia Solar Energy Industries Association (collectively, "CCSA/MDV-SEIA"); the Virginia Department of Mines, Minerals and Energy ("DMME"); the Virginia Clean Energy Advisory Board ("VCEA Board"); the Sierra Club; the Southern Environmental Law Center and Appalachian Voices (collectively, "Environmental Advocates"); Dominion; ODP; and GRID Alternatives Mid-Atlantic. On August 14, 2020, Dominion and CCSA/MDV-SEIA filed proposed regulations.

On September 21, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") in this docket that included proposed rules ("Proposed Rules") to be considered for adoption, which had been prepared by the Commission's Staff ("Staff"). The Commission's Procedural Order provided an opportunity for interested persons to file comments on the Proposed Rules, along with hearing requests and proposals. The Commission's Procedural Order also directed Staff to file a report ("Staff Report" or "Report") on, or a response to, any comments, proposals, or requests for hearing submitted to the Commission on the Proposed Rules. The Procedural Order further directed that a copy of the Proposed Rules be sent to the Registrar of Regulations for publication in the *Virginia Register of Regulations*.[2]

[1] This section was added as § 56-585.1:11 but was renumbered pursuant to the direction of the Virginia Code Commission.

[2] The Proposed Rules appeared in the October 12, 2020 issue of the *Virginia Register of Regulations*.

In response to the Commission's Procedural Order, comments were received from the following entities: VCEA Board; Sierra Club; Environmental Advocates; CCSA/MDV-SEIA; DMME; ODP; and Dominion. Comments were also received jointly from the following members of the Virginia General Assembly: Senator Jennifer McClellan, Senator Scott Surovell, Delegate Rip Sullivan, Delegate Jay Jones, Delegate Mark Keam, and Delegate Alfonso Lopez. Additionally, 38 public comments were submitted via the Commission's website. One request for hearing was received by the due date.[3]

On November 12, 2020, Staff filed a Motion for One-week Extension to File Staff Report, for Waiver of Rule 230, and for Expedited Treatment ("Motion"). Through its Motion, Staff requested that the Commission extend the deadline for filing the Staff Report by one week. Staff indicated that numerous stakeholders had requested a meeting with Staff prior to the filing of the Staff Report. On November 13, 2020, the Commission issued its Order Granting Motion accepting the Staff's request.

On November 16, 2020, with the assistance of DMME, Staff conducted a virtual stakeholder meeting that invited all those providing comments and all stakeholders who had indicated interest in such a meeting with Staff. Staff represented that this virtual meeting included 62 participants.

Staff filed its Report on November 23, 2020, which included certain revisions to the Proposed Rules based on Staff's review of both written and oral comments provided through filings and the virtual stakeholder meeting.

NOW THE COMMISSION, upon consideration of this matter, finds that we should adopt the rules ("Rules") appended hereto as Attachment A effective January 1, 2021. As an initial matter, the Commission expresses appreciation to those who have submitted written comments for our consideration and have otherwise participated in this proceeding. We have carefully reviewed and considered all comments filed in this matter. The Rules adopted today are intended to support the objectives of Code § 56-585.1:12, while also protecting the electric system and Virginia consumers. As experience is gained and lessons are learned, the Commission anticipates that these Rules may be updated and revised accordingly. In this regard, we further note that the Rules, as adopted herein, permit requests for waiver.[4]

The Rules we adopt herein contain modifications to those that were first proposed by Staff and published in the *Virginia Register of Regulations* on October 12, 2020. These modifications follow our consideration of further proposed changes made by the Staff in its Staff Report and the comments filed in this proceeding. Although we will not comment on each modification in detail, there are several issues that we will address further herein.

20 VAC 5-342-10

Various commenters expressed concerns that the Proposed Rules, as written, would not apply to ODP.[5] Staff revised the Proposed Rules to clarify their applicability to both Dominion and ODP. We agree that Code § 56-585.1:12 applies to ODP, and we have adopted revisions to clarify that point in the Rules.

20 VAC-342-20

Staff noted concerns that the definition of "multi-family customer" may not allow for customers in duplex-style homes.[6] Staff revised the Proposed Rules to address these concerns. We adopt a definition that includes utility customers of duplex-style homes with at least three subscribers to the shared solar facility, as is required by the definition of "shared solar facility" in Code § 56-585.1:12 A.

20 VAC 5-342-30

In its Report, Staff noted that some commenters viewed the subscriber organization requirements for licensing with the Commission as unnecessarily onerous, particularly for small projects owned by residents, property owners, non-profit entities, or small companies.[7] While asserting that most projects would likely be much smaller than the three megawatt size cap, Staff believes that licensing should be required for corporate entities in the business of solar development or applicants with projects greater than 500 kilowatts.[8] Staff suggested that the Commission could differentiate between these different types of entities in the licensing requirements.[9] We find that doing so is appropriate and have therefore added 20 VAC 5-342-100, which creates an exemption process for entities that provide less than a total of 500 kilowatts alternating current at any one location or multiple locations. Rather than licensing, such entities must provide notice to the Commission's Division of Public Utility Regulation prior to commencing business operations. We note, however, that each project, regardless of size, must register with the utility.

As part of the licensing process for subscriber organizations, the Proposed Rules contained a bonding requirement for purposes of demonstrating of financial fitness. That requirement has been removed from the Rules. Such financial security may, however, be required by the Commission as a condition of licensure and prescribed through the Commission's order granting a license to a subscriber organization. The Staff will evaluate each applicant's financial fitness and recommend that the Commission require financial security as appropriate. This modification allows applicants to be evaluated on an individual basis and for the Commission to consider nonprofit status or other facts relevant to financial fitness when granting a license.

---

[3] Staff has represented that the party requesting a hearing accepted the stakeholder meeting conducted on November 16, 2020, in lieu of any formal hearing.

[4] 20 VAC 5-342-10 E.

[5] *See, e.g.*, Environmental Advocates Comments at 9; DMME Comments at 1-2.

[6] Staff Report at 5.

[7] *Id.* at 6-7.

[8] *Id.* at 7-8.

[9] *Id.* at 8-9.

Many commenters proposed that the Commission exclude the utilities and their affiliates from participating in the multi-family shared solar program.[10] Staff indicated that it believes nothing in the statute precludes utility participation but believes that as a practical matter, allowing affiliate participation, rather than utility participation, would better serve the program.[11] We agree with Staff's analysis and have added language to clarify that a utility may not participate as a subscriber organization. We find that the Proposed Rules otherwise provided adequate protections for addressing utility affiliate participation and that those provisions will be adopted as proposed.[12]

20 VAC 5-342-50

As drafted, subsection A of Section 50 of the Proposed Rules prohibits marketing activities until after, among other things, the subscriber organization has started the interconnection process with the utility pursuant to the Commission's Regulations Governing Interconnection of Small Electrical Generators and Storage, 20 VAC 5-314-10 *et seq*. ("Interconnection Rules"). Most comments received by the Commission agreed that the marketing requirements in Section 50 of the Proposed Rules need to be changed to align with how multi-family projects would be developed in practice.[13] Specifically, in the context of the multi-family shared solar program where the project must be located on the customers' site, a developer could not establish control over a site, as required by the Interconnection Rules,[14] without advertising to and communicating with potential customers.[15] As the Proposed Rules currently are structured, however, such marketing by a developer could not occur until after interconnection with the utility has begun. To eliminate this double bind, Staff deleted subsection A of Rule 50.[16] We find Staff's deletion appropriate in this context and adopt it in the Rules.

Many commenters agree that a standardized consumer disclosure form, as required by Code § 56-585.1:12 E 6, needs to be provided to each prospective customer before subscribing to a multi-family shared solar facility.[17] Staff prefers that this form be developed with the assistance of the low-income stakeholder working group to be established under the non-multi-family shared solar program being developed pursuant to different statute, specifically Code § 56-594.3.[18] Given the limited time for adopting these Rules and the collective expertise of the low-income stakeholder group, we agree with Staff and direct the working group to develop the disclosure form(s) to be adopted by the Commission for the multi-family shared solar program.[19]

20 VAC 5-342-60

Staff noted in its Report that non-utility commenters asserted that bill credits should roll over, in perpetuity, to future months when those credits exceed a customer's current monthly bill, in keeping with the language of Code § 56-585.1:12 C 1.[20] This Code provision reads, in pertinent part, "Any amount of the bill credit that exceeds the subscriber's monthly bill shall be carried over and applied to the next month's bill in perpetuity."[21] In its Report, Staff suggested a revision to the Proposed Rules to mirror this Code requirement.[22] We find Staff's revision appropriate and incorporate it into the Rules.

20 VAC 5-342-80

Section 80 addresses future Commission proceedings to determine the utility administrative charge and the calculation of subscriber bill credits. Many commenters stated that the administrative charge, as defined in the Proposed Rules, is inappropriate because it has the same cost components as the proposed minimum bill for the non-multi-family shared solar program.[23] For that program, Code § 56-594.3 requires subscribers to pay a minimum monthly bill, to be established by the Commission, to allow the utility to recover certain program-related costs. Code § 56-585.1:12 contains no such minimum bill provision for the multi-family shared solar program.[24] Thus, the need for and amount of any administrative charge is a determination made by the Commission in its discretion. The Staff proposed changes to Section 80 to incorporate this discretion, and we adopt these revisions.

---

[10] *See, e.g.*, CCSA/MDV-SEIA Comments at 6-7; DMME Comments at 3.

[11] Staff Report at 6.

[12] As always, contracts and/or arrangements between utilities and their affiliates are subject to the Affiliates Act, Code § 56-76 *et seq*.

[13] Staff Report at 11.

[14] *See* 20 VAC 5-314-170, Schedule 1, § 5.

[15] Staff Report at 11.

[16] *Id*.

[17] *Id.* at 12.

[18] *Id.*

[19] This working group is being created pursuant to Code § 56-594.3 F 3 in *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of establishing regulations for a shared solar program pursuant to § 56-594.3 of the Code of Virginia,* Case No. PUR-2020-00125.

[20] Staff Report at 12-13.

[21] Code § 56-585.1:12 C 1.

[22] *See* Staff Report at 13.

[23] *See id.* at 12.

[24] *Id.*

The Commission also received comments asserting that the applicable bill credit rate does not require a proceeding; rather, in December of each year, the Commission could calculate an annual bill credit based on publicly available data and thereafter publish or post its calculation.[25] Staff revised the Proposed Rules to provide flexibility in this area. We adopt Staff's revisions and will calculate and publish the applicable bill credit rate accordingly.

20 VAC 5-342-100

As previously discussed, the Commission has adopted this section of the Rules to create an exemption process for subscriber organization licensing. We find that adding this section to the Rules addresses the concerns of many commenters that the licensing process as proposed would be too onerous for smaller subscriber organizations.[26] We nevertheless recognize the importance of certain protections that the licensing process contains and have incorporated those protections into the exemption process for smaller organizations. Specifically, instead of submitting to a full licensure process with the Commission, subscriber organizations that provide less than 500 kilowatts alternating current of solar energy at one location, or multiple locations, must instead provide a notice, as prescribed by Rule 100, to the Commission's Division of Public Utility Regulation and subject to review and approval prior to commencing business operations.

Other matters

We also note that Code § 56-585.1:12 E 10 requires a program implementation schedule. To that end, the Commission will begin receiving applications for subscriber organization licensing and exemptions beginning on July 1, 2021. We also require that, by June 1, 2021, Dominion and ODP shall file with the Commission, and publish on their websites, any materials needed for project registration. On July 1, 2021, Dominion and ODP shall begin accepting applications for registration. By June 30, 2021, Dominion and ODP shall file any remaining tariffs, agreements, or forms necessary for the program.

Accordingly, IT IS ORDERED THAT:

(1) The Rules Governing Multi-Family Shared Solar Program, 20 VAC 5-342-10 *et seq.*, as shown in Attachment A to this Order, are hereby adopted and are effective as of January 1, 2021.

(2) The Commission's Division of Information Resources shall forward a copy of this Order, with Attachment A, to the Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(3) An electronic copy of this Order with Attachment A shall be made available on the Division of Public Utility Regulation's section of the Commission's website: scc.virginia.gov/pages/Rulemaking.

(4) By June 1, 2021, Dominion and ODP shall file with the Commission, and publish on their websites, any materials needed for project registration.

(5) By June 30, 2021, Dominion and ODP shall file any remaining tariffs, agreements, or forms necessary for the program with the Clerk of the Commission and shall submit the same to the Commission's Division of Public Utility Regulation and Division of Utility Accounting and Finance. The Clerk shall retain such filings for public inspection on the Commission's website: scc.virginia.gov/pages/Case-Information.

(6) Dominion and ODP shall begin accepting applications for registration on July 1, 2021.

(7) This matter is continued.

NOTE: A copy of Attachment A entitled "Chapter 342 Rules Governing Multi-family Shared Solar Program" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

[25] *See id.* at 14.

[26] *See id*. at 6-7.

CASE NO. PUR-2020-00125
DECEMBER 23, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*:
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing regulations for a shared solar program pursuant to § 56-594.3 of the Code of Virginia

ORDER ADOPTING RULES

During its 2020 Session, the Virginia General Assembly enacted Chapters 1238 (HB 1634) and 1264 (SB 629) of the 2020 Virginia Acts of Assembly. These Acts of Assembly amend the Code of Virginia ("Code") by adding a section numbered 56-594.3, effective July 1, 2020. Code § 56-594.3 requires that by January 1, 2021, the State Corporation Commission ("Commission") establish by regulation a program affording customers of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") the opportunity to participate in shared solar projects. Code § 56-594.3 B 7 states: "All environmental attributes associated with a shared solar facility, including renewable energy certificates, shall be considered property of the subscriber organization. At the subscriber organization's discretion, such environmental attributes may be distributed to the subscribers, sold to load-serving entities with compliance obligations or other buyers, accumulated, or retired."

On July 1, 2020, the Commission entered an Order Directing Comment in this proceeding that sought comments on the shared solar program and associated regulations. The Commission's Order Directing Comment directed Dominion, and invited interested persons or entities, to file comments. The Order Directing Comment also permitted commenters to propose specific regulations.

The following parties filed comments: the Coalition for Community Solar Access and the Maryland-DC-Delaware-Virginia Solar Energy Industries Association (collectively, "CCSA/MDV-SEIA"); the Virginia Department of Mines, Minerals and Energy ("DMME"); Health E Community Enterprises of Virginia, Inc.; the Virginia Clean Energy Advisory Board ("VCEA Board"); the Sierra Club; the Southern Environmental Law Center and Appalachian Voices (collectively, "Environmental Advocates"); Dominion; GRID Alternatives Mid-Atlantic; Vote Solar and Solar United Neighbors; Arcadia; Senator Scott A. Surovell; Virginia Advanced Energy Economy; and SynerGen Solar. Dominion and CCSA/MDV-SEIA filed proposed regulations.

On September 21, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") in this docket that included proposed rules ("Proposed Rules") to be considered for adoption, which had been prepared by the Commission's Staff ("Staff"). The Commission's Procedural Order provided an opportunity for interested persons to file comments on the Proposed Rules, along with hearing requests and proposals. The Commission's Procedural Order also directed Staff to file a report ("Staff Report" or "Report") on, or a response to, any comments, proposals, or requests for hearing submitted to the Commission on the Proposed Rules. The Procedural Order further directed that a copy of the Proposed Rules be sent to the Registrar of Regulations for publication in the *Virginia Register of Regulations*.[1]

In response to the Commission's Procedural Order, comments were received from the following entities: VCEA Board; Sierra Club; Environmental Advocates; CCSA/MDV-SEIA; DMME; and Dominion. Comments were also received jointly from the following members of the Virginia General Assembly: Senator Jennifer McClellan, Senator Scott Surovell, Delegate Rip Sullivan, Delegate Jay Jones, Delegate Mark Keam, and Delegate Alfonso Lopez ("GA Members"). Additionally, 38 public comments were submitted via the Commission's website. Four requests for hearing were received by the due date.[2]

On November 12, 2020, Staff filed a Motion for One-week Extension to File Staff Report, for Waiver of Rule 230, and for Expedited Treatment ("Motion"). Through its Motion, Staff requested that the Commission extend the deadline for filing the Staff Report by one week. Staff indicated that numerous stakeholders had requested a meeting with Staff prior to the filing of the Staff Report. On November 13, 2020, the Commission issued its Order Granting Motion accepting the Staff's request.

On November 16, 2020, with the assistance of DMME, Staff conducted a virtual stakeholder meeting that invited all those providing comments and all stakeholders who had indicated interest in such a meeting with Staff. Staff represented that this virtual meeting included 62 participants.

Staff filed its Report on November 23, 2020, which included certain revisions to the Proposed Rules based on Staff's review of both written and oral comments provided through filings and the virtual stakeholder meeting.

NOW THE COMMISSION, upon consideration of this matter, finds that we should adopt the rules ("Rules") appended hereto as Attachment A effective January 1, 2021. As an initial matter, the Commission expresses appreciation to those who have submitted written comments for our consideration and have otherwise participated in this proceeding. We have carefully reviewed and considered all comments filed in this matter. The Rules adopted today are intended to support the objectives of Code § 56-594.3, while also protecting the electric system and Virginia consumers. As experience is gained and lessons are learned, the Commission anticipates that these Rules may be updated and revised accordingly. In this regard, we further note that the Rules, as adopted herein, permit requests for waiver.[3]

The Rules we adopt herein contain modifications to those that were first proposed by Staff and published in the *Virginia Register of Regulations* on October 12, 2020. These modifications follow our consideration of further proposed changes made by the Staff in its Staff Report and the comments filed in this proceeding. Although we will not comment on each modification in detail, there are several issues that we will address further herein.

20 VAC 5-340-10

Various commenters expressed concerns that under the Proposed Rules, subscriber organization licensing and project registration may not begin until the program is implemented in 2023.[4] Staff agreed that the statute envisions customers having the ability to enroll or receive benefits by the earlier of July 1, 2023, or Dominion's implementation of its new customer information system and that any pre-development preparation may begin as soon as practicable.[5] We adopt Staff's revisions to the Proposed Rules to clarify that subscriber organizations may apply for licenses, register projects, interact with potential customers, and otherwise develop shared solar projects beginning in 2021.

---

[1] The Proposed Rules appeared in the October 12, 2020 issue of the *Virginia Register of Regulations*.

[2] These requests for hearing shall be fulfilled by the proceeding on the minimum bill, pursuant to 20 VAC 5-340-80, that will take place after adoption of the Final Rules. Staff has represented that those requesting a hearing would be satisfied by this relief.

[3] 20 VAC 5-340-10 G.

[4] *See, e.g.*, GA Members Comments at 3; CCSA/MDV-SEIA Comments at 6-9.

[5] Staff Report at 6.

20 VAC 5-340-30

In its Report, Staff noted that some commenters viewed the subscriber organization licensing requirements as unnecessarily onerous, particularly for small projects owned by residents, property owners, non-profit entities, or small companies.[6] While Staff anticipates that the shared solar program will attract larger business entities, it suggested that the Commission could distinguish between these different types of entities in the licensing requirements.[7] We find that doing so is appropriate and have therefore added 20 VAC 5-340-110, which creates an exemption process for entities that provide less than a total of 500 kilowatts alternating current at any one location or multiple locations. Rather than licensing, such entities must provide notice to the Commission's Division of Public Utility Regulation prior to commencing business operations. We note that each project, however, regardless of size, must register with the utility.

As part of the licensing process for subscriber organizations, the Proposed Rules contained a bonding requirement for purposes of demonstrating financial fitness. That requirement has been removed from the Rules. Such financial security may, however, be required by the Commission as a condition of licensure and prescribed through the Commission's order granting a license to the subscriber organization. The Staff will evaluate each applicant's financial fitness and recommend that the Commission require financial security as appropriate. This modification allows applicants to be evaluated on an individual basis and for the Commission to consider nonprofit status or other facts relevant to financial fitness when granting a license.

Many commenters proposed that the Commission exclude Dominion and its affiliates from participating in the shared solar program.[8] Staff indicated that it believes nothing in the statute precludes utility participation but believes that as a practical matter, allowing affiliate participation, rather than utility participation, would better serve the program.[9] We agree with Staff's analysis and have added language to clarify that a utility may not participate as a subscriber organization. We find that the Proposed Rules otherwise provided adequate protections for addressing utility affiliate participation and that those provisions will be adopted as proposed.[10]

20 VAC 5-340-50

Many commenters pointed out that the Proposed Rules do not address how customer status as low-income will be verified.[11] According to Staff, numerous stakeholders asserted that including low-income verification methods in the Rules would offer a clear process and flexibility to ensure that the verification process does not deter low-income participation in the program.[12] Staff suggests that the issue of low-income verification could be more fully developed with the assistance of the low-income stakeholder working group that the Commission must create pursuant to legislative directive.[13] Given the limited time for adopting these Rules and the collective expertise of the low-income stakeholder group, we agree and task that group with addressing low-income verification methods.

Similarly, commenters agree that a standardized consumer disclosure form, as required by Code § 56-594.3 F 8, should be provided to each prospective customer before subscribing to a shared solar facility.[14] Staff prefers that this form be developed with the assistance of the low-income stakeholder working group.[15] For the same reasons as discussed above concerning low-income verification, we agree with Staff's recommendation and direct the working group to develop the disclosure forms to be adopted by the Commission for both the shared solar program and the multi-family shared solar program.[16]

---

[6] *Id*. at 7-8.

[7] *Id.* at 7.

[8] *See, e.g.*, CCSA/MDV-SEIA Comments at 21; DMME Comments at 3.

[9] Staff Report at 7.

[10] As always, contracts and/or arrangements between utilities and their affiliates are subject to the Affiliates Act, Code § 56-76 *et seq*.

[11] *See, e.g.*, VCEA Board Comments at 2-3; DMME Comments at 1-2. Low-income status is a relevant consideration since Code § 56-594.3 E requires the Commission to "approve a shared solar facility program of 150 megawatts with a minimum requirement of 30 percent low-income customers."

[12] Staff Report at 11-12.

[13] *Id.* at 12. *See also* Code § 56-594.3 F 3.

[14] *See* Staff Report at 12.

[15] *Id.*

[16] The multi-family shared solar program must be established pursuant to Code § 56-585.1:12 and is being considered in *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of establishing regulations for a multi-family shared solar program pursuant to § 56-585.1:12 of the Code of Virginia*, Case No. PUR-2020-00124.

20 VAC 5-340-60

Staff noted in its Report that various commenters requested clarity on the ability of bill credits to roll over to future months when those credits exceed a customer's current monthly bill.[17] For example, the VCEA Board argued that bill credits for the shared solar program should function the same as they do for net metering[18] in Virginia in that they should be carried over and applied to the next month's bill for a 12-month period.[19] Staff agreed and made a revision to the Proposed Rules to clarify that bill credits may roll over until satisfied or up to 12 months.[20] We find this revision appropriate and incorporate it into the Rules.

20 VAC 5-340-80

Section 80 addresses future Commission proceedings to determine the monthly administrative charge, the components of the minimum bill, and the calculation of subscriber bill credits. Some commenters asserted that an annual proceeding would not be necessary to make these determinations, as called for in the Proposed Rules.[21] CCSA/MDV-SEIA further argued that the Commission should not prescribe cost categories for the minimum bill in the Rules but should instead address those issues through a hearing to be convened after adoption of the Rules.[22] Similarly, the Commission received comments asserting that the applicable bill credit rate does not require a proceeding; rather, in December of each year, the Commission could calculate an annual bill credit based on publicly available information and thereafter publish or post its calculation.[23] Staff revised the Proposed Rules to accommodate these requests. We adopt Staff's revisions and direct Dominion to file a proposal for the minimum bill as set forth in this section of the Rules no later than March 1, 2021. Dominion shall file this minimum bill proposal in this docket.

20 VAC 5-340-100

The Commission received several comments emphasizing the importance of a low-income stakeholder working group,[24] as required by Code § 56-594.3 F 3.[25] We likewise recognize the importance of establishing that group, and in accordance with that statutory directive, we have added 20 VAC 5-340-100, which requires the Commission, upon adoption of the rules, to initiate a stakeholder process that includes low-income community representatives and community solar providers to facilitate low-income customer and low-income service organization participation in the program. Moreover, we find that many of the issues raised by the commenters in this proceeding should be further addressed and evaluated by this stakeholder working group, as described below, given the limited timeframe for finalization of the Rules.

To initiate this process, we direct the Staff to convene a stakeholder working group in accordance with the terms of Code § 56-594.3 F 3 and 20 VAC 5-340-100. The Commission expects this group to meet initially no later than March 1, 2021. Staff shall thereafter convene the stakeholder group on an ad hoc basis at its discretion.

The stakeholder working group shall develop standardized consumer disclosure forms to be adopted by the Commission.[26] The group also shall address the components of low-income subscription plans, methods for low-income verification, and methods for measuring low-income participation. We further expect the group to consider any other issues pertinent to facilitating low-income customer and low-income service organization participation in the program. Finally, to the extent that any issues before the working group are relevant to, or overlap with, the multi-family shared solar program, we expect the group to consider those issues in the context of both programs.[27]

---

[17] Staff Report at 13.

[18] *See* Code § 56-594.

[19] VCEA Board Comments at 5.

[20] *See* Staff Report at 13.

[21] *See, e.g.*, Environmental Advocates Comments at 4; DMME Comments at 2.

[22] CCSA/MDV-SEIA Comments at 22.

[23] *See* Staff Report at 13-14.

[24] *See, e.g.*, VCEA Board Comments at 3; Sierra Club Comments at 3; DMME Comments at 1-2.

[25] Code § 56-594.3 F 3 reads: "The Commission shall . . .[c]reate a stakeholder working group including low-income community representatives and community solar providers to facilitate low-income customer and low-income service organization participation in the program."

[26] *See* Code § 56-594.3 F 8.

[27] Understanding the importance of consumer protection in these programs, we invite the Office of the Attorney General to participate in the stakeholder group.

20 VAC 5-340-110

As previously discussed, the Commission has adopted this section of the Rules to create an exemption process for certain subscriber organization's licensing. We find that adding this section to the Rules addresses the concerns of many commenters that the licensing process as proposed would be too onerous for smaller subscriber organizations.[28] We nevertheless recognize the importance of certain protections that the licensing process contains and have incorporated those protections into the exemption process for smaller organizations. Specifically, instead of submitting to a full licensure process with the Commission, subscriber organizations that provide less than 500 kilowatts alternating current of solar energy at one location, or multiple locations, must instead provide a notice, as prescribed by Rule 110, to the Commission's Division of Public Utility Regulation and subject to review and approval prior to commencing business operations.

Other matters

We note that Code § 56-594.3 F 12 requires a program implementation schedule. To that end, the Commission will begin receiving applications for subscriber organization licensing and exemptions beginning on July 1, 2021. By June 1, 2021, Dominion shall file with the Commission, and publish on its website, any materials needed for project registration. On July 1, 2021, Dominion shall begin accepting applications for registration. Within 60 days of Dominion's implementation of its customer information platform or by July 1, 2023, whichever occurs first, Dominion shall file any remaining tariffs, agreements, or forms necessary for the program. As discussed further above, we expect the Staff to convene a stakeholder working group by March 1, 2021, and we order Dominion to file its proposal for the minimum bill by March 1, 2021.

Accordingly, IT IS ORDERED THAT:

(1) The Rules Governing Shared Solar Program, 20 VAC 5-340-10 *et seq.*, as shown in Attachment A to this Order, are hereby adopted and are effective as of January 1, 2021.

(2) The Commission's Division of Information Resources shall forward a copy of this Order, with Attachment A, to the Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(3) An electronic copy of this Order with Attachment A shall be made available on the Division of Public Utility Regulation's section of the Commission's website: scc.virginia.gov/pages/Rulemaking.

(4) By June 1, 2021, Dominion shall file with the Commission, and publish on its website, any materials needed for project registration.

(5) On July 1, 2021, Dominion shall begin accepting applications for registration.

(6) Within 60 days of Dominion's implementation of its customer information platform or by July 1, 2023, whichever occurs first, Dominion shall file any remaining tariffs, agreements, or forms necessary for the program with the Clerk of the Commission and shall submit the same to the Commission's Division of Public Utility Regulation and Division of Utility Accounting and Finance. The Clerk shall retain such filings for public inspection on the Commission's website: scc.virginia.gov/pages/Case-Information.

(7) For purposes of establishing the minimum bill pursuant to 20 VAC 5-340-80, Dominion shall file a proposal for the minimum bill by March 1, 2021, in this docket.

(8) By March 1, 2021, the Staff shall convene the first meeting of the stakeholder working group established herein and shall convene additional meetings on an ad hoc basis thereafter. Within thirty (30) days of the end of each meeting, the working group shall provide an update to the Commission on the issues discussed and any recommendations for the Commission to implement concerning the shared solar program and the multi-family shared solar program.

(9) This matter is continued.

NOTE: A copy of Attachment A entitled "Chapter 340 Rules Governing Shared Solar Program" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

[28] Staff Report at 7-8.

CASE NO. PUR-2020-00125
DECEMBER 30, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*:
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing regulations for a shared solar program pursuant to § 56-594.3 of the Code of Virginia

CORRECTING ORDER

On December 23, 2020, the State Corporation Commission ("Commission") issued its Order Adopting Rules in the above-captioned docket. Thereafter, a scribal error was discovered on page 13 of 28 of Attachment A to the Order Adopting Rules.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this error should be corrected.

Accordingly, IT IS ORDERED THAT:

(1) Attachment A to the Commission's Order Adopting Rules, specifically 20 VAC 5-340-50 B, hereby is amended. The sentence, "A subscriber organization shall not enroll [~~customers~~ subscribers] until after [~~it~~ the earlier of when the utility's customer information system is operating, or July 23, 2023, and the project] receives the executed Small Generator Interconnection Agreement . . . ." is stricken and replaced with the sentence, "A subscriber organization shall not enroll [~~customers~~ subscribers] until after [~~it~~ the earlier of when the utility's customer information system is operating, or July 1, 2023, and the project] receives the executed Small Generator Interconnection Agreement . . . ."

(2) Page 13 of Attachment A, as amended, is attached to this Correcting Order.

(3) Copies of the revised Rules Governing Shared Solar Program, 20 VAC 5-340-10 *et seq.*, including the amendment herein, shall be published in the *Virginia Register of Regulations* and shall be posted on the website of the Commission's Division of Public Utility Regulation.

(4) This matter is continued.

NOTE: A copy of Page 13 of Attachment A is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUR-2020-00126
JULY 2, 2020

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For authority to incur debt

ORDER GRANTING AUTHORITY

On July 1, 2020, Mecklenburg Electric Cooperative ("MEC" or "Cooperative") completed a petition ("Application") with the State Corporation Commission ("Commission") for approval to obtain financing under the federally-administered Paycheck Protection Program ("PPP").[1] The requested authority is required pursuant to Chapter 3 of Title 56 of the Code of Virginia.[2] The Cooperative paid a fee of $250.

MEC requests authority to borrow up to $2,285,451 of PPP funding under a loan from an existing SBA approved lender, CoBank. Funds under the PPP primarily are intended to support pre-pandemic levels of business employment by providing funds for employee payroll payments and other qualified uses. PPP borrowings used to meet program criteria are eligible to be forgiven. Under the language of the PPP, any portions of such borrowed funds not forgiven would be repayable over a term of five (5) years at an interest rate of 1.0%.[3]

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

In granting this PPP borrowing authority, the Commission notes the COVID-19 public health crisis and MEC's need for financial flexibility in its response options thereto. In addition to the PPP loan authority granted to the Cooperative in this case, the Commission has further responded to this economic emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency.[4]

Accordingly, IT IS ORDERED THAT:

(1) MEC hereby is authorized to borrow $2,285,451 under the PPP all in the manner, under the terms and conditions, and for the purposes set forth in the Application.

---

[1] The PPP is a federal program established under the Coronavirus Aid, Relief, and Economic Security Act, administered by the Small Business Administration ("SBA") and funded by the U.S. Treasury Department; *See* https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program#section-header-0

[2] Code § 56-55 *et seq.*

[3] The U.S. Treasury and the SBA announced, on June 8, 2020, changes to the PPP by enactment of the PPP Flexibility Act ("PPPFA"). Under certain circumstances the PPPFA allows for some altering of borrowing terms from the original PPP.

[4] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020), *extended by* Doc. Con. Cen. No. 200630135, Order on Suspension of Service Disconnections (Jun. 12, 2020).

(2) Within thirty (30) days of MEC filing information required for loan forgiveness with the PPP loan administrator, the Cooperative shall submit a physical and electronic copy of such information with the Director of the Division of Accounting and Finance ("UAF Director").

(3) Within thirty (30) days of a decision on forgiveness of any of its PPP borrowings, MEC should submit a physical and electronic copy of the documents received pertaining to that decision to the UAF Director, along with details regarding any amount of PPP borrowings not forgiven, to include: the total amount of any unforgiven PPP borrowings plus accrued interest due, the amount and frequency of installment payments on any unforgiven borrowings, and the scheduled dates for the initial and final payments.

(4) Approval of this Application shall have no implications for ratemaking purposes.

(5) There appearing nothing further to be done in this case, it hereby is dismissed.

CASE NO. PUR-2020-00128
AUGUST 26 , 2020

APPLICATION OF
SUVON, LLC D/B/A FIRSTENERGY ADVISORS

To conduct business as a provider of aggregation services (electric and gas)

ORDER GRANTING LICENSE

On June 29, 2020, Suvon, LLC d/b/a FirstEnergy Advisors ("Suvon" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to conduct business as an aggregator of electricity and natural gas services ("Application"). Suvon seeks authority to provide electric and natural gas aggregation services throughout Virginia to eligible commercial, industrial, governmental, and residential customers. In its Application, Suvon attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[1]

On July 14, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically on or before July 20, 2020, to each of the companies on Attachment A of the Procedural Order; and to file proof of service on or before July 27, 2020. On July 20, 2020, Suvon filed its proof of service.

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before August 5, 2020. No comments were filed in the case.

The Procedural Order directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on August 12, 2020, which summarized Suvon's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Suvon be granted a license to conduct business as an aggregator of electricity and natural gas to eligible commercial, industrial, governmental, and residential customers throughout Virginia.

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Suvon's Application for a license to provide electric aggregation services should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Suvon is hereby granted license No. A-110 to provide competitive aggregation service of electricity and natural gas to eligible commercial, industrial, governmental, and residential customers throughout Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

[1] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2020-00130
AUGUST 28, 2020

APPLICATION OF
PILOT POWER GROUP, LLC

For a license to conduct business as a competitive service provider

ORDER GRANTING LICENSE

On July 8, 2020, Pilot Power Group, LLC ("Pilot" or "Company") completed the filing of an application with the State Corporation Commission ("Commission") for a license to act as a supplier and aggregator of electricity ("Application").[1] Pilot seeks authority to provide electric supply and aggregation services in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") to eligible commercial, industrial, and governmental customers.[2] In its Application, Pilot attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[3]

On July 16, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") that, among other things, required the Company to serve a copy of the Procedural Order upon Dominion, provided an opportunity for interested persons to comment on the Application, and directed Staff to analyze the Application and present its findings in a report ("Report").

On July 27, 2020, Pilot filed proof of service in compliance with the Commission's Procedural Order.

On August 10, 2020, Dominion filed comments and a notice of participation. Through its Comments, Dominion urged the Commission and Staff to closely examine Pilot's financial and technical fitness needed to serve as an aggregator in Virginia.[4] Dominion also noted that the Retail Access Rules do not expressly subject aggregators to lower standards or less rigorous reviews than competitive service providers.[5]

On August 17, 2020, Staff filed its Report, which summarized the Application and evaluated the Company's technical fitness and financial condition. Based on its review of the Application, Staff asserted that Pilot meets the technical fitness requirement for licensure.[6] Regarding financial fitness, Staff indicated that the Company appears to have an established history of operations as a licensed competitive supplier of energy services in other jurisdictions.[7]

For those reasons, Staff recommended that the Commission grant Pilot a license to conduct business as a competitive service provider of electricity supply service and electric aggregation service to commercial, industrial, and governmental customers in Dominion's service territory contingent upon proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of $25,000.[8] Staff also recommended that Pilot establish an escrow account with a Virginia financial institution to comply with the requirements in Retail Access Rule 20 VAC 5-312-90 for the protection of any customer deposits or prepayments.[9] Finally, Staff recommended a periodic review of the level of financial security that is commensurate with Pilot's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction.[10]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Pilot's Application for a license to act as a supplier and aggregator of electricity to eligible commercial, industrial, and governmental customers in Dominion's service territory should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Pilot hereby is granted license No. A-111 to provide competitive aggregation service of electricity to eligible commercial, industrial, and governmental customers in the service territory of Dominion. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

---

[1] The Company filed its Application on June 30, 2020, but the Commission's Staff ("Staff") deemed the Application incomplete as filed. Pilot provided supplemental information on July 8, 2020, completing its Application.

[2] Retail choice for electricity is permitted only pursuant to the customer classes, load parameter, and renewable energy sources set forth in the Code of Virginia.

[3] 20 VAC 5-312-10 *et seq*.

[4] Dominion Comments at 1.

[5] *Id.* at 2.

[6] Report at 4.

[7] *Id.*

[8] *Id.*

[9] *Id.*

[10] *Id.*

(2) Pilot hereby is granted license No. E-45 to provide competitive supply service of electricity to eligible commercial, industrial, and governmental customers in the service territory of Dominion contingent upon the Company providing proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of $25,000. This license to act as a supplier is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(3) Pilot shall establish an escrow account with a Virginia financial institution to comply with the requirements in Retail Access Rule 20 VAC 5-312-90 for the protection of any customer deposits or prepayments.

(4) Staff shall conduct a periodic review of the level of financial security that is commensurate with Pilot's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction.

(5) This license is not valid authority for the provision of any product or service not identified within the license itself.

(6) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUR-2020-00131
NOVEMBER 6, 2020

APPLICATION OF
CRAIG-BOTETOURT ELECTRIC COOPERATIVE

For a general increase in electric rates

ORDER FOR NOTICE AND HEARING

On October 16, 2020, pursuant to §§ 56-231.33, 56-231.34, 56-236, 56-238, and 56-585.3 of the Code of Virginia ("Code"), Craig-Botetourt Electric Cooperative ("C-BEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a general increase in electric rates.

In support of its Application, C-BEC states that a rate increase is needed because the Cooperative recently has experienced little customer growth, reduced sales, and increasing costs.[1] C-BEC requests a 5.8% increase in its overall jurisdictional rates, which will generate approximately $729,740 in additional revenue.[2] Under the Cooperative's proposal, in this 5.8% net jurisdictional increase, two of the residential classes will see a 6.34% and 1.22% increase, respectively.[3] The Cooperative represents that an increase in jurisdictional sales revenues of $729,740 will allow it to pay expenses, service debt, fund capital additions, and meet the financial goals established by C-BEC's Board of Directors.[4] The proposed increase would produce total rate year jurisdictional margins of $808,403 and a 2.25x TIER.[5]

The Cooperative proposes a demand charge for its residential and commercial customers taking service under Schedule RS-12-U, Schedule RSTOU-3, Schedule CS-12-U, and Schedule CSTOU-1.[6] C-BEC states that by separating demand costs from consumption costs, the Cooperative's members will be able to control both types of costs, rather than just consumption costs.[7] C-BEC further states that once the requested demand charge schedules are adopted by the Commission, the Cooperative thereafter may, upon affirmative resolution of its Board of Directors, shift costs from the volumetric energy charges to existing demand charges on a revenue-neutral basis in accordance with Code § 56-585.3 A 4.[8]

The Cooperative proposes to add advanced metering, eliminate its dollar-for-dollar fuel cost recovery clause in favor of a dollar-for-dollar recovery clause for all purchased power; update and clarify its terms and conditions, and modify its Schedule LED-3.[9]

---

[1] Application at 2.

[2] *Id.* at 2, 7; Direct Testimony of Timothy J. Kaczmarski at 3.

[3] Direct Testimony of Christopher M. Miranda ("Miranda Direct") at 24.

[4] Application at 2-3.

[5] *Id.* at 3. The Cooperative clarifies that it is not requesting that the Commission set a TIER of 2.25x and adjust its proposed rates to that TIER. C-BEC requests that the Commission approve the rates as proposed, provided that the resulting TIER is within a reasonable rate that would normally be recommended for electric distribution cooperatives in Virginia. *Id.*

[6] *Id* at 3, 5; Miranda Direct at 25-31; Direct Testimony of Jeffery M. Ahearn at 6-7.

[7] Application at 3-4.

[8] Miranda Direct at 28.

[9] Application at 3-5.

The Cooperative states that it seeks to allocate the proposed $729,740 revenue increase to various rate classes to address parity deficiencies.[10] C-BEC proposes to allocate a larger portion of the distribution increase to Schedule RS-12-U and Schedule CS-12-U, with smaller increases to Schedules RSTOU-3-U, OL-12, and LED-3, and no net increase to Schedule LP-12; for the net effect of a 5.8% increase in jurisdictional sales revenues.[11]

The Cooperative requests that the Commission authorize such rates to be put into effect for bills rendered on and after April 15, 2021, as interim rates subject to refund, if necessary, as provided in Code § 56-238.[12] Under the Cooperative's proposed increase, a typical residential customer using 1,000 kilowatt hours of electricity each month would experience a monthly bill increase of $9.69, from $153.81 to $163.50.[13]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that C-BEC should provide notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Cooperative's Application; a procedural schedule should be established to allow interested persons an opportunity to comment on the Cooperative's Application or to participate in this proceeding as a respondent; 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 appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

The Commission further takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.[14] The Commission has taken certain actions, and may take additional actions going forward, that could impact the procedures in this proceeding.[15] 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 will require electronic service on parties to this proceeding.

Also in light of the current COVID-19 public health crisis, we will suspend the Cooperative's proposed rates to the furthest extent allowed by law[16] and allow, but not require, C-BEC, as requested, to implement its proposed rates for bills rendered on and after April 15, 2021, on an interim basis and subject to refund with interest. We realize that the current COVID-19 public health crisis has caused devastating economic effects that impact all utility customers. We responded to this economic emergency by, among other actions, suspending for approximately six months customer disconnections from utility service and directing Virginia utilities to offer extended payment plans, without late fees for those who are current on such plans, to protect customers from service disconnections. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must and will follow the laws applicable to this case, as well as the findings of fact supported by evidence in the record.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2020-00131.

(2) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedures before hearing examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),[17] a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

(3) C-BEC may, but is not obligated to, implement its proposed rates for bills rendered on and after April 15, 2021, on an interim basis and subject to refund with interest.

---

[10] *Id.* at 7.

[11] *Id.*; Miranda Direct at 22-25.

[12] Application at 3-9.

[13] *Id.* at 3. These figures assume a peak demand of 6.00 kilowatts and are based on annualized rates.

[14] *See, e.g.*, Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Governor Ralph S. Northam. *See also* Executive Order No. 53, Temporary Restrictions on Restaurants, Recreational, Entertainment, Gatherings, Non-Essential Retail Businesses, and Closure of K-12 Schools Due to Novel Coronavirus (COVID-19), issued March 23, 2020, by Governor Ralph S. Northam, and Executive Order No. 55, Temporary Stay at Home Order Due to Novel Coronavirus (COVID-19), issued March 30, 2020, by Governor Ralph S. Northam. These and subsequent Executive Orders related to COVID-19 may be found at: https://www.governor.virginia.gov/executive-actions/.

[15] *See, e.g.*, *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders,* Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency Extension of Prior Orders*, Case Nos. CLK-2020-00004 and CLK-2020-00005, Doc. Con. Cen. No. 200520101, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020).

[16] *See* Code § 56-238.

[17] 5 VAC 5-20-10 *et seq.*

(4) 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. Confidential and Extraordinarily Sensitive information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.[18]

(5) 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.

(6) A public hearing on the Application shall be convened on June 15, 2021, at 10 a.m., to receive the testimony of public witnesses and the evidence of the Cooperative, any respondents, and Staff. Further details on the hearing will be provided by subsequent Commission Order or Hearing Examiner's Ruling.

(7) An electronic copy of the Cooperative's Application may be obtained by submitting a written request to counsel for C-BEC, Garland S. Carr, Esquire, Williams Mullen, 200 South 10th Street, Suite 1600, Richmond, Virginia 23219, or gcarr@williamsmullen.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(8) On or before January 6, 2021, C-BEC shall cause the following notice to be published *Cooperative Living* magazine:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
CRAIG-BOTETOURT ELECTRIC COOPERATIVE
FOR A GENERAL INCREASE IN ELECTRIC RATES
CASE NO. PUR-2020-00131

On October 16, 2020, pursuant to §§ 56 231.33, 56 231.34, 56 236, 56-238, and 56 585.3 of the Code of Virginia ("Code"), Craig-Botetourt Electric Cooperative ("C-BEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a general increase in electric rates.

In support of its Application, C-BEC states that a rate increase is needed because the Cooperative recently has experienced little customer growth, reduced sales, and increasing costs. C-BEC requests a 5.8% increase in its overall jurisdictional rates, which will generate approximately $729,740 in additional revenue. Under the Cooperative's proposal, in this 5.8% net jurisdictional increase, two of the residential classes will see a 6.34% and 1.22% increase, respectively. The Cooperative represents that an increase in jurisdictional sales revenues of $729,740 will allow it to pay expenses, service debt, fund capital additions, and meet the financial goals established by C-BEC's Board of Directors. The proposed increase would produce total rate year jurisdictional margins of $808,403 and a 2.25x TIER.

The Cooperative proposes a demand charge for its residential and commercial customers taking service under Schedule RS-12-U, Schedule RSTOU-3, Schedule CS-12-U, and Schedule CSTOU-1. C-BEC states that by separating demand costs from consumption costs, the Cooperative's members will be able to control both types of costs, rather than just consumption costs. C-BEC further states that once the requested demand charge schedules are adopted by the Commission, the Cooperative thereafter may, upon affirmative resolution of its Board of Directors, shift costs from the volumetric energy charges to existing demand charges on a revenue-neutral basis in accordance with Code § 56-585.3 A 4.

The Cooperative proposes to add advanced metering, eliminate its dollar-for-dollar fuel cost recovery clause in favor of a dollar-for-dollar recovery clause for all purchased power, update and clarify its terms and conditions, and modify its Schedule LED-3.

The Cooperative states that it seeks to allocate the proposed $729,740 revenue increase to various rate classes to address parity deficiencies. C-BEC proposes to allocate a larger portion of the distribution increase to Schedule RS-12-U and Schedule CS-12-U, with smaller increases to Schedules RSTOU-3-U, OL-12, and LED-3, and no net increase to Schedule LP-12; for the net effect of a 5.8% increase in jurisdictional sales revenues.

The Cooperative requests that the Commission authorize such rates to be put into effect for bills rendered on and after April 15, 2021, as interim rates subject to refund, if necessary, as provided in Code § 56-238. Under the Cooperative's proposed increase, a typical residential customer using 1,000 kilowatt hours of electricity each month would experience a monthly bill increase of $9.69, from $153.81 to $163.50.

For more detailed information about the Cooperative's proposals, interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals. While the total revenue that may be approved by the Commission is limited to the amount produced by the Cooperative's proposed rates, TAKE NOTICE that the Commission may approve revenues and adopt rates, fees, charges, tariff revisions, and terms and conditions of service that differ from those appearing in the 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.

[18] As noted in the Commission's March 19, 2020 Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency in Case No. CLK-2020-00005, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may not be processed for an indefinite period of time due to the COVID-19 emergency. *See supra* note 15.

The Commission entered an Order for Notice and Hearing that, among other things, permits C-BEC to place its proposed rates, charges, and terms and conditions of service into effect, subject to refund, for bills rendered on and after April 15, 2021.

The Commission's Order for Notice and Hearing scheduled a public hearing at 10 a.m. June 15, 2021, to receive the testimony of public witnesses and the evidence of the Cooperative, any respondents, and the Commission's Staff. Further details on the hearing will be provided by subsequent Commission Order or Hearing Examiner's ruling.

The Commission has taken judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels. 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. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's 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.

An electronic copy of the C-BEC's Application may be obtained by submitting a written request to counsel for the Cooperative, Garland S. Carr, Esquire, Williams Mullen, 200 South 10th Street, Suite 1600, Richmond, Virginia 23219, or gcarr@williamsmullen.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

On or before June 8, 2021, any interested person may file comments on the Application either electronically by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments or by filing such comments with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2020-00131.

On or before March 9, 2021, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Cooperative. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00131.

On or before April 6, 2021, each respondent may file with the Clerk of the Commission and serve on the Commission's Staff, the Cooperative, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. In all filings, respondents shall comply with the Commission's Rules of Practice, 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-2020-00131.

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 Cooperative's Application, the Commission's Rules of Practice and the Commission's Order for Notice and Hearing may be viewed at: scc.virginia.gov/pages/Case-Information.

CRAIG-BOTETOURT ELECTRIC COOPERATIVE

(9) On or before January 6, 2021, C-BEC shall serve a copy of its Application and this Order for Notice and Hearing on the following local officials, to the extent the position exists, in each county, city, and town in which the Cooperative provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.[19]

(10) On or before February 3, 2021, C-BEC 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, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, or by filing electronically at scc.virginia.gov/clk/efiling/.

(11) On or before June 8, 2021, any interested person may file comments on the Application by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. All comments shall refer to Case No. PUR-2020-00131.

[19] See the Commission's April 1, 2020 Order in Case No. CLK-2020-00007. *See supra* note 15.

(12) On or before March 9, 2021, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Cooperative. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00131.

(13) Within five (5) business days of receipt of a notice of participation as a respondent, the Cooperative shall serve upon each respondent a copy of this Order for Notice and Hearing, a copy of the public version of the Application, and a copy of the public version of all materials filed by the Cooperative with the Commission, unless these materials already have been provided to the respondent.

(14) On or before April 6, 2021, each respondent may file with the Clerk of the Commission and serve on the Staff, the Cooperative, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2020-00131.

(15) On or before May 4, 2021, 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 Cooperative and all respondents.

(16) On or before May 25, 2021, C-BEC 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 Cooperative 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, 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 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.[20] 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.

---

[20] 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-2020-00131 in the appropriate box.

CASE NO. PUR-2020-00133
SEPTEMBER 8, 2020

APPLICATION OF
VIRGINIA NATURAL GAS, INC. and AGL SERVICES COMPANY

For approval of an amendment to a services agreement under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On July 22, 2020, Virginia Natural Gas, Inc. ("VNG"), and AGL Services Company ("AGSC") (collectively "Applicants")[1] completed the filing, with the State Corporation Commission ("Commission"), of an application ("Application") for approval to amend and extend a services agreement ("Amended Agreement") under Chapter 4[2] of Title 56 of the Code of Virginia ("Code"). VNG has received management, administrative, and other shared services ("Centralized Services")[3] from AGSC since 2000. The current services agreement has been revised five times since its initial approval in 2015, with its latest revision occurring in Case No. PUR-2019-00009.[4]

In the instant Application, the Applicants seek to amend the current services agreement to add four new Service Affiliates and 16 additional Centralized Services[5] related to three enterprise-wide initiatives of VNG's parent, Southern, and to extend the Amended Agreement's approval for five years, from October 1, 2020, through September 30, 2025.[6] Specifically, the Applicants request that (1) Mississippi Power; (2) Southern Power; (3) Southern Nuclear; and (4) Southern Linc each be authorized to provide Financial Services, Information Systems, Employee Services, and Business Support (Purchasing) Services related to the testing and integration of the Enterprise Foundation ("Enterprise Foundation"). The Enterprise Foundation is an enterprise technology platform that will integrate accounting, finance, treasury, supply chain, and human resource business and technology applications across Southern and its affiliates.

The Applicants request that (1) Mississippi Power and (2) Southern Nuclear be authorized to provide Business Support (Purchasing) Services related to the Supply Chain Integration Initiative ("Supply Chain"). The Supply Chain will combine and streamline supply chain functions into four categories: (1) enterprise services; (2) shared services; (3) gas and generation; and (4) power delivery, which are expected to leverage Southern's buying power and potentially achieve cost efficiencies and savings for customers. The Applicants further request that Southern Linc be authorized to provide Information Systems Services related to the use of Southern Linc wireless devices by SCS technology organization employees while supporting Southern's enterprise-wide computer network.

The Applicants will revise Section III (Personnel) to the Amended Agreement to reflect the removal of DIST-CO Insurance Company[7] and the additions of Mississippi Power, Southern Power, Southern Nuclear, and Southern Linc to the list of Service Affiliates.

Finally, the Applicants seek to amend the Business Support service category to reflect a change in the allocation of non-direct facilities management costs ("Non-Direct Facilities Costs") at the Ten Peachtree Place office building in Atlanta, Georgia ("Ten Peachtree"). AGSC will allocate Non-Direct Facilities Costs to each Service Affiliate based on that affiliate's occupied square footage at Ten Peachtree. Then, each Service Affiliate will allocate its portion of Non-Direct Facilities Costs to client affiliates based on the Service Affiliate's specific allocation methodology.

VNG is not staffed to perform the Centralized Services internally and operate as a stand-alone company. The Applicants represent that the Amended Agreement is a cost-effective means for VNG to obtain and utilize the Centralized Services as a part of the Southern system.

---

[1] VNG and 12 service-providing affiliates (collectively, "Service Affiliates") have been identified as parties to the Application pursuant to Code § 56-84 and have provided the statutorily required verified signatures. The Service Affiliates include AGSC, Southern Company Services, Inc. ("SCS"), Northern Illinois Gas Company, Atlanta Gas Light Company, Chattanooga Gas Company, Global Energy Resource Insurance Company, Georgia Power Company, Alabama Power Company, Mississippi Power Company ("Mississippi Power"), Southern Nuclear Operating Company ("Southern Nuclear"), Southern Power Company ("Southern Power"), and Southern Communications Services, Inc. ("Southern Linc"). VNG and the Service Affiliates are owned by Southern Company ("Southern").

[2] § 56-76 *et seq.* ("Affiliates Act").

[3] The Centralized Services include: (1) Rates and Regulatory; (2) Internal Auditing; (3) Strategic Planning; (4) External Relations; (5) Gas Supply and Capacity Management; (6) Legal Services and Risk Management; (7) Marketing; (8) Financial Services; (9) Information Systems; (10) Executive; (11) Customer Services; (12) Employee Services; (13) Engineering; (14) Business Support; (15) Corporate Communications; (16) Corporate Compliance and Corporate Secretary; (17) Project Management; and (18) Emergency Services. A detailed description of each Centralized Service can be found on pages 7-11 of the Amended Agreement, Exhibit C to the Application.

[4] *See Application of Virginia Natural Gas, Inc., and AGL Services Company, For approval of a revised services agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2019-00009, 2019 S.C.C. Ann. Rept. 359, Order Granting Approval (Mar. 21, 2019) ("PUR-2019-00009 Order").

[5] Paragraphs 16, 19, and 21 of the Application state that "[t]he Applicants' request is limited to the [sixteen additional] specific Centralized Services categories discussed in this Application, and do not request the ability for [the four new Service Affiliates] to provide other Centralized Services within thirty (30) days' notice to the Commission."

[6] The current services agreement extends through October 9, 2020. Application at 6.

[7] DIST-CO was dissolved subsequent to the PUR-2019-00009 Order.

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff ("Staff") through its action brief, and having considered the Applicants' comments thereon;[8] is of the opinion and finds that the Amended Agreement is in the public interest and is approved subject to certain requirements listed in the Appendix attached to this Order. We will re-adopt the Acknowledgement and Report requirements previously approved in the PUR-2019-00009 Order, with the Report modified slightly to include both expense and capital amounts charged to VNG, to make the auditing of Centralized Services costs more manageable in rate proceedings and to afford the Applicants the opportunity to maintain records to demonstrate "satisfactory proof…of the cost to the affiliated interest" pursuant to Code § 56-78 and § 56-79. We have adopted similar requirements in six recent Affiliates Act orders.[9]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Amended Agreement is approved subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

APPENDIX

1) The Commission's approval of the Amended Agreement shall extend for five years, from October 1, 2020, through September 30, 2025.

2) The Commission's approval shall have no accounting or ratemaking implications.

3) The Commission's approval is limited to the specific Centralized Services identified in the Amended Agreement for each Service Affiliate. Should VNG wish to obtain additional services not specifically identified in the Amended Agreement, separate approval shall be required in accordance with the requirements and timelines provided for in the Affiliates Act.

4) Separate Commission approval shall be required in accordance with the requirements and timelines provided for in the Affiliates Act for affiliated third parties (other than the named Service Affiliates) to provide Centralized Services through AGSC to VNG under the Amended Agreement.

5) Separate Commission approval shall be required in accordance with the requirements and timelines provided for in the Affiliates Act for any changes in the terms and conditions of the Amended Agreement.

6) The Commission reserves the right to examine the books and records of VNG and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

7) VNG is required to maintain records demonstrating that the Centralized Services received from AGSC and the Service Affiliates are cost beneficial to Virginia ratepayers. For all Centralized Services charged to VNG where a market may exist, VNG shall investigate whether comparable market prices are available and, if they exist, VNG shall compare the market price to cost and pay the lower of cost or market to AGSC. Records of such investigations and comparisons shall be available to Staff upon request. VNG shall bear the burden of proving, in any rate proceeding, that all Centralized Service costs charged to VNG are priced at the lower of cost or market where a market for such services exists.

8) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 et seq. hereafter.

9) VNG shall file with the Commission an executed copy of the approved Amended Agreement within 60 days after the effective date of the Order Granting Approval in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

10) VNG and AGSC shall provide a formal acknowledgement ("Acknowledgement") that the Commission regulates recovery of the Service Affiliates' Centralized Service costs passed from SCS through AGSC to VNG, and therefore must be able to determine the amount of such costs that are includible in VNG's cost of service. Such Acknowledgement shall be filed with the executed copy of the approved Amended Agreement.[10]

---

[8] The Applicants' comments are attached to Staff's action brief dated 8/18/20 filed concurrently with this order.

[9] See *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For approval of the proposed amended and restated 2019 Cost Allocation Manual,* Case No. PUR-2019-00200, Doc. Con. Ctr. No. 200220044, Order Granting Approval (Feb. 12, 2020); Doc. Con. Ctr. No. 200310173, Order on Motion (Mar. 6, 2020); *Application of Columbia Gas of Virginia, Inc., For approval of Service Agreement between Columbia Gas of Virginia, Inc., and NiSource Corporate Services Company*, Case No. PUR-2019-00143, 2019 S.C.C. Ann. Rpt. 510, Order Granting Approval (Nov. 25, 2019); *Application of Virginia Electric and Power Company and Virginia Power Services, LLC, For approval of a revised affiliate agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2019-000138, 2019 S.C.C. Ann. Rpt. 503, Order Granting Approval (Nov. 18, 2019); *Application of Virginia Electric and Power Company, Virginia Power Services Energy Corp. Inc., and Dominion Energy Fuel Services, Inc., For approval of revised fuel agreements pursuant to Chapter 4 of Title 56 of the Code of Virginia*; Case No. PUR-2019-00137, 2019 S.C.C. Ann. Rpt. 502, Order Granting Approval (Nov. 14, 2019); *Application of Virginia Natural Gas, Inc., and AGL Services Company, For approval of a revised services agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2019-00009; 2019 S.C.C. Ann. Rpt. 359, Order Granting Approval (Mar. 21, 2019); and *Application of Washington Gas Light Company, For approval of service agreement*, Case No. PUR-2017-00177, 2018 S.C.C. Ann. Rpt. 331, Order Granting Approval (Mar. 15, 2018).

[10] *See Appendix Requirement No. 1*of the Appendix to the PUR-2019-00009 Order. The form of the Acknowledgement filed to comply with that Order satisfies Requirement No. 10 herein.

11) AGSC shall obtain and maintain original cost records (invoices, etc.) of Service Affiliate transactions and provide VNG with a detailed annual report of each Service Affiliate's Centralized Service charges that pass from SCS through AGSC to VNG (collectively, "Report"). The Report, which shall be included with VNG's Annual Report of Affiliate Transactions ("ARAT"), shall report the Service Affiliate charges by Service Affiliate, month, service category, FERC account, and expense and capital amounts as the costs are recorded in VNG's books, and shall be in Excel electronic media format, with formulas attached, so that Staff can tabulate and sort the data for analysis in future rate proceedings.[11]

12) VNG shall include all transactions associated with the Amended Agreement in its ARAT submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include: (a) the case number in which the Amended Agreement was approved; (b) the names of all direct and indirect affiliated parties to the Amended Agreement; and (c) a calendar year annual schedule showing the Amended Agreement transactions by month, service category, FERC account, and amount as they are recorded on VNG's books.

[11] *See Appendix Requirement No. 2* of the Appendix to the PUR-2019-00009 Order. The form of the Report included in VNG's 2019 ARAT to comply with that Order satisfies Requirement No. 11 herein.

CASE NO. PUR-2020-00138
NOVEMBER 18, 2020

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval to amend and extend its SAVE Plan pursuant to Virginia Code § 56-604, and For approval to implement a 2021 SAVE Plan Rider in accordance with Section 20 of its General Terms and Conditions

ORDER APPROVING AMENDED SAVE PLAN

On July 24, 2020, Columbia Gas of Virginia, Inc. ("CVA" or the "Company") filed an application ("Application") pursuant to Chapter 26 of Title 56 of the Code of Virginia ("Code"), known as the Steps to Advance Virginia's Energy Plan (SAVE) Act (the "SAVE Act"),[1] for (1) approval to amend and extend its SAVE Plan pursuant to the SAVE Act; and (2) for approval to implement a Steps to Advance Virginia's Energy Plan Rider ("SAVE Rider") for calendar year 2021.[2]

The Company requests to extend its SAVE Plan for one year (calendar year 2021).[3] During this one-year extended term the Company would be authorized to spend up to $60.4 million on SAVE-eligible natural gas infrastructure and recover such costs through its SAVE Rider ("Phase 3 SAVE Plan").[4] CVA is not proposing to modify the scope of eligible infrastructure replacements to be performed under the SAVE Plan and is not proposing any other substantive changes to the terms and conditions of the SAVE Plan.[5] The Company also requests approval to implement its 2021 SAVE Rider, which is comprised of a 2019 True-Up Factor and a 2021 Projected Factor, in accordance with Section 20 of its General Terms and Conditions, to be effective with the first billing unit of January 2021 through the last billing unit of December 2021.[6]

In its Application, CVA states that its SAVE Plan is a program designed to accelerate the replacement of certain components of its gas distribution system infrastructure to enhance system safety and reliability.[7] The Company proposes to amend and extend its SAVE Plan for an additional one-year term by undertaking additional identified projects the Company expects to complete in 2021 under the proposed Phase 3 SAVE Plan; the Company states such projects will enhance safety and reliability and will positively impact the environment.[8] The Company is requesting authorization to spend up to $60.4 million (CVA's currently approved 2021 capital budget) on SAVE-eligible infrastructure under its Phase 3 SAVE Plan during calendar year 2021.[9] However, due to budget uncertainty, the Company proposes to limit the 2021 SAVE-eligible infrastructure replacement investment included in the SAVE Rider to $46.4 million.[10] In light of CVA's 2021 capital budget uncertainty, the Company identified approximately $16 million of SAVE-eligible projects that could be deferred beyond 2021, where 2021 funding levels are limited.[11] Per CVA, if those projects are deferred, the Company would allocate an additional $1.7 million toward replacement of service lines and risers, resulting in a total capital investment of $46.4 million on SAVE-eligible projects in

[1] Code §§ 56-603 through -604.

[2] Application at 1.

[3] *Id*.

[4] *Id*.

[5] Application at 1-2.

[6] *Id.* at 2.

[7] *Id*.

[8] *Id*. at 4.

[9] *Id*.

[10] *Id*.

[11] Application at 5.

2021.[12] The Company has proposed a 2019 True-Up Factor of $1,746,620 and 2021 Projected Factor of $11,103,533 for a total proposed SAVE revenue requirement of $12,850,153.[13] As proposed, the 2021 SAVE Rider would increase residential customers' bills by $1.60 per month, for a total proposed monthly SAVE Rider rate of $3.10.[14]

CVA's Application documents actual SAVE-eligible expenditures incurred during calendar year 2019, updates the schedule of annual SAVE-eligible expenditures anticipated in 2021, identifies the manner in which the Company will allocate capital expenditures among the six categories of SAVE-eligible infrastructure expenditures for 2021, documents the calculation of the 2019 True-Up Factor and 2021 Projected Factor, and includes the required schedules.[15]

On August 17, 2020, the Commission entered an Order for Notice and Comment which, among other things, provided interested persons the opportunity to file comments, requests for hearing, and notices of participation; required the Commission's Staff ("Staff") to file a report ("Staff Report"); and permitted the Company to respond to the Staff Report, any comments, or requests for hearing ("Response"). No comments or requests for hearing were filed in this proceeding. On September 30, 2020, the Board of Supervisors of Culpeper County, Virginia filed a notice of participation. The Staff filed its Staff Report on October 23, 2020.

As noted by Staff in its Report, and despite CVA's request for *up to* $60.4 million in 2021 spending, CVA's total 2021 SAVE Revenue Requirement of $12,850,153, is based on a Projected Factor that would only recover revenue requirement associated with $46.4 million of spending,[16] *to wit*: the Company's 2019 True-Up Factor (including carrying costs) designed to collect $1,746,620 of 2019 under-recoveries, with a 2021 projected factor of $11,103,533.[17] Staff's analysis and calculations uncovered no differences in CVA's proposed $46.4 million associated SAVE capital expenditures nor the resulting 2021 SAVE revenue requirement.[18] As such, Staff recommended approval of the proposed SAVE amendment for 2021 with certain revisions.

First, Staff noted a primary issue in the Company's proposed Projected Factor: whether or not CVA would gain the internal budgetary approval to proceed with the VAM-1 and DVA-6 rebuild projects (which would raise total capital spending from $46.4 million to $60.4 million and cause an under-recovery (with carrying costs) that could not be corrected until CVA's next SAVE case).[19] As discussed in Staff's Report, CVA excluded $14.0 million of requested 2021 spending from the revenue requirement determination of its Projected Factor due to budgetary concerns.[20] Upon further discussions with the Company and some additional discovery, the Company advised Staff that "CVA's budget for 2021 SAVE projects was approved in August for $46.4 million."[21] Based on the foregoing, Staff recommended that the capital expenditures associated with the 2021 SAVE revenue requirement be limited to $46.4 million and that the Commission exclude the $14.0 million of costs associated with the VAM-1 and DVA-6 rebuilds.[22]

Second, Staff expressed further concern that in future applications, there could be unintended consequences of a utility requesting a revenue requirement based on investment that is less than the investment requested for approval.[23] Specifically, if a utility provides notice to customers of a lesser revenue requirement, but is ultimately authorized SAVE investment for that year that would produce a higher revenue requirement, incremental revenue requirement above the noticed amount would be deferred to future years and would result in carrying charges to be borne by ratepayers.[24] Accordingly, Staff recommended, as a customer safeguard, that in future applications CVA propose and notice to customers a SAVE revenue requirement calculated on the full SAVE investment requested.[25]

---

[12] *Id.*

[13] *Id*. at Schedule 1.

[14] *Id.* Schedule 17 at 5.

[15] *Id*. at 6.

[16] The $46.4 million proposed 2021 spend is comprised of: i) the Smithfield Delivery Point Rebuild: $6,900,000; ii) Gala Rebuild: $11,000,000; and iii) pre-1971 coated steel and first generation plastic pipeline Main and Services Replacements of $27,700,000. (Staff Report at 2).

[17] Staff Report at 2.

[18] *Id.* at 10.

[19] *Id.*

[20] Staff Report at 10. *See also*, *Id.* at 2.

[21] *Id.* at 11.

[22] *Id.*

[23] *Id.*

[24] *Id.* In this specific case, if CVA were authorized its full request of $60.4 million of spend in 2021, and received internal budget approval to proceed, the resulting revenue requirement for 2021 would have been $649,000 greater than that noticed to customers, resulting in deferral of and carrying costs on the future revenue requirements charged to customers. (*Id.* at 11).

[25] *Id.* at 11-12. As noted by Staff, "[w]hile CVA can always place a lesser revenue requirement into effect than that noticed (*e.g.* based on a Commission order or outcomes of internal budgets), it cannot do the opposite." (*Id.* at 12).

With the aforementioned revisions, Staff recommended a True-Up Factor revenue requirement of $1,746,620, a Projected Factor revenue requirement of $11,103,533, and a Total revenue requirement of $12,850,153 for the rate year beginning January 1, 2021.[26] Staff supported the Company's proposal to use the 7.470% overall cost of capital and the 9.5% return on equity for the month of January 2019 (the month prior to the SAVE roll-in in base rate Case No. PUR-2018- 00131), as approved for CVA in Case No. PUE-2016-0003. For purposes of the True-Up Factor for the period beginning February 1 and for the Projected Factor, Staff supported CVA's proposal to use the 6.682% overall cost of capital and the 9.7% return on equity approved in Case No. PUR-2018-00131.[27] Staff further supported the Company's proposed allocation of its 2020 SAVE Rider revenue requirement in accordance with the base non-gas revenue allocations approved in Case No. PUR-2018-00131.[28] Staff recommended that the CVA SAVE Phase 3 authorized spending be limited to $46.4 million plus a 5% Phase 3 spending limit variance for a maximum SAVE-eligible spend of $48.72 million for 2021.[29]

Additionally, Staff reviewed CVA's proposed SAVE projects and recommended that the Company's proposed replacements of bare steel mains, cast iron mains, pre-1971 coated steel, first generation plastic pipelines, and risers that are prone to failure all appear to meet the eligibility requirements of the SAVE Act.[30] Likewise, Staff recommended that the proposed Gala pipeline segment and Smithfield Point of Delivery Meter and Regulator station replacements also appear to meet SAVE Act eligibility requirements.[31]

Finally, Staff did not oppose the Company's proposed modifications to Section 20 of its General Terms & Conditions.[32]

The Company filed its Response to the Staff Report on November 5, 2020, in which CVA supported Staff's recommendations and requested the Commission approve the proposed amended SAVE Plan subject to Staff's recommendations and revisions.[33]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Company's Application to amend its SAVE Plan should be approved subject to Staff's recommendations and revisions. Specifically, CVA's 2020 approved, associated capital expenditures are expressly limited to $46.4 million plus a 5% Phase 3 spending limit variance for a maximum SAVE-eligible spend of $48.72 million for 2021. The Commission further finds that CVA shall, in all future filings, propose in its SAVE Application and make available for proper notice, a revenue requirement calculated on the full investment requested in its Application.

Accordingly, IT IS ORDERED THAT:

(1) CVA's Application to amend its SAVE Plan, as permitted by § 56-603 *et seq*. of the Code, is approved, subject to the requirements set forth in this Order, and the Company shall comply with the directives herein.

(2) CVA shall file with the Commission's Divisions Public Utility Regulation and Utility Accounting and Finance, revised tariffs and terms and conditions of service for its SAVE Rider with workpapers supporting the revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order.

(3) This matter is dismissed, and the papers filed herein shall be placed in the file for ended causes.

[26] Staff Report at 10.

[27] *Id.* at 13.

[28] *Id.* at 13-15.

[29] *Id.* at 12-13.

[30] *Id.* at 3-4.

[31] Staff Report at 4-9.

[32] *Id.* at 16.

[33] Response at 2-3.

CASE NO. PUR-2020-00141
JULY 24, 2020

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For approval to obtain financing

ORDER GRANTING AUTHORITY

On July 21, 2020, Northern Neck Electric Cooperative ("Northern Neck" or "Cooperative") completed a petition ("Application") with the State Corporation Commission ("Commission") for approval to obtain financing under the federally-administered Paycheck Protection Program ("PPP").[1] The requested authority is required pursuant to Chapter 3 of Title 56 of the Code of Virginia.[2] The Cooperative paid a fee of $25.

[1] The PPP is a federal program established under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, administered by the SBA and funded by the U.S. Treasury Department; *See* https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protectionprogram#section-header-0

[2] Code § 56-55 *et seq*.

Northern Neck requests authority to borrow $1,239,345 of PPP funding under a loan from an existing Small Business Administration ("SBA") approved lender, CoBank. Funds under the PPP are primarily intended to support pre-pandemic levels of business employment by providing funds for employee payroll payments and other qualified uses. PPP borrowings used to meet program criteria are eligible to be forgiven. Under the language of the PPP, any portions of such borrowed funds not forgiven would be repayable over a term of five (5) years at an interest rate of 1.0%.[3]

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

In granting this PPP borrowing authority, the Commission notes the COVID-19 public health crisis and Northern Neck's need for financial flexibility in its response options thereto. In addition to the PPP loan authority granted to the Cooperative in this case, the Commission has further responded to this economic emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency.[4]

Accordingly, IT IS ORDERED THAT:

(1) Northern Neck hereby is authorized to borrow $1,239,345 under the PPP all in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) Within thirty (30) days of Northern Neck filing information required for loan forgiveness with the PPP loan administrator, the Cooperative shall submit a physical and electronic copy of such information with the Director of the Division of Utility Accounting and Finance ("UAF Director").

(3) Within thirty (30) days of a decision on forgiveness of any of its PPP borrowings, Northern Neck shall submit a physical and electronic copy of the documents received pertaining to that decision to the UAF Director, along with details regarding any amount of PPP borrowings not forgiven, to include: the total amount of any unforgiven PPP borrowings plus accrued interest due, the amount and frequency of installment payments on any unforgiven borrowings, and the scheduled dates for the initial and final payments.

(4) Approval of this Application shall have no implications for ratemaking purposes.

(5) There appearing nothing further to be done in this matter, it hereby is dismissed.

[3] The U.S. Treasury and the SBA announced, on June 8, 2020, changes to the PPP by enactment of the PPP Flexibility Act ("PPPFA"). Under certain circumstances, the PPPFA allows for some altering of borrowing terms from the original PPP.

[4] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020), *extended by* Doc. Con. Cen. No. 200630135, Order On Suspension of Service Disconnections (Jun. 12, 2020).

CASE NO. PUR-2020-00142
OCTOBER 16, 2020

APPLICATION OF
SOUTH SHORE TRADING AND DISTRIBUTORS, INC.

For a license to conduct business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On July 29, 2020, South Shore Trading and Distributors, Inc. ("South Shore" or "Company"), completed an application with the State Corporation Commission ("Commission") for a license to act as aggregator of electricity and natural gas services ("Application"). South Shore seeks authority to provide electric and natural gas aggregation services throughout Virginia to eligible commercial and residential customers. In its Application, South Shore attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[1]

On August 17, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically on or before August 26, 2020, to each of the companies on Attachment A of the Procedural Order, and to file proof of service on or before September 2, 2020. On September 1, 2020, South Shore filed its proof of service and requested the Commission accept the out-of-time notice served on August 31, 2020. The Commission's Staff ("Staff") did not object to South Shore's out-of-time service of the Procedural Order on the utilities listed on Attachment A.

The Procedural Order also directed any comments in the matter to be filed with the Clerk of the Commission on or before September 9, 2020. Virginia Electric and Power Company d/b/a Dominion Energy Virginia filed comments in the case by the deadline required by the Procedural Order.

The Procedural Order directed the Staff to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on September 16, 2020, which summarized South Shore's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that South Shore be granted a license to conduct business as an aggregator of electricity and natural gas to eligible commercial and residential customers throughout Virginia.

[1] 20 VAC 5-312-10 *et seq*.

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that South Shore's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) South Shore hereby is granted license No. A-112 to provide competitive aggregation service of electricity and natural gas to eligible commercial and residential customers throughout Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUR-2020-00146
JULY 29, 2020

APPLICATION OF
A&N ELECTRIC COOPERATIVE

For authority to incur debt

ORDER GRANTING AUTHORITY

On July 24, 2020, A&N Electric Cooperative ("ANEC" or "Cooperative") filed a petition ("Application") with the State Corporation Commission ("Commission") for approval to obtain financing under the federally-administered Paycheck Protection Program ("PPP").[1] The requested authority is required pursuant to Chapter 3 of Title 56 of the Code of Virginia ("Code").[2] The Cooperative paid a fee of $25.

ANEC requests authority to borrow up to $1,754,215 of PPP funding under a loan from an existing SBA approved lender, CoBank. Funds under the PPP are primarily intended to support pre-pandemic levels of business employment by providing funds for employee payroll payments and other qualified uses. PPP borrowings used to meet program criteria are eligible to be forgiven. Under the language of the PPP, any portions of such borrowed funds not forgiven would be repayable over a term of five years at an interest rate of 1.0%.[3]

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

In granting this PPP borrowing authority, the Commission notes the COVID-19 public health crisis and ANEC's need for financial flexibility in its response options thereto. In addition to the PPP loan authority granted to ANEC in this case, the Commission has further responded to this economic emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency.[4]

Accordingly, IT IS ORDERED THAT:

(1) ANEC hereby is authorized to borrow up to $1,754,215 under the PPP all in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) Within thirty (30) days of ANEC filing information required for loan forgiveness with the PPP loan administrator, the Cooperative shall submit a physical and electronic copy of such information with the Director of the Division of Utility Accounting and Finance ("UAF Director").

---

[1] The PPP is a federal program established under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, administered by the Small Business Administration ("SBA")and funded by the U.S. Treasury Department;
See https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program#section-header-0

[2] Code § 56-55 *et seq*.

[3] The U.S. Treasury and the SBA announced, on June 8, 2020, changes to the PPP by enactment of the PPP Flexibility Act ("PPPFA"). Under certain circumstances, the PPPFA allows for some altering of borrowing terms from the original PPP.

[4] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020), *extended by* Doc. Con. Cen. No. 200630135, Order On Suspension of Service Disconnections (Jun. 12, 2020).

(3) Within thirty (30) days of a decision on forgiveness of any of its PPP borrowings, ANEC shall submit a physical and electronic copy of the documents received pertaining to that decision to the UAF Director, along with details regarding any amount of PPP borrowings not forgiven, to include: the total amount of any unforgiven PPP borrowings plus accrued interest due, the amount and frequency of installment payments on any unforgiven borrowings, and the scheduled dates for the initial and final payments.

(4) Approval of this Application shall have no implications for ratemaking purposes.

(5) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUR-2020-00147
JULY 29, 2020

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For approval pursuant to Title 56, Chapter 3 of the Virginia Code

ORDER GRANTING AUTHORITY

On July 27, 2020, Northern Virginia Electric Cooperative ("NOVEC" or "Cooperative") completed a petition ("Application") with the State Corporation Commission ("Commission") for approval to obtain financing under the federally-administered Paycheck Protection Program ("PPP").[1] The requested authority is required pursuant to Chapter 3 of Title 56 of the Code of Virginia ("Code").[2] The Cooperative paid a fee of $250.

NOVEC requests authority to borrow $6,845,000 of PPP funding under a loan from an existing Small Business Administration ("SBA") approved lender, CoBank. Funds under the PPP are primarily intended to support pre-pandemic levels of business employment by providing funds for employee payroll payments and other qualified uses. PPP borrowings used to meet program criteria are eligible to be forgiven. Under the language of the PPP, any portions of such borrowed funds not forgiven would be repayable over a term of five years at an interest rate of 1.0%.[3]

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

In granting this PPP borrowing authority, the Commission notes the COVID-19 public health crisis and NOVEC's need for financial flexibility in its response options thereto. In addition to the PPP loan authority granted to the Cooperative in this case, the Commission has further responded to this economic emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency.[4]

Accordingly, IT IS ORDERED THAT:

(1) NOVEC hereby is authorized to borrow $6,845,000 under the PPP all in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) Within thirty (30) days of NOVEC filing information required for loan forgiveness with the PPP loan administrator, the Cooperative shall submit a physical and electronic copy of such information with the Director of the Division of Utility Accounting and Finance ("UAF Director").

(3) Within thirty (30) days of a decision on forgiveness of any of its PPP borrowings, NOVEC shall submit a physical and electronic copy of the documents received pertaining to that decision to the UAF Director, along with details regarding any amount of PPP borrowings not forgiven, to include: the total amount of any unforgiven PPP borrowings plus accrued interest due, the amount and frequency of installment payments on any unforgiven borrowings, and the scheduled dates for the initial and final payments.

(4) Approval of this application shall have no implications for ratemaking purposes.

(5) There appearing nothing further to be done in this matter, it hereby is dismissed.

---

[1] The PPP is a federal program established under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, administered by the SBA and funded by the U.S. Treasury Department; *see* https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program#section-header-0

[2] Code § 56-55 *et seq.*

[3] The U.S. Treasury and the SBA announced, on June 8, 2020, changes to the PPP by enactment of the PPP Flexibility Act ("PPPFA"). Under certain circumstances, the PPPFA allows for some altering of borrowing terms from the original PPP.

[4] *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements,* Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020), *extended by* Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020), *extended by* Doc. Con. Cen. No. 200630135, Order On Suspension of Service Disconnections (Jun. 12, 2020).

CASE NO. PUR-2020-00148
SEPTEMBER 3, 2020

JOINT PETITION OF
CONTERRA ULTRA BROADBAND, LLC, CUB PARENT, INC., EAGLECREST CUB GP INC., and
DRADEN INVESTORS, LLC

For approval of the transfer of indirect control of Conterra Ultra Broadband, LLC to EagleCrest CUB GP Inc. and Draden Investors, LLC pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On August 3, 2020, Conterra Ultra Broadband, LLC ("CUB"), CUB Parent, Inc. ("CUB Parent"), EagleCrest CUB GP Inc. ("EagleCrest CUB GP"), and Draden Investors, LLC ("APG US") (collectively, the "Petitioners")[1] completed the filing of a Joint Petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[2] requesting approval of the transfer ("Transfer") of indirect control of CUB to EagleCrest CUB GP and APG US. The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*

CUB is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity issued by the Commission.[3] Pursuant to an agreement announced on July 1, 2020, through a series of simultaneous transactions, indirect control over CUB will be transferred from CSC GP to EagleCrest CUB GP and APG US. Under the Proposed Transfer, CUB will continue to be 100-percent indirectly owned and controlled by CUB Parent, which will in turn be owned, either directly or indirectly, by EagleCrest CUB GP and APG US, and their parent companies.

The Petitioners assert that the proposed Transfer will not result in service disruption, termination, or confusion to CUB's customers. The Petitioners further represent that CUB will continue to provide service to its customers without any changes to the rates, terms, or conditions of service as result of the proposed Transfer. Lastly, information provided with the Petition indicates that CUB will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia under the control of EagleCrest CUB GP and APG US.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff through its action brief, is of the opinion and finds that the above-described Transfer should be approved. The Commission also finds that the Petitioners' Motion is no longer necessary and, therefore, should be denied.[4]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(3) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

---

[1]CSC CUB Holdings, LP, Court Square Capital GP III, LLC ("CSC GP"), EagleCrest Portfolio Holdings LP, Fiera Infra GP Inc., Fiera Infrastructure Inc., Fiera Capital Corporation, APG Asset Management US Inc., APG Asset Management N.V., APG Asset Groep N.V., and Stichting Pensioenfonds ABP are also considered Petitioners and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] *See Application of Conterra Ultra Broadband, LLC, For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia,* Case No. PUC-2012-00071, Doc. Con. Cen. No. 130350017, Final Order (Mar. 29, 2013).

[4] The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2020-00150
DECEMBER 17, 2020

PETITION OF
TRUCONNECT COMMUNICATIONS, INC.

For declaratory ruling and for designation as an eligible telecommunications carrier

ORDER ON PETITION

On July 31, 2020, TruConnect Communications, Inc. ("TruConnect" or "Company"), filed with the State Corporation Commission ("Commission") a petition for a declaratory ruling and designation as an eligible telecommunications carrier ("ETC") pursuant to 47 U.S.C. § 214(e) ("Petition"). TruConnect states that it is a provider of commercial mobile radio service ("CMRS"), which has historically been exempt from Commission regulation.[1] TruConnect requests that the Commission issue a declaratory ruling asserting jurisdiction over wireless providers for the purpose of the ETC designation that the Company requests.[2] TruConnect states that it seeks ETC designation solely to provide Lifeline service to qualifying Virginia consumers and it will not (and is not eligible to) seek access to funds from the federal Universal Service Fund for the purpose of participating in the Link-Up program or providing service to high cost areas.[3] TruConnect states that it provides prepaid wireless telecommunications services to consumers by using the underlying wireless networks of facilities-based providers, primarily T-Mobile USA, Inc., and also Sprint Spectrum, L.P., on a wholesale basis to offer nationwide service and thus operate as a Mobile Virtual Network Operator ("MVNO") or reseller of wireless service.[4]

In its Petition, TruConnect acknowledges that the Commission previously found in 2002 when addressing the first application for ETC designation filed with the Commission by a CMRS provider, Virginia Cellular LLC,[5] that such a request should be made to the Federal Communications Commission ("FCC") pursuant to 47 U.S.C. § 214(e)(6).[6] TruConnect asserts that the Commission should assert jurisdiction over its ETC designation request and grant the Company's Petition.

On November 6, 2020, TruConnect filed a Motion for Order for Notice and Comment in which it moved for entry of an order providing for notice to the public, an opportunity for comment, and an investigation of its Petition by the Staff of the Commission ("Motion").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that TruConnect's Petition and Motion should be denied. We find, in exercising our statutorily authorized discretion in such matters under § 56-265.4:4 B 4 of the Code of Virginia ("Code"),[7] that the Commission should continue its precedent of not asserting jurisdiction over wireless providers for purposes of ETC designations as requested by TruConnect. The Commission has been preempted from rate regulation of wireless carriers at the federal level,[8] and the Commission is unable to exercise enforcement authority over the prices charged or services provided by TruConnect to Virginia consumers, even if the requested ETC designation is granted by the Commission. Accordingly, we find that TruConnect's application for ETC designation should be decided by the FCC pursuant to 47 U.S.C. § 214(e)(6).

---

[1] Petition at 1.

[2] *Id.*

[3] *Id*. at 2.

[4] *See, e.g., id.* at 3, 17.

[5] *Commonwealth of Virginia, ex rel., At the relation of the State Corporation Commission, Ex Parte, in re: Implementation of Requirements of § 214(e) of the Telecommunications Act of 1996,* and *In re: Application of Virginia Cellular LLC, For designation as an eligible telecommunications provider under 47 U.S.C. § 214(e)(2),* Case Nos. PUC-1997-00135 and PUC-2001-00263, 2002 S.C.C. Ann. Rept. 208, Order (Apr. 9, 2002).

[6] *See, e.g.,* Petition at 6-7.

[7] Code § 56-265.4:4 B 4 provides in part that "[t]he Commission shall discharge the responsibilities of state commissions as set forth in the federal Telecommunications Act of 1996 (P.L. 104-104) (the Act) and applicable law and regulations, including, but not limited to, the arbitration of interconnection agreements between local exchange carriers; however, the Commission may exercise its discretion to defer selected issues under the Act."

[8] *See* 47 U.S.C. § 332(c)(3). The Commission also notes that the Virginia statutes providing Commission authority over wireless providers have been repealed. *See* 1995 Va. Acts ch. 281.

We are unconvinced by TruConnect that our prior findings in this area should be altered.[9] For example, TruConnect asserts the Virginia statutes that were repealed in 1995[10] had merely conferred limited jurisdiction to the Commission over CMRS providers.[11] However, the language quoted in the Petition is not the statutory law repealed by the General Assembly in 1995 but rather a bill that was proposed, but not enacted.[12] The Commission's authority over CMRS providers prior to the federal preemption and repeal of the Virginia statutes was not limited but rather more traditional in nature, including governing applications for certificates of public convenience and necessity to provide service in Virginia as well as price regulation authority.[13]

TruConnect quotes Code § 56-265.4:4 B 3[14] to assert that if the Commission continues to defer jurisdiction over wireless ETC petitions, then the legislative intent of promoting competition and innovation embodied in the statute as it relates to Lifeline services will continue to be hampered.[15] However, Code § 56-265.4:4 B 3 addresses competition among incumbent and competitive local exchange and interexchange service providers certificated by the Commission, and not wireless carriers.

TruConnect states that while CMRS remains exempt from Commission jurisdiction, Virginia statutes do not explicitly prohibit the Commission from entertaining petitions from wireless carriers for ETC designation purposes.[16] We note, however, that the General Assembly has made no statutory amendment, since the Commission first deferred the request for designation by Virginia Cellular in 2002, for the Commission to act otherwise concerning wireless carriers.[17]

Finally, TruConnect cites the Code § 56-585.1:9 ("Broadband Pilot Statute") as evidence of clear intention of the legislature to encourage broadband deployment in rural Virginia.[18] While true, the Broadband Pilot Statute focuses on deployment of broadband facilities in conjunction with two of Virginia's largest investor-owned electric utilities. As TruConnect is a MVNO or reseller of wireless service based upon already constructed facilities of other wireless providers, the Company's request for ETC designation would not appear to expand the deployment of broadband facilities nor make broadband services available, anywhere they are not already, from another wireless service provider.

Therefore, we find that the Commission should follow its precedent of not asserting jurisdiction over wireless providers for purposes of considering requests for ETC designations as requested by TruConnect. Accordingly, IT IS ORDERED, for the reasons described above, that the Petition and Motion of TruConnect are denied, and this case is dismissed.

---

[9] *See, e.g., Petition of Declaration Networks Group, Inc., In re: designation as an Eligible Telecommunications Carrier pursuant to 47 U.S.C. § 214(e).* Case No. PUC-2014-00063, 2015 S.C.C. Ann. Rept. 152, Order (Jan. 15, 2015); *Application of BARConnects, LLC, For designation as an eligible telecommunications carrier pursuant to 47 U.S.C. § 214(e),* Case No. PUC-2015-00015, Doc. Con Cen. No. 150330048, Order (Mar. 30, 2015); *Application of EMPOWER Broadband, Inc., For designation as an eligible telecommunications carrier,* Case No. PUR-2018-00155, 2018 S.C.C. Ann. Rept. 534, Order (Sept. 25, 2018); *Application of PGEC Enterprises, LLC, For designation as an eligible telecommunications carrier,* Case No. PUR-2018-00156, 2018 S.C.C. Ann. Rept. 535, Order (Sept. 25, 2018); *Application of BARConnects, LLC, For designation as an eligible telecommunications carrier,* Case No. PUR-2018-00157, 2018 S.C.C. Ann. Rept. 535, Order (Sept. 25, 2018).

[10] 1995 Va. Acts ch. 281.

[11] Petition at 6-7 (incorrectly citing to Chapter 16.1 of Title 56, which applied to radio common carriers, Code §§ 56-508.1 through 56-508.7, while in actuality, Chapter 16.2 of Title 56, Code §§ 56-508.8 through 56-508.14, governed the Commission's jurisdiction over "cellular mobile radio communication carriers," the term then for what is now referred to as wireless or CMRS providers).

[12] *See* Senate Bill 1001 (1995 General Assembly session - LIS > Bill Tracking > SB1001 > 1995 session (state.va.us)).

[13] *See, e.g.,* Code §§ 56-508.8 through 56-508.14; 1985 Va. Acts ch. 37, 38; 1987 Va. Acts ch. 606; 1991 Va. Acts ch. 324.

[14] Code § 56-265.4:4 B 3 provides in part: "The Commission shall (i) promote and seek to assure the provision of competitive services to all classes of customers throughout all geographic areas of the Commonwealth by a variety of service providers...."

[15] Petition at 8.

[16] *Id.*

[17] For example, while the General Assembly repealed the Commission's authority over CMRS providers with 1995 Va. Acts ch. 281, the General Assembly modified Title 58.1 of the Code so that Commission jurisdiction relating to gross receipts and property assessments would continue for those entities formerly certificated by the Commission that were authorized by the FCC to provide commercial mobile service. *See, e.g.,* 1995 Va. Acts ch. 507; 1998 Va. Acts ch. 897.

[18] Petition at 26-27.

CASE NO. PUR-2020-00150
DECEMBER 23, 2020

PETITION OF
TRUCONNECT COMMUNICATIONS, INC.

For declaratory ruling and for designation as an eligible telecommunications carrier

ORDER VACATING

On December 22, 2020, TruConnect Communications, Inc. ("TruConnect") filed a Motion for Vacating Order and Allowing for Withdrawal of Petition ("Motion"). The Motion requests that the State Corporation Commission ("Commission") allow TruConnect to withdraw its Petition in this matter, and that the Commission vacate its Order on Petition dated December 17, 2020.

NOW THE COMMISSION, upon consideration hereof, finds that as the Order on Petition contains no findings of fact regarding the requests in the Petition, the Commission will exercise its discretion to grant the Motion. The Petition is withdrawn, and the Commission vacates its Order on Petition dated December 17, 2020.

Accordingly, IT IS SO ORDERED, and this matter is DISMISSED.

CASE NO. PUR-2020-00151
DECEMBER 17, 2020

PETITION OF
Q LINK WIRELESS LLC

For declaratory ruling and for designation as an eligible telecommunications carrier

ORDER ON PETITION

On July 31, 2020, Q LINK WIRELESS LLC ("Q LINK" or "Company"), filed with the State Corporation Commission ("Commission") a petition for a declaratory ruling and designation as an eligible telecommunications carrier ("ETC") pursuant to 47 U.S.C. § 214(e) ("Petition"). Q LINK states that it is a provider of commercial mobile radio service ("CMRS"), which has historically been exempt from Commission regulation.[1] Q LINK requests that the Commission issue a declaratory ruling asserting jurisdiction over wireless providers for the purpose of the ETC designation that the Company requests.[2] Q LINK states that it seeks ETC designation solely to provide Lifeline service to qualifying Virginia consumers and it will not (and is not eligible to) seek access to funds from the federal Universal Service Fund for the purpose of participating in the Link-Up program or providing service to high cost areas.[3] Q LINK states that it provides prepaid wireless telecommunications services to consumers by using the underlying wireless networks of facilities-based providers, primarily T-Mobile USA, Inc., and also Sprint Spectrum, L.P., on a wholesale basis to offer nationwide service and thus operate as a Mobile Virtual Network Operator ("MVNO") or reseller of wireless service.[4]

In its Petition, Q LINK acknowledges that the Commission previously found in 2002 when addressing the first application for ETC designation filed with the Commission by a CMRS provider, Virginia Cellular LLC,[5] that such a request should be made to the Federal Communications Commission ("FCC") pursuant to 47 U.S.C. § 214(e)(6).[6] Q LINK asserts that the Commission should assert jurisdiction over its ETC designation request and grant the Company's Petition.

On November 6, 2020, Q LINK filed a Motion for Order for Notice and Comment in which it moved for entry of an order providing for notice to the public, an opportunity for comment, and an investigation of its Petition by the Staff of the Commission ("Motion").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Q LINK's Petition and Motion should be denied. We find, in exercising our statutorily authorized discretion in such matters under § 56-265.4:4 B 4 of the Code of Virginia ("Code"),[7] that the Commission should continue its precedent of not asserting jurisdiction over wireless providers for purposes of ETC designations as requested by Q LINK.

---

[1] Petition at 1.

[2] *Id.*

[3] *Id*. at 1-2.

[4] *See, e.g., id.* at 3, 17-18.

[5] *Commonwealth of Virginia, ex rel., At the relation of the State Corporation Commission, Ex Parte, in re: Implementation of Requirements of § 214(e) of the Telecommunications Act of 1996,* and *In re: Application of Virginia Cellular LLC, For designation as an eligible telecommunications provider under 47 U.S.C. § 214(e)(2),* Case Nos. PUC-1997-00135 and PUC-2001-00263, 2002 S.C.C. Ann. Rept. 208, Order (Apr. 9, 2002).

[6] *See, e.g.,* Petition at 6-7.

[7] Code § 56-265.4:4 B 4 provides in part that "[t]he Commission shall discharge the responsibilities of state commissions as set forth in the federal Telecommunications Act of 1996 (P.L. 104-104) (the Act) and applicable law and regulations, including, but not limited to, the arbitration of interconnection agreements between local exchange carriers; however, the Commission may exercise its discretion to defer selected issues under the Act."

The Commission has been preempted from rate regulation of wireless carriers at the federal level,[8] and the Commission is unable to exercise enforcement authority over the prices charged or services provided by Q LINK to Virginia consumers, even if the requested ETC designation is granted by the Commission. Accordingly, we find that Q LINK's application for ETC designation should be decided by the FCC pursuant to 47 U.S.C. § 214(e)(6).

We are unconvinced by Q LINK that our prior findings in this area should be altered.[9] For example, Q LINK asserts the Virginia statutes that were repealed in 1995[10] had merely conferred limited jurisdiction to the Commission over CMRS providers.[11] However, the language quoted in the Petition is not the statutory law repealed by the General Assembly in 1995 but rather a bill that was proposed, but not enacted.[12] The Commission's authority over CMRS providers prior to the federal preemption and repeal of the Virginia statutes was not limited but rather more traditional in nature, including governing applications for certificates of public convenience and necessity to provide service in Virginia as well as price regulation authority.[13]

Q LINK quotes Code § 56-265.4:4 B 3[14] to assert that if the Commission continues to defer jurisdiction over wireless ETC petitions, then the legislative intent of promoting competition and innovation embodied in the statute as it relates to Lifeline services will continue to be hampered.[15] However, Code § 56-265.4:4 B 3 addresses competition among incumbent and competitive local exchange and interexchange service providers certificated by the Commission, and not wireless carriers.

Q LINK states that while CMRS remains exempt from Commission jurisdiction, Virginia statutes do not explicitly prohibit the Commission from entertaining petitions from wireless carriers for ETC designation purposes.[16] We note, however, that the General Assembly has made no statutory amendment, since the Commission first deferred the request for designation by Virginia Cellular in 2002, for the Commission to act otherwise concerning wireless carriers.[17]

Finally, Q LINK cites the Code § 56-585.1:9 ("Broadband Pilot Statute") as evidence of clear intention of the legislature to encourage broadband deployment in rural Virginia.[18] While true, the Broadband Pilot Statute focuses on deployment of broadband facilities in conjunction with two of Virginia's largest investor-owned electric utilities. As Q LINK is a MVNO or reseller of wireless service based upon already constructed facilities of other wireless providers, the Company's request for ETC designation would not appear to expand the deployment of broadband facilities nor make broadband services available, anywhere they are not already, from another wireless service provider.

Therefore, we find that the Commission should follow its precedent of not asserting jurisdiction over wireless providers for purposes of considering requests for ETC designations as requested by Q LINK. Accordingly, IT IS ORDERED, for the reasons described above, that the Petition and Motion of Q LINK are denied, and this case is dismissed.

---

[8] *See* 47 U.S.C. § 332(c)(3). The Commission also notes that the Virginia statutes providing Commission authority over wireless providers have been repealed. *See* 1995 Va. Acts ch. 281.

[9] *See, e.g., Petition of Declaration Networks Group, Inc., In re: designation as an Eligible Telecommunications Carrier pursuant to 47 U.S.C. § 214(e).* Case No. PUC-2014-00063, 2015 S.C.C. Ann. Rept. 152, Order (Jan. 15, 2015); *Application of BARConnects, LLC, For designation as an eligible telecommunications carrier pursuant to 47 U.S.C. § 214(e),* Case No. PUC-2015-00015, Doc. Con Cen. No. 150330048, Order (Mar. 30, 2015); *Application of EMPOWER Broadband, Inc., For designation as an eligible telecommunications carrier,* Case No. PUR-2018-00155, 2018 S.C.C. Ann. Rept. 534, Order (Sept. 25, 2018); *Application of PGEC Enterprises, LLC, For designation as an eligible telecommunications carrier,* Case No. PUR-2018-00156, 2018 S.C.C. Ann. Rept. 535, Order (Sept. 25, 2018); *Application of BARConnects, LLC, For designation as an eligible telecommunications carrier,* Case No. PUR-2018-00157, 2018 S.C.C. Ann. Rept. 535, Order (Sept. 25, 2018).

[10] 1995 Va. Acts ch. 281.

[11] Petition at 7 (incorrectly citing to Chapter 16.1 of Title 56, which applied to radio common carriers, Code §§ 56-508.1 through 56-508.7, while in actuality, Chapter 16.2 of Title 56, Code §§ 56-508.8 through 56-508.14, governed the Commission's jurisdiction over "cellular mobile radio communication carriers," the term then for what is now referred to as wireless or CMRS providers).

[12] *See* Senate Bill 1001 (1995 General Assembly session - LIS > Bill Tracking > SB1001 > 1995 session (state.va.us)).

[13] *See, e.g.,* Code §§ 56-508.8 through 56-508.14; 1985 Va. Acts ch. 37, 38; 1987 Va. Acts ch. 606; 1991 Va. Acts ch. 324.

[14] Code § 56-265.4:4 B 3 provides in part: "The Commission shall (i) promote and seek to assure the provision of competitive services to all classes of customers throughout all geographic areas of the Commonwealth by a variety of service providers...."

[15] Petition at 8.

[16] *Id.*

[17] For example, while the General Assembly repealed the Commission's authority over CMRS providers with 1995 Va. Acts ch. 281, the General Assembly modified Title 58.1 of the Code so that Commission jurisdiction relating to gross receipts and property assessments would continue for those entities formerly certificated by the Commission that were authorized by the FCC to provide commercial mobile service. *See, e.g.,* 1995 Va. Acts ch. 507; 1998 Va. Acts ch. 897.

[18] Petition at 27.

CASE NO. PUR-2020-00151
DECEMBER 23, 2020

PETITION OF
Q LINK WIRELESS LLC

For declaratory ruling and for designation as an eligible telecommunications carrier

ORDER VACATING

On December 22, 2020, Q LINK WIRELESS LLC ("Q LINK") filed a Motion for Vacating Order and Allowing for Withdrawal of Petition ("Motion"). The Motion requests that the State Corporation Commission ("Commission") allow Q LINK to withdraw its Petition in this matter, and that the Commission vacate its Order on Petition dated December 17, 2020.

NOW THE COMMISSION, upon consideration hereof, finds that as the Order on Petition contains no findings of fact regarding the requests in the Petition, the Commission will exercise its discretion to grant the Motion. The Petition is withdrawn, and the Commission vacates its Order on Petition dated December 17, 2020.

Accordingly, IT IS SO ORDERED, and this matter is DISMISSED.

CASE NO. PUR-2020-00152
OCTOBER 30, 2020

APPLICATION OF
MASSANUTTEN PUBLIC SERVICE CORPORATION and WATER SERVICE CORPORATION

For approval of a revised services agreement under Chapter 4 of Title 56 of the Code of Virginia, Va. Code § 56-76 *et seq*.

ORDER GRANTING APPROVAL

On August 5, 2020, Massanutten Public Service Corporation ("Massanutten" or "Company") and Water Service Corporation ("WSC") (collectively, "Applicants")[1] completed the filing of an Application with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code")[2] and Requirement (7) of the Appendix to the Commission's Order Granting Approval in Case No. PUE-2016-00013,[3] requesting approval of modifications to the currently operative services agreement ("Current Agreement") approved in the 2016 Order, under which WSC provides administrative, management, and other centralized shared services ("Services") to Massanutten.

Specifically, the Applicants request approval to amend the Current Agreement by adding provisions to clarify that WSC may either provide Services directly to Massanutten, or may procure certain of the Services from a Service Affiliate(s) and charge the Pass-Through Costs[4] incurred to Massanutten (the "Revised Agreement"). As described in the Application, the Service Affiliates that WSC expects to engage for Pass-Through Services under the Revised Agreement are CII; Corix Infrastructure (US), Inc.; and Corix Infrastructure Services (US) Inc. The Applicants acknowledge that cost recovery for Massanutten under the Revised Agreement will not be allowed for Services provided by affiliates other than WSC and the Service Affiliates.[5] The Applicants represent that, except for the revisions described in the Application, the proposed Revised Agreement is substantially identical to the Current Agreement approved by the Commission in the 2016 Order.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff ("Staff") through Staff's Action Brief, is of the opinion and finds that the Revised Agreement is in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

---

[1] Corix Infrastructure Inc. ("CII"), Corix Infrastructure (US), Inc., and Corix Infrastructure Services (US) Inc. (collectively, the "Service Affiliates"), are also considered Applicants and have provided the statutorily required verifications.

[2] Code § 56-76 *et seq*. ("Affiliates Act").

[3] *Application of Massanutten Public Service Corporation, For approval of amended services agreement,* Case No. PUE-2016-00013, 2016 S.C.C. Ann. Rept. 373, Order Granting Approval (Mar. 30, 2016) ("2016 Order").

[4] "Pass-Through Costs" refers to the costs of Services provided by the Service Affiliates and charged to WSC that pass from the Service Affiliates through WSC to Massanutten.

[5] Application at 5.

We also find that Staff's recommended requirements in its Action Brief regarding Pass-Through Costs should be adopted in this case. We have imposed similar requirements in several recent Affiliates Act orders.[6]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Applicants are hereby granted approval to enter into the Revised Agreement effective as of the date of this Order, subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is dismissed.

[6] *See Application of Virginia Natural Gas, Inc., and AGL Services Company, For approval of an amendment to a services agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2020-00133, Doc. Con. Cen. No. 200918124, Order Granting Approval (Sept. 8, 2020); *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For approval of the proposed amended and restated 2019 Cost Allocation Manual,* Case No. PUR-2019-00200, Doc. Con. Cen. No. 200220044, Order Granting Approval (Feb. 12, 2020), clarified by Doc. Con. Cen. No. 200310173, Order on Motion (Mar. 6, 2020); *Application of Columbia Gas of Virginia, Inc., For approval of Service Agreement between Columbia Gas of Virginia, Inc., and NiSource Corporate Services Company*, Case No. PUR-2019-00143, 2019 S.C.C. Ann. Rept. 510, Order Granting Approval (Nov. 25, 2019); *Application of Virginia Electric and Power Company and Virginia Power Services, LLC, For approval of a revised affiliate agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2019-00138, 2019 S.C.C. Ann. Rept. 503, Order Granting Approval (Nov. 18, 2019); *Application of Virginia Electric and Power Company, Virginia Power Services Energy Corp. Inc., and Dominion Energy Fuel Services, Inc., For approval of revised fuel agreements pursuant to Chapter 4 of Title 56 of the Code of Virginia*; Case No. PUR-2019-00137, 2019 S.C.C. Ann. Rept. 502, Order Granting Approval (Nov. 14, 2019); *Application of Virginia Natural Gas, Inc., and AGL Services Company, For approval of a revised services agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2019-00009; 2019 S.C.C. Ann. Rept. 359, Order Granting Approval (Mar. 21, 2019); and *Application of Washington Gas Light Company, For approval of service agreement*, Case No. PUR-2017-00177, 2018 S.C.C. Ann. Rept. 331, Order Granting Approval (Mar. 15, 2018).

APPENDIX

(1) Pursuant to the Revised Agreement, the Company shall provide a formal acknowledgement that the Commission regulates recovery of any Pass-Through Costs that pass from the Service Affiliates through WSC to Massanutten, and therefore the Commission must be able to determine the amount of such costs that are includible in Massanutten's cost of service.

(2) For all Pass-Through Costs that pass from the Service Affiliates through WSC to Massanutten, WSC shall obtain and maintain original cost records (invoices, etc.) of the costs and provide Massanutten with an annual report ("Report") that details the costs by: Service Affiliate, month, Service category, FERC[1] account, and amount as the costs are recorded on Massanutten's books and which shall be in Excel electronic media format, with formulas intact, so that Staff can tabulate and sort the data for analysis in future rate proceedings. The Report shall cover the January 1-December 31 calendar year and be submitted with the Company's Annual Report of Affiliate Transactions ("ARAT") to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") each year.

(3) The Commission's approval of the Revised Agreement is limited to five (5) years from the date of the Order in this case. Should the Applicants wish to continue under the Revised Agreement beyond that date, separate Commission approval shall be required.

(4) The Commission's approval shall have no accounting or ratemaking implications.

(5) The Commission's approval is limited to the specific Services identified in the Revised Agreement. Should Massanutten wish to obtain additional services not specifically identified in the Revised Agreement, separate approval shall be required.

(6) Separate Commission approval shall be required for affiliated third parties (other than the named Service Affiliates) to provide Services through WSC to Massanutten under the Revised Agreement.

(7) Separate Commission approval shall be required for any changes in the terms and conditions of the Revised Agreement.

(8) The Commission reserves the right to examine the books and records of Massanutten and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(9) Massanutten shall maintain records demonstrating that the Services received from WSC and the Service Affiliates are cost beneficial to Virginia ratepayers. For all Services charged to Massanutten where a market may exist, Massanutten shall investigate whether comparable market prices are available and, if they exist, Massanutten shall compare the market price to cost and pay the lower of cost or market to WSC. Records of such investigations and comparisons shall be available to Staff upon request. Massanutten shall bear the burden of proving, in any rate proceeding, that all Service costs charged to Massanutten are priced at the lower of cost or market where a market for such services exists.

(10) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

(11) Massanutten shall file with the Commission an executed copy of the approved Revised Agreement within thirty (30) days after the effective date of the Order in this case, subject to administrative extension by the Commission's UAF Director.

(12) Massanutten shall include all transactions associated with the Revised Agreement in its ARAT submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include: (a) the case number in which the Revised Agreement was approved; (b) the names of all direct and indirect affiliated parties to the Revised Agreement; and (c) a calendar year annual schedule showing the Revised Agreement transactions by month, service category, FERC account, and amount as they are recorded on Massanutten's books.

[1] Federal Energy Regulatory Commission ("FERC").

CASE NO. PUR-2020-00154
OCTOBER 26, 2020

PETITION OF
DOGWOOD SOLAR, LLC

For injunctive relief against Shenandoah Valley Electric Cooperative

FINAL ORDER

On August 3, 2020, Dogwood Solar, LLC ("Dogwood Solar" or "Dogwood"), filed its Complaint and Petition for Injunctive Relief and Request for Expedited Action ("Petition") with the State Corporation Commission ("Commission") pursuant to Rule 100 (5 VAC 5-20-100) of the Commission's Rules of Practice and Procedure,[1] and pursuant to Rule 100 (20 VAC 5-314-100) of the Commission's Regulations Governing Interconnection of Small Electrical Generators.[2] Dogwood Solar's Petition requests injunctive relief and expedited action against Shenandoah Valley Electric Cooperative ("SVEC") regarding an alleged dispute between Dogwood Solar and SVEC concerning Dogwood's cost responsibilities for interconnection in the SVEC service territory.

On August 7, 2020, the Commission entered its Procedural Order that among other things, established a procedural schedule for SVEC to respond to the Petition and for Dogwood to reply to that response.

On August 20, 2020, SVEC filed Shenandoah Valley Electric Cooperative's Motion to Dismiss and/or Stay ("Motion to Dismiss"). In support of its Motion to Dismiss, SVEC argues that Dogwood's request for injunctive relief is premature as Dogwood has not completed other prerequisites for an interconnection agreement. Also, on August 20, 2020, SVEC filed an application to initiate a rulemaking with regard to cost responsibilities for interconnection customers.[3]

On August 21, 2020, the Virginia, Maryland & Delaware Association of Electric Cooperatives ("Association") filed its Motion for Leave to File a Notice of Participation as a Respondent along with a Notice of Participation ("Motion for Leave").

On August 27, 2020, Dogwood filed its Reply of Dogwood Solar LLC.

On September 9, 2020, the Commission entered its Order on Petition and Application, which among other things, assigned a Hearing Examiner to conduct all further proceedings in this matter; denied SVEC's Motion to Dismiss; stayed the Rulemaking Docket; and required the parties to submit a list of disputed and undisputed facts to the Hearing Examiner.

On September 11, 2020, the Hearing Examiner issued a ruling in this matter, which scheduled oral arguments on the Association's Motion for Leave.

On September 15, 2020, Dogwood filed a letter with the Clerk of the Commission stating that it did not object to the Association's Motion for Leave.

On September 16, 2020, the Hearing Examiner, by ruling, granted the Association's Motion for Leave, accepted the Association's Notice of Participation for filing, and cancelled the previously scheduled hearing for oral argument on the Motion for Leave.

On September 17, 2020, SVEC filed the Shenandoah Valley Electric Cooperative's Answer to Complaint and Petition for Injunctive Relief.

On September 18, 2020, the Hearing Examiner issued a ruling scheduling a conference to determine if a hearing would be necessary in this matter.

On September 24, 2020, Dogwood filed its Reply of Dogwood Solar LLC to Shenandoah Valley Electric Cooperative's Answer.

On September 25, 2020, Dogwood and SVEC filed their Joint Statement of Undisputed and Disputed Facts.

On September 28, 2020, the Hearing Examiner convened a conference to determine if a hearing would be necessary in this proceeding. Dogwood, SVEC, the Association, and Commission Staff participated in the conference.

On October 5, 2020, the Report of Michael D. Thomas, Senior Hearing Examiner ("Report"), was entered. In his Report, the Senior Hearing Examiner found that:

- The case is complicated by the fact the Commission's Interconnection Regulations have been revised, and the Revised Interconnection Regulations take effect on October 15, 2020. Before October 15, 2020, this case involves a mixed question of fact and law. After October 15, 2020, this case solely involves a question of law;[4]

[1] 5 VAC 5-20-10 *et seq.*

[2] 20 VAC 5-314-10 *et seq.* ("Interconnection Regulations").

[3] This Rulemaking Application was docketed as PUR-2020-00160 ("Rulemaking Docket").

[4] Report at 11.

- Before October 15, 2020, the mixed question of fact and law involves the applicability of the Commission's Interconnection Regulations. The fact question hinges on the definition of rated capacity in the regulation. If the rated capacity of Dogwood's proposed facility is 20 megawatts ("MW") or less, the Interconnection Regulations apply, and if the rated capacity of Dogwood's proposed facility is greater than 20 MW, the Interconnection Regulations do not apply;[5]

- The term *rated capacity* is not defined in the Interconnection Regulations. The term appears to be a term of art used in the electric power industry, and does not appear to be widely defined by any federal agencies such as the Federal Energy Regulatory Commission ("FERC") or the Energy Information Administration, industry trade associations such as the Edison Electric Institute, or in any treatises dealing with electric power generation or capacity;[6]

- The terms *rated capacity*, *nominal capacity*, and *nameplate capacity* are used synonymously and mean the maximum amount of electric power a generating facility can produce under ideal operating conditions for a period of time without exceeding its design limitations;[7]

- FERC has held that the Interconnection Request should be evaluated based on the [small generating facility's ("SGF")] maximum rated capacity and not an output level, specified by the interconnection customer, below the facility's maximum capability;[8]

- The maximum rated capacity of Dogwood Solar's proposed facility is greater than 20 MW. This conclusion is supported by the proposed facility's maximum facility output, which, by definition, is not the proposed facility's nominal capacity or rated capacity. The nominal capacity or rated capacity appears to be some number greater than 20 MW;[9]

- This greater than or less than factual distinction only has practical effect until October 15, 2020. After that date, the Commission's Revised Interconnection Regulations would be effective and would apply to Dogwood's proposed facility whether its capacity is 20.0 MW or 20.4 MW;[10]

- The Revised Interconnection Regulations "shall apply if the [Interconnection Customer] has not actually interconnected the SGF as of October 15, 2020."[11]

- Throughout the Revised Interconnection Regulations, the Commission eliminated any reference to a 20 MW or less limitation in the applicability of the regulations;[12]

- After October 15, 2020, SVEC would no longer have authority under its existing Schedule SGI-1 to charge a new interconnection customer, such as Dogwood, operations and maintenance ("O&M") expenses in connection with an Interconnection Agreement because such charges are not provided for in the regulations;[13]

- The charge would not be authorized by any statute, regulation, or Commission-approved tariff.[14]

The Senior Hearing Examiner recommended that the Commission wait until after October 15, 2020, and decide this case under its Revised Interconnection Regulations. The Senior Hearing Examiner stated this would eliminate the need to conduct an evidentiary hearing to determine the rated capacity of Dogwood's proposed facility. After October 15, 2020, this case involves solely a question of law.[15]

---

[5] *Id.*

[6] *Id.*

[7] *Id.*

[8] *Id.* at 12 (*citing* FERC Order No. 2006 (May 12, 2005) at 85). The Small Generator interconnection standards adopted by FERC Order 2006, which served as the basis for the Commission's Interconnection Regulations adopted in 2009, were updated in 2013 and 2016 by Orders 792 and 828, respectively. Order 828, which is the basis for the Commission's Revised Interconnection Regulations, adopted Small Generator Interconnection Procedures, including Procedure 4.10.3, addressing capacity. This rule states: "The Interconnection Request shall be evaluated using the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system. However, if the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system is limited (*e.g.*, through use of a control system, power relay(s), or other similar device settings or adjustments), then the Interconnection Small Generator Interconnection Procedures (SGIP) Customer must obtain the Transmission Provider's agreement, with such agreement not to be unreasonably withheld, that the manner in which the Interconnection Customer proposes to implement such a limit will not adversely affect the safety and reliability of the Transmission Provider's system. If the Transmission Provider does not so agree, then the Interconnection Request must be withdrawn or revised to specify the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system without such limitations. Furthermore, nothing in this section shall prevent a Transmission Provider from considering an output higher than the limited output, if appropriate, when evaluating system protection impacts."

[9] Report at 13. The most recent FERC Small Generator Interconnection Procedures do not use the term *maximum rated capacity*.

[10] *Id.*

[11] *Id.* (*citing* 20 VAC 5-314-10 (D) (Revised)).

[12] Report at 13.

[13] *Id.* at 14.

[14] *Id.*

[15] *Id.* at 13.

On October 9, 2020, Dogwood, SVEC, and the Association filed comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

On July 29, 2020, the Commission entered its Order Adopting Regulations in Case No. PUR-2018-00107, which among other things, adopted the Regulations Governing Interconnection of Small Electrical Generators and Storage ("Revised Interconnection Regulations"), 20 VAC 5-314-10 *et seq*., effective as of October 15, 2020.[16]

The Revised Interconnection Regulations apply if the utility "has not actually interconnected the [small generation facility] as of October 15, 2020."[17] Throughout the record in this proceeding, no party asserts that Dogwood Solar could be interconnected by October 15, 2020, nor does the record show that Dogwood Solar was interconnected before the Revised Interconnection Regulations became effective on October 15, 2020. Accordingly, the Revised Interconnection Regulations apply in this proceeding.[18] As to SVEC's requested O&M charge, the Revised Interconnection Regulations neither permit, nor prohibit, such charge. Rather, the Commission's Order Adopting Regulations explicitly left that question – as it may pertain to a separate rulemaking or tariff proceeding – for another day.[19]

For purposes of the instant proceeding, SVEC claims that its authority to assess an O&M charge can be found in its current tariff. Specifically, SVEC asserts that its current tariff permits an O&M charge if the small generation facility is *greater than* 20 MW.[20] The Commission, however, finds that Dogwood's facility is not greater than 20 MW. In this regard, the Revised Interconnection Regulations address a facility's size based on its "maximum generating capacity." 20 VAC 5-314-20 defines "Maximum generating capacity" as:

> the maximum continuous electrical output of the SGF at any time as measured at the point of interconnection or the maximum [kilowatts] delivered to the utility during any metering period, whichever is greater. Requested maximum generating capacity will be specified by the [Interconnection Customer] in the interconnection request and an approved maximum generating capacity will subsequently be included as a limitation in the interconnection agreement.

The record shows that Dogwood requested a maximum generating capacity of 20.0 MW. The PJM Feasibility Study states that the Maximum Facility Output is 20.00 MW and that the Net Energy is 20 MW.[21] The record further shows that the Page County Special Use Permit provides "installation of solar panels is permitted to provide a solar electricity generating facility capable of generating up to 20 megawatts."[22] Therefore, we find that the maximum continuous electrical output of Dogwood's facility, at any time as measured at the point of interconnection, will be 20 MW. Thus, the applicable tariff provision in this instance is SVEC's Schedule SGI-1 F ("Schedule F"), which states that "[g]enerators of more than 500 [kilowatts] and not more than 20 MW shall request to be interconnected in accordance with the 'Levels 2 and 3 interconnection request general requirements' set forth in Chapter 314. (See 20VAC5-314-50 (2009))."[23]

In sum, the Commission finds that the tariff provision relied upon by SVEC for the O&M charge (*i.e.*, Schedule G) is inapplicable, and SVEC has identified no tariff or regulation that currently permits such charge.[24] This ruling, however, does not preclude SVEC from assessing a specific O&M charge in the future on Dogwood Solar, or any other facility, under a tariff or regulation approved pursuant to Commission order. Finally, based on our finding herein, SVEC shall forthwith implement Dogwood Solar's interconnection request in accordance with Schedule F.

Accordingly, IT IS SO ORDERED, and this case is DISMISSED.

---

[16] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of revising the Commission's Regulations Governing Interconnection of Small Electrical Generators,* Case No. PUR-2018-00107, Doc. Con. Cen. No. 20074003, Order Adopting Regulations (July 29, 2020).

[17] 20 VAC 5-314-10 D.

[18] Thus, we need not address the Hearing Examiner's conclusions concerning rated capacity, nominal capacity, nameplate capacity, and maximum rated capacity as these terms are not used in the Revised Interconnection Rules.

[19] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of revising the Commission's Regulations Governing Interconnection of Small Electrical Generators,* Case No. PUR-2018-00107, Doc. Con. Cen. No. 200740003, Order Adopting Regulations (July 29, 2020).

[20] SVEC claims it is permitted, under Schedule SGI-1 G ("Section G"), "Generators of More Than 20 MW," to interconnect a small generating facility of more than 20 MW "under separate bilateral arrangements between the Cooperative and the Interconnection Customer." *See, e.g.,* SVEC's Answer to Complaint and Petition for Injunctive Relief at 7. Section G states, "Generators of more than 20 MW shall be interconnected under separate bilateral arrangements between the Cooperative and the Interconnection Customer." *See* Report at Appendix A (SVEC Schedule SGI-1 G) at 7.

[21] Reply of Dogwood Solar to Shenandoah Valley Electric Cooperative's Answer at 5 and Exhibit A.

[22] *Id.* at Exhibit B.

[23] *See* Report at Appendix A (SVEC Schedule SGI-1 F) at 7.

[24] Having found that Section G relied upon by SVEC is inapplicable herein, this Order need not, and does not, address whether such provision permits an O&M charge.

CASE NO. PUR-2020-00155
OCTOBER 15, 2020

APPLICATION OF
FREEDOM LOGISTICS, LLC d/b/a FREEDOM ENERGY LOGISTICS LLC

For a license to conduct business as an electricity and natural gas aggregator

ORDER GRANTING LICENSE

On August 6, 2020, Freedom Logistics LLC d/b/a Freedom Energy Logistics LLC ("Freedom" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to act as an aggregator of electricity and natural gas services ("Application"). On August 7, 2020, Freedom supplemented its Application including among other things, its dispute resolution procedures. Through its Application, Freedom seeks authority to provide electric and natural gas aggregation services throughout Virginia to eligible commercial, industrial, and governmental customers. In its Application, Freedom attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On September 3, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically on or before September 8, 2020, to each of the companies on Attachment A of the Procedural Order, and to file proof of service on or before September 15, 2020. On September 15, 2020, Freedom filed its proof of service.

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before September 22, 2020. Virginia Electric and Power Company d/b/a Dominion Energy Virginia filed comments by the deadline required by the Procedural Order.

The Procedural Order directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on September 25, 2020, which summarized Freedom's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Freedom be granted an aggregator's license to conduct business as a competitive service provider of electricity and natural gas to eligible commercial, industrial, and governmental customers throughout Virginia.

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Freedom's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Freedom is hereby granted license No. A-113 to provide competitive aggregation service of electricity and natural gas to eligible commercial, industrial, and governmental customers throughout Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUR-2020-00157
NOVEMBER 9, 2020

APPLICATION OF
PRINCE GEORGE ELECTRIC COOPERATIVE and PGEC ENTERPRISES, LLC d/b/a RURALBAND

For approval of an affiliate agreement under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On October 2, 2020, Prince George Electric Cooperative ("Prince George") and PGEC Enterprises, LLC d/b/a RURALBAND ("RURALBAND") (collectively, "Petitioners"), filed a joint petition ("Petition") for approval of an affiliate agreement[1] ("Business Services Agreement") under Chapter 4[2] of Title 56 of the Code of Virginia ("Code").

The proposed Business Services Agreement will permit Prince George to receive Internet Services and Disaster Recovery Services (collectively, "Business Services") from RURALBAND. The Petitioners represent that the Business Services are necessary for Prince George to perform its function as a provider of rural electric service. The Petitioners further represent that Prince George will receive the Business Services and pay the same rates under the same terms and conditions as any other similarly situated business customer of RURALBAND. Finally, the Petitioners represent that the Business Services will be provided at a significantly lower price than the rates that Prince George pays to its current third-party vendor.

[1] The filed Petition refers to the transaction as an "arrangement," but the order hereto uses the more technically correct term of an "agreement."

[2] § 56-76 *et seq.* ("Affiliates Act").

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff ("Staff") through its action brief and having considered the Petitioners' comments thereon,[3] is of the opinion and finds that the proposed Business Services Agreement is in the public interest and is approved subject to certain requirements listed in the Appendix attached to this order.

The proposed Business Services Agreement should operate under just, reasonable, and non-discriminatory terms and conditions for Prince George and RURALBAND, as well as for non-affiliated third-party vendors and customers. To achieve that end, we will direct Prince George (1) to pay the lower of cost or market for Business Services; (2) to document that the Business Services are priced comparably to those provided to similarly situated customers; and (3) to document ongoing compliance with the Coop Rules.[4] [5]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Business Services Agreement is approved subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

APPENDIX

1) The Commission's approval of the Business Services Agreement shall extend for five years from the effective date of the Order Granting Approval in this case.

2) The Commission's approval shall have no accounting or ratemaking implications.

3) The Commission's approval is limited to the specific Business Services identified in the Petition. Should Prince George wish to obtain additional services not identified for the Business Services Agreement, separate approval shall be required under the Affiliates Act.

4) Separate Commission approval shall be required under the Affiliates Act for affiliated third parties to provide Business Services through RURALBAND to Prince George under the Business Services Agreement.

5) Separate Commission approval shall be required under the Affiliates Act for any changes in the terms and conditions of the Business Services Agreement.

6) The Commission reserves the right to examine the books and records of Prince George and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

7) The approval granted in this case does not preclude the Commission from exercising its authority under Code § 56-76 et seq. hereafter.

8) Prince George shall maintain records demonstrating that the Business Services received from RURALBAND are cost beneficial to Virginia ratepayers. For all Business Services charged to Prince George where a market may exist, Prince George shall investigate whether comparable market prices are available and, if they exist, Prince George shall compare the market price to cost and pay the lower of cost or market to RURALBAND. Documentation of such investigations and comparisons shall be available to Staff upon request. Prince George shall bear the burden of proving, in any rate proceeding, that all Business Services costs charged to Prince George are priced at the lower of cost or market where a market for such services exists.

9) Prince George shall maintain records, which shall be available to Staff upon request, which demonstrate that Prince George paid the same rates as similarly situated customers for all Business Services received from RURALBAND under the Business Services Agreement. Prince George shall bear the burden of proving, in any rate proceeding, that all Business Services charges paid to RURALBAND are priced at the same rates as charged to similarly situated customers.

10) Prince George shall maintain records, which shall be available to Staff upon request, which demonstrate ongoing compliance with the requirements of Code § 56-231.34:1 and 20 VAC 5-203-30 and -40 of the Coop Rules.

11) Prince George shall file with Commission an executed copy of the approved Business Services Agreement within 60 days after the effective date of the Order in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

---

[3] The Petitioners' comments are attached to Staff's confidential and public action briefs filed concurrently with this order.

[4] Regulations Governing the Separation of Regulated and Unregulated Businesses of Utility Consumer Services Cooperatives and Utility Aggregation Cooperatives, 20 VAC 5-203-10 *et seq*. ("Coop Rules")

[5] See Requirement Nos. 8, 9, and 10 of the Appendix attached to this Order. We approved similar requirements for Craig-Botetourt Electric Cooperative in *Application of Craig-Botetourt Electric Cooperative and Craig-Botetourt Energy and Home Services, LLC d/b/a Bee Online Advantage, For approval of affiliate agreements pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2020-00076, Doc. Con. Ctr. No. 200720018, Order Granting Approval (July 13, 2020), Appendix Requirement Nos. 9, 10, and 12.

12) Prince George shall include all transactions associated with the Business Services Agreement in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include: (a) the case number in which the Business Services Agreement was approved; (b) the names of all affiliated parties to the Business Services Agreement; and (c) a calendar year annual schedule showing the Business Services Agreement transactions by month, service category, FERC account, and amount as they are recorded on Prince George's books.

CASE NO. PUR-2020-00158
NOVEMBER 10, 2020

APPLICATION OF
EDISON ENERGY, LLC

For a license to conduct business as an aggregator of electricity and natural gas

ORDER GRANTING LICENSE

On August 14, 2020, Edison Energy, LLC ("Edison" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to conduct business as an aggregator of electricity and natural gas services ("Application"). Edison seeks authority to provide electric and natural gas aggregation services throughout Virginia to eligible commercial, industrial, and governmental customers. In its Application, Edison attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").[1]

On September 11, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically on or before September 18, 2020, to each of the companies on Attachment A of the Procedural Order, and to file proof of service on or before September 25, 2020. On September 17, 2020, Edison filed its proof of service.

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before October 2, 2020. Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV") filed comments by the deadline required by the Procedural Order.

The Procedural Order directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on October 6, 2020, which summarized Edison's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, the Staff recommended that Edison be granted a license to conduct business as an aggregator of electricity and natural gas service to eligible commercial, industrial, and governmental customers throughout Virginia.

NOW THE COMMISSION, upon consideration of the Application, the case record, and the applicable law, finds that Edison's Application for a license to provide electric and natural gas aggregation services should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Edison is hereby granted license No. A-114 to provide competitive aggregation service of electricity and natural gas to eligible commercial, industrial, and governmental customers throughout Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

[1] 20 VAC 5-312-10 *et seq*.

CASE NO. PUR-2020-00159
NOVEMBER 19, 2020

APPLICATION OF
RESOURCE ENERGY SOLUTIONS, LLC

For a license to do business as an electricity and gas aggregator

ORDER GRANTING LICENSE

On August 18, 2020, Resource Energy Solutions, LLC ("Resource" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to conduct business as an aggregator of electricity and natural gas services ("Application"). Resource seeks authority to provide electric and natural gas aggregation services throughout Virginia to eligible commercial and industrial customers.[1] In its Application, Resource attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules"), 20 VAC 5-312-10 *et seq*.

On October 2, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically on or before October 14, 2020, to each of the companies on Attachment A of the Procedural Order, and to file proof of service on or before October 21, 2020.[2] On October 20, 2020, Resource filed its proof of service electronically.[3]

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before October 28, 2020. Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV") filed comments on this Application.[4] Therein, DEV noted its concern that the Delaware Certificate of Good Standing issued to an entity named "KES Industrial Inc.," which was provided in Resource's Supplemental Application, did not match the Delaware LLC registration for "Resource Energy Solutions, LLC."[5]

The Procedural Order directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on November 5, 2020, which summarized Resource's proposal, addressed DEV's concerns,[6] and evaluated Resource's financial condition and technical fitness. Based on its review of the Application, Staff recommended that Resource be granted a license to conduct business as an aggregator of electricity and natural gas service to eligible commercial and industrial customers throughout Virginia.[7]

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Resource's Application for a license to provide electric and natural gas aggregation services should be granted, subject to the conditions set forth below. The Commission has considered DEV's concerns and the Staff Report. We find that the Commission's Rules do not require certificates of good standing, but rather, require (i) proof of the State authorizing the applicant's foreign entity's business structure[8] and (ii) proof that the applicant, as a foreign entity, is registered to conduct business in Virginia.[9] Resource supplied, under its own name, its foreign entity business structure authorization in its Supplemental Filing.[10] Resource also provided,

---

[1] Pursuant to § 56-577 of the Code of Virginia, retail choice for electricity is only permitted pursuant to the customer classes, load parameters, and renewable energy sources set forth therein, and exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia, Appalachian Power Company, and the electric cooperatives. Retail choice for natural gas service exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial, industrial, and governmental gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s.

[2] *Application of Resource Energy Solutions, LLC, For license to do business as an electricity and gas aggregator*, PUR-2020-00159, Doc. Con. Cen. No. 201020094, Order for Notice and Comment (Oct. 2, 2020).

[3] *Application of Resource Energy Solutions, LLC, For license to do business as an electricity and gas aggregator*, PUR-2020-00159, Doc. Con. Cen. Nos. 201040183, 201040184, 201040185, 201040186, 201040187, Proof of Service (Oct. 20, 2020).

[4] *Application of Resource Energy Solutions, LLC, For a license to do business as an electricity and gas aggregator*, PUR-2020-00159, Doc. Con. Cen. No. 201050158, Comments of Virginia Electric and Power Company (Oct. 28, 2020).

[5] *Id.* at 2.

[6] Staff Report at 3-4.

[7] *Id*. at 6.

[8] 20VAC2-312-40 A 2 requires from the applicant:

> "A description of the applicant's authorized business structure, identifying the state authorizing such structure and the date thereof; e.g., if incorporated, the state and date of incorporation; if a limited liability company, the state issuing the certificate of organization and the date thereof."

[9] 20VAC5-312-40 A 12 requires from the applicant:

> "If a foreign corporation, a copy of the applicant's authorization to conduct business in Virginia from the State Corporation Commission or if a domestic corporation, a copy of the certificate of incorporation from the State Corporation Commission."

[10] *Application of Resource Energy Solutions, LLC, For a license to do business as an electricity and gas aggregator*, PUR-2020-00159, Doc. Con. Cen. No. 200920105, Supplemental Application at 2 (Sept. 17, 2020).

under its own name, proof of its ability to conduct business in Virginia as a foreign entity in its original filing.[11] Given the above and that the Company has produced the documentation actually required by Commission Rule, we find nothing in DEV's comments that would prevent this Commission from granting Resource the license it seeks.

Accordingly, IT IS ORDERED THAT:

(1) Resource is hereby granted license No. A-115 to provide competitive aggregation service of electricity and natural gas to eligible commercial and industrial customers throughout Virginia. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

[11] *Application of Resource Energy Solutions, LLC, For a license to do business as an electricity and gas aggregator*, PUR-2020-00159, Doc. Con. Cen. No. 200820089, Application at Exhibit "A" (Aug. 18, 2020).

CASE NO. PUR-2020-00161
DECEMBER 21, 2020

APPLICATION OF
J. W. WHITING CHISMAN, III
On behalf of himself and all other licensed branch pilots in the Commonwealth of Virginia who are members of the Virginia Pilot Association

For approval of a revision of rates and charges for pilotage

FINAL ORDER

On August 24, 2020, J. W. Whiting Chisman, III, on behalf of himself and all other licensed branch pilots in the Commonwealth of Virginia who are members of the Virginia Pilot Association ("Association"), filed an Application with the State Corporation Commission ("Commission") for approval to revise the Association's rates and charges for pilotage services. The Association, among other things, proposes an increase in the Association's annual revenues by 8.2% to recover increased operating expenses (including new expenses related to COVID-19) and to fund additional capital improvements and salary and benefit increases.[1]

The Association also filed, in Appendix C, a proposed schedule of rates and charges, which are expected to produce the requested increase in annual revenues.[2] The proposed pilotage rates and charges are based on the gross tonnage formula approved by the Commission in the Association's last rate case, Case No. PUE-2016-00098.[3]

On September 4, 2020, the Commission entered an Order for Notice and Hearing that, among other things, required the Association to provide public notice of its Application; directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon; set this matter for hearing on December 15, 2020, to receive testimony from public witnesses and testimony and evidence offered by the Association, respondents and Staff; and appointed 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. No respondents filed notices of participation and the Commission did not receive any comments on the Application.

On October 5, 2020, the Association filed a Motion to Amend Direct Testimony ("Motion"), seeking to amend the pre-filed direct testimony of J. W. Whiting Chisman, III. On October 8, 2020, Staff filed a letter stating that Staff had no objection to the Motion. The Senior Hearing Examiner granted the Motion on October 13, 2020.

On November 17, 2020, Staff filed the direct testimony and exhibits of Chris Harris, which recommended that the Commission approve the Association's request for a revision of rates and charges for pilotage as filed. On November 18, 2020, the Association filed a letter stating that it would not be filing rebuttal testimony in this matter.

On December 3, 2020, the Association filed a Stipulation and Proposed Recommendation ("Stipulation") that purports to resolve all issues raised by the Application. The Stipulation states in part:

> The increase in the Association's revenues for pilotages will be $1,917,283. Resulting rates are reflected on the Pilotage Rates and Charges Tariff Sheet on Attachment 1 and shall be effective the earlier of January 1, 2021, or the date of the final order in this case. These rates represent "a fair charge for the service rendered" and will allow the Association to recover the "necessary operating expenses, maintenance of, depreciation on, and return on investment in properties used and useful in the business of pilotage," pursuant to § 54.1-918 of the Code of Virginia.

[1] Ex. 2 (Application) at 3-6.

[2] *Id*. at 6, Appendix C.

[3] *Id*. at Appendix C. *See Application of J. William Cofer, On behalf of himself and all other licensed branch pilots in the Commonwealth of Virginia who are members of the Virginia Pilot Association, For approval of a revision of rates and charges for pilotage*, Case No. PUE-2016-00098, 2017 S.C.C. Ann. Rept. 376, Final Order (March 17, 2017).

The evidentiary hearing, during which time the testimony and exhibits of the Association and Staff were introduced and received into the record, was convened via Microsoft Teams on December 15, 2020, with no party present in the Commission's physical courtroom.

The Report of Michael D. Thomas, Senior Hearing Examiner ("Report"), was filed on December 16, 2020, which contained the Senior Hearing Examiner's findings and recommendations. Specifically, the Senior Hearing Examiner found that "the Stipulation is fair, reasonable, and in the public interest."[4]

The Senior Hearing Examiner recommended that the Commission enter an order adopting the Report's findings and adopting the Stipulation.[5] The Senior Hearing Examiner further recommended that the Association's new pilotage rates be effective on January 1, 2021.[6]

The Association and Staff filed letters as comments to the Report on December 16, 2020, and December 17, 2020, respectively, requesting that the Commission adopt the Report's findings and recommendations.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the proposed Stipulation is reasonable and should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) As provided by Code § 54.1-918, the Application is granted and the revised rates and charges prescribed therein are approved.

(2) The Stipulation is reasonable and hereby is adopted.

(3) The revised rates and charges approved herein shall become effective as of January 1, 2021.

(4) The Association shall file with the Clerk of the Commission and the Division of Utility Accounting and Finance a schedule of rates of pilotage and other charges as approved and prescribed by this Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: scc.virginia.gov/case.

(5) This case is dismissed.

[4] Report at 5.

[5] *Id.* at 5-6.

[6] *Id.* at 5.

CASE NO. PUR-2020-00165
DECEMBER 21, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: Allocating RPS costs to certain customers of Appalachian Power Company

FINAL ORDER

During its 2020 Session, the Virginia General Assembly enacted Chapters 1193 (HB 1526) and 1194 (SB 851) of the 2020 Virginia Acts of Assembly. These duplicate Acts of Assembly, known as the Virginia Clean Economy Act ("VCEA"), became effective on July 1, 2020. The VCEA, *inter alia,* establishes mandatory renewable energy portfolio standards ("RPS") for Virginia Electric and Power Company ("Dominion") and Appalachian Power Company ("APCo" or "Company") (collectively "utilities") in new § 56-585.5 of the Code of Virginia ("Code").[1]

Further, § 56-585.5 F of the Code provides that the utilities' costs of compliance with §§ 56-585.5 and 56-585.1:11 of the Code[2] "shall be recovered from all retail customers in the service territory of a Phase I [APCo] or Phase II [Dominion] Utility as a non-bypassable charge, irrespective of the generation supplier of such customer…."[3] The statute establishes several exemptions from this non-bypassable charge, including exemptions for accelerated renewable energy buyers, PIPP eligible utility customers, advanced clean energy buyers, and qualifying large general service customers, all as described in the legislation.[4]

[1] Subdivision D 4 of Code § 56-585.5 requires Dominion and APCo to submit to the State Corporation Commission ("Commission") plans and petitions for (i) approval of new solar and onshore wind generation capacity as well as energy storage projects ("RPS Filing"), and (ii) approval or update of cost recovery mechanisms therefor. The utilities are required to make RPS Filings annually, commencing in 2020 and concluding in 2035. APCo filed its RPS Filing November 2, 2020, in Case No. PUR-2020-00135. Dominion filed its RPS Filing on October 30, 2020, in Case No. PUR-2020-00134.

[2] As stated therein, such costs include "(i) costs of generation facilities powered by sunlight or onshore or offshore wind, or energy storage facilities, that are constructed or acquired by a Phase I or Phase II Utility after July 1, 2020, (ii) costs of capacity, energy, or environmental attributes from generation facilities powered by sunlight or onshore or offshore wind, or falling water, or energy storage facilities purchased by the utility from persons other than the utility through agreements after July 1, 2020, and (iii) all other costs of compliance, including costs associated with the purchase of [Renewable Energy Certificates] associated with RPS Program requirements pursuant to this section."

[3] Section 56-585.5 F of the Code.

[4] *Id. See* Code § 56-576 for the definition of "Percentage of Income Payment Program (PIPP) eligible utility customer."

Section 56-585.5 F of the Code directs the Commission to establish proceedings for Dominion and APCo by September 1, 2020, to determine the amount of the utilities' costs of compliance with §§ 56-585.5 and 56-585.1:11 of the Code, net of benefits, to be allocated to retail customers within the utilities' service territory receiving electric supply service from non-utility suppliers. The statute requires that tariff provisions recovering these costs from such customers be implemented not later than January 1, 2021, and that such tariffs be updated and trued up on an annual basis.[5]

On September 1, 2020, the Commission entered an Order Establishing Proceeding ("Order") that, among other things, directed APCo to file a tariff, together with supporting information and documentation, by which an allocation of its costs of compliance with §§ 56-585.5 and 56-585.1:11 of the Code, net of benefits, is proposed to be recovered from retail customers within its service territory that elect to receive electric supply from a supplier of electric energy other than APCo ("RPS Cost Allocation Filing"). The Order also permitted members of the public to comment on the Company's RPS Cost Allocation Filing and directed the Commission Staff to investigate the RPS Cost Allocation Filing and file a Staff Report.

The Company made its RPS Cost Allocation Filing on October 5, 2020. Direct Energy Services, LLC and Direct Energy Business, LLC; Collegiate Clean Energy, LLC ("Collegiate"); Calpine Energy Solutions, LLC; Walmart, Inc. ("Walmart"); the Board of Supervisors of Culpeper County, Virginia; and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed notices of participation. On November 2, 2020, Collegiate, Walmart and Consumer Counsel filed comments. On November 19, 2020, Staff filed its Staff Report. The Company filed its rebuttal testimony on December 3, 2020.

NOW THE COMMISSION, upon consideration of the foregoing and pursuant to the requirements of Code § 56-585.5 F, is of the opinion and finds that a placeholder tariff for the Company that permits recovery of costs associated with Code § 56-585.5 F, net of benefits, should be approved.[6] The non-bypassable charge associated with this tariff shall be set to zero, pending a future proceeding in which the Company seeks recovery of costs under the tariff.[7] Any RPS compliance costs for the current rate year can be accounted for in a future true-up. Code § 56-585.5 F requires that the Commission approve a tariff in this proceeding, to be implemented by January 1, 2021.

Accordingly, IT IS ORDERED THAT:

(1) The Company shall file a placeholder tariff consistent with the recommendations in the Staff Report on or before December 31, 2020, to be effective as of January 1, 2021.

(2) The initial non-bypassable charge under the Company's tariff shall be zero.

(3) This matter is continued.

[5] Section 56-585.5 F of the Code.

[6] See, e.g., Consumer Counsel Comments at 4-5; Staff Report at 13-15. The Company did not object to this proposal in its rebuttal testimony. *See* Rebuttal Testimony of William K. Castle at 2 ("The Company agrees with Staff and [Consumer Counsel] that the issues in this case are complex and parties may benefit from additional time. Because the Company is not seeking cost recovery of RPS-related costs at this time, there is no impact to customers to defer these issues to the cases where cost recovery is to be determined.").

[7] *See, e.g., id.*

CASE NO. PUR-2020-00166
OCTOBER 9, 2020

PETITION OF:
WESTERN VIRGINIA WATER AUTHORITY and STAROVERLAKE WATER COMPANY, INC.

For approval of a transfer of a public utility pursuant to Chapter 5 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On September 1, 2020, Western Virginia Water Authority ("WVWA")[1] and StarOverLake Water Company, Inc. ("StarOverLake"), completed a petition ("Petition") with the State Corporation Commission ("Commission") requesting approval to transfer the StarOverLake water system ("System") to WVWA ("Transfer") pursuant to Chapter 5 of Title 56 of the Code.[2]

StarOverLake was formed in 2001, and its System provides water service to 72 residential connections in the subdivisions of Lakemount, Starwood, and Overlook ("Transferors" or "Subdivisions").[3] StarOverLake is not a public service company, nor is it certificated.[4]

[1] WVWA is chartered as a regional water and wastewater authority pursuant to the Virginia Water and Waste Authorities Act, Chapter 51 of Title 15.2 of the Code of Virginia ("Code").

[2] § 56-88 *et seq.*

[3] Petition at 2.

[4] Exhibit 2 to Petition, at 2.

The Transferors represent that the purpose for the proposed Transfer is that: (1) the cost of water sampling has become burdensome; (2) anticipated maintenance costs to the System will strain StarOverLake financially; and (3) the resident volunteers have no desire to continue managing the operation of the System.[5] The Transferors believe that WVWA can provide consistent quality water service to the Subdivision customers and to the owners and future owners of homes in the Subdivisions while ensuring the long-term viability of the System.[6]

WVWA will require temporary access to the Transferors' well lots to allow use of the existing wells to operate the System until it can be connected to the existing WVWA water system.[7] This waterline extension and connection will likely occur after ownership of the System has transferred.[8] WVWA anticipates spending $275,000 to connect its existing Westlake water distribution system to the StarOverLake System.[9]

WVWA already has entered into a Water System Operating and Service Agreement for the System, effective January 1, 2020.[10] Upon completion of the proposed Transfer, customers' rates will decrease by approximately $10/month. The Transferors currently charge customers $149/quarter.[11] The Authority will charge a base fee of $30/month for 5,000 gallons (additional water is sold at the rate of $5 per 1,000 gallons) plus a $10 capital recovery fee.[12] Transferors' existing customers with undeveloped lots will pay a flat rate of $16/month plus a capital recovery fee of $10. New customers after the Transfer will need to pay WVWA's normal availability and connection fees.[13]

The Transfer Agreement states that the proposed Transfer will take place in exchange for *de minimus* consideration of $10.[14] StarOverLake acquired the System from the previous owner in 2004, and the Transferors do not have historic cost records for the System. The System is being carried on StarOverLake's books as $51,016.94 in cash and $135,508 as property.[15]

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief, is of the opinion and finds that the Transfer will not impair or jeopardize adequate service at just and reasonable rates and therefore should be approved.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-89 and § 56-90, the Transfer is approved subject to the requirements listed below.

(2) The Transfer shall have no accounting or ratemaking implications.

(3) Within thirty (30) days of the consummation of the Transfer, WVWA shall file a Report of Action with the Commission that provides: (l) the date of closing; (2) the actual accounting entries recording the Transfer for WVWA; and (3) photos of the transferred Systems.

(4) This case is dismissed.

[5] Appendix A to Petition, Transaction Summary at 3.

[6] *Id.*

[7] Petition at 8.

[8] *Id.*

[9] Appendix A to Petition, at 6.

[10] Appendix B to Petition, at 1.

[11] Petition at 4.

[12] *Id.*

[13] Petition at 8.

[14] Appendix B to Petition, at 2.

[15] Appendix A to Petition, at 2.

CASE NO. PUR-2020-00167
DECEMBER 29, 2020

APPLICATION OF
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY, ANGD, LLC, UTILITY PIPELINE HOLDING COMPANY, LLC, and UTILITY PIPELINE, LTD.

For authority under Chapters 3 and 4 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On September 8, 2020, Appalachian Natural Gas Distribution Company ("Distribution" or "Company"); ANGD LLC; Utility Pipeline, Ltd., ("UPL"); and Utility Pipeline Holding Company, LLC ("UPLHC") (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapters 3 and 4 of Title 56 of the Code of Virginia ("Code"),[1] requesting authority for Distribution to

[1] Code §§ 56-55 *et seq.* and 56-76 *et seq.*

be a co-guarantor[2] of a five-year Credit and Security Agreement ("CSA") designed to recapitalize UPL and its subsidiaries.[3] The Applicants represent that the CSA will rebalance the UPL capital structure, provide UPL and its subsidiaries with greater operational and financial flexibility relative to their existing credit facilities, pay off existing debt obligations, and provide funds for a distribution to the equity holders of UPLHC.[4] The Application proposes to secure this borrowing through a pledge of stock by UPLHC as well as a guarantee by each of its direct and indirect subsidiaries.[5] Together with the Application, Applicants filed a Motion For Entry of a Protective Order ("Motion for Protective Order"), pursuant to Rules 110 and 170 of the Commission's Rules of Practice and Procedure.[6]

On September 28, 2020, the Commission issued an Extension Order, which extended the time for consideration of the Application through November 2, 2020.

On October 28, 2020, the Applicants filed an Amendment to Joint Application ("Initial Amendment"), which the Applicants state is necessary due to two proposed modifications to the transaction that is the subject of the Application.[7] The two proposed modifications involve: (1) a limit on Distribution's potential liability as a guarantor; and (2) the removal of four subsidiaries, located in Ohio, as guarantors.

On October 30, 2020, the Commission entered an Order Granting Further Extension, finding that "additional time is needed to review the Application and subsequent Amendment to Joint Application, filed just three business days before a Commission Order otherwise would be due" and extending the review period for the Application through December 7, 2020.

On November 18, 2020, the Commission's Staff ("Staff") filed a Motion of the Staff for Additional Extension of Time ("Motion"). The Motion asserted that the Applicants' October 28, 2020 Initial Amendment "substantially changed the terms of the transaction proposed in the original Application such that the Amendment should be considered a new application that would restart the statutory review periods under Chapters 3 and 4 of the Code."[8] Staff requested that, "[i]n order to provide Staff and the Commission sufficient time to investigate and act on the [Initial] Amendment, . . . the review period be extended to the full 90 days allowed under Chapter 4 of Title 56 of the Code, beginning October 28, 2020, the date the [Initial] Amendment was filed."[9]

On November 23, 2020, the Commission entered an Order Expediting Response and Reply, directing that any response to Staff's Motion be filed on or before November 30, 2020, and any Staff reply be filed on or before December 2, 2020.

On November 30, 2020, the Applicants filed a response to Staff's Motion, stating that "Applicants do not object to the proposed further extension of time and will continue to work with Staff to address concerns promptly."

On December 1, 2020, Staff filed a letter with the Clerk of the Commission, asking that the Commission grant Staff's unopposed Motion.

On December 3, 2020, the Commission granted Staff's Motion and extended the review period through January 26, 2021.

On December 14, 2020, the Applicants filed a second amendment to the Application ("Amended Application") that replaced the Initial Amendment. The Amended Application included the same two proposed modifications to the proposed transaction as the Initial Amendment but, with respect to Distribution's level of liability, capped Distribution's potential liability under the CSA to "the value of its assets throughout the time period of the loan" ("Amended CSA").[10] The Amended Application further states that "Distribution's asset level would be adjusted quarterly based on its most recently prepared financial statements."[11]

---

[2] Applicants claim that Distribution is a "borrower" and not a "co-guarantor" as indicated in the Amended Application, discussed *infra*. Applicants' Comments on Staff Action Brief at 1 (explaining that "[e]ither way, Distribution's liability – either as guarantor or joint and several liability – will be limited as indicated in the [Amended Agreement].").

[3] Application at 5. The original CSA was approved in Case No. PUE-2016-00140. *See Joint Application of Appalachian Natural Gas Distribution Company; ANGD, LLC; Utility Pipeline Holding Company, LLC; and Utility Pipeline, Ltd., For approval to Refinance Long-Term Debt under Chapters 3 and 4 of Title 56 of the Code of Virginia,* Case No. PUE-2016-00140, 2017 S.C.C. Ann. Rept. 414, Order Granting Authority (Feb. 24, 2017); as amended in *Joint Application of Appalachian Natural Gas Distribution Company; ANGD, LLC; Utility Pipeline Holding Company, LLC; and Utility Pipeline, Ltd., For approval to Refinance Long-Term Debt under Chapters 3 and 4 of Title 56 of the Code of Virginia,* Case No. PUE-2016-00140, 2019 S.C.C. Ann. Rept. 154, Order Granting Authority (May 21, 2019).

[4] Application at 5-6.

[5] *Id.* at 3. UPLHC's other subsidiaries are Cardinal Natural Gas Company, Eastern Natural Gas Company, Pike Natural Gas Company, K.I.D.N. Marketing LTD, Southeastern Natural Gas Company, J.P. Pipe & Supply LTD, and Northern Industrial Energy Development Inc.

[6] 5 VAC 5-20-10 *et. seq.*

[7] Initial Amendment at 1-2.

[8] Motion at 3.

[9] *Id.*

[10] Amended Application at 2; Applicants' Comments on Staff Action Brief at 1.

[11] *Id.*

In its Action Brief, Staff recommends approval of the Amended CSA, subject to the terms outlined in the Amended Application and certain requirements listed in Appendix A attached to Staff's Action Brief. Staff also notes that in Case No. PUE-2016-00140, the Company requested and was authorized short-term borrowing flexibility in excess of 12% of Distribution's capitalization pursuant to Code § 56-65.1. The Applicants did not request similar authority in this case.[12] Staff recommends that if Distribution expects to incur short-term debt to exceed 12% of its total capitalization under the Amended CSA, Distribution should request amended authority in this docket.

Staff further recommends that the Commission take notice of potential Chapter 3 violations in Case No. PUE-2016-00140.[13]

NOW THE COMMISSION, upon consideration of this matter, having been advised by Staff through its Action Brief, and having considered the Applicants' comments thereon, is of the opinion and finds that approval of the Amended CSA is reasonable and not inconsistent with the public interest. The Commission also finds that the Applicants' Motion for Protective Order is no longer necessary; therefore, the Motion for Protective Order should be denied.[14] The Commission urges Distribution to attend carefully to the approval granted herein and to seek further or amended approval before entering into any contracts or arrangements that supersede the approval granted herein.

Accordingly, IT IS ORDERED THAT:

(1) The Application is approved as modified by the Amended Application, subject to the requirements listed in the Appendix attached hereto.

(2) This matter remains under the continued review, audit, and appropriate directive of the Commission.

APPENDIX

1. Distribution's guarantee of the Amended CSA is limited to the value of Distribution's assets as proposed in the Amended Application.

2. Separate Commission approval shall be required for any changes in the terms and conditions of the Amended CSA, as modified by the Amended Application.

3. Distribution is authorized to refinance its existing intercompany long-term debt borrowings with UPL in the manner, for the purposes, and under the terms and conditions set forth in the Application, as modified by the Amended Application.

4. Distribution is authorized to refinance its revolving credit borrowings with UPL under the terms of the new Revolving Credit Facility under the Amended CSA.

5. If Distribution expects to incur short-term borrowing needs in excess of 12% of its total capitalization, Distribution shall request amended authority pursuant to Code § 56-65.1, prior to incurring such level of short-term borrowings.

6. Distribution shall file for separate authority for any long-term debt borrowings beyond what is authorized in Requirement No. 3.

7. The authority granted in this case, upon execution, shall supersede and terminate the authority granted in Case No. PUE-2016-00140.

8. The Commission's approval shall have no accounting or ratemaking implications.

9. The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of Code § 56-76 *et seq.*, hereafter.

10. The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

11. The Company shall file with the Commission a signed and executed copy of the Amended CSA, and all related documents and obligations executed by Distribution thereunder, within ninety (90) days of the effective date of the Order in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

12. The Company shall report in its Annual Report of Affiliate Transactions, submitted by May 1 of each year to the UAF Director, and subject to administrative extension by the UAF Director, any action taken under this case by case number, type of financing, and date filed.

---

[12] Action Brief, Appendix B at 3. In response to a Staff inquiry, Distribution stated it does not expect its short-term borrowings under the proposed Revolving Credit Facility to exceed 12% of its capital structure. *Id.*

[13] Action Brief, Appendix B at 3.

[14] The Commission held the Applicants' Motion for Protective Order in abeyance and has not received a request for leave to review the confidential information contained in the Application, Initial Amendment or Amended Application in this proceeding. Accordingly, we deny the Motion for Protective Order as moot but direct the Clerk of the Commission to retain the confidential information, to which the Motion for Protective Order pertains, under seal.

CASE NO. PUR-2020-00171
DECEMBER 8, 2020

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For Approval of the SAVE Rider for Calendar Year 2021

ORDER APPROVING SAVE RIDER

On September 21, 2020, pursuant to § 56-604 E of the Code of Virginia ("Code"), a provision of the Steps to Advance Virginia's Energy (SAVE) Plan Act,[1] Washington Gas Light Company ("WGL" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of the annual adjustment to its SAVE Rider for Calendar Year 2021 ("2021 SAVE Rider").[2]

The Company's SAVE Plan is designed to facilitate the accelerated replacement of SAVE-eligible natural gas infrastructure.[3] The 2021 SAVE Rider is designed to recover eligible infrastructure replacement costs associated with the SAVE Plan.[4] WGL states that the calculation of the revenue requirement and rates associated with the 2021 SAVE Rider consist of two components: the Current Factor and the Reconciliation Factor, which the Commission approved in its 2017 SAVE Order.[5] According to the Company, the Current Factor is based on SAVE Plan program expenditures projected for 2021 approved in Case No. PUR-2017-00102, and the Reconciliation Factor is computed in accordance with Code § 56-604 E for the twelve-month period ended April 30, 2020.[6]

WGL projects for calendar year 2021 approximately $101,124,000 of SAVE Plan distribution replacement expenditures and approximately $29,220,000 of SAVE Plan transmission replacement expenditures.[7] WGL further states that the total proposed expenditures do not exceed 125% of the investment amount approved for calendar year 2021 in Case No. PUR-2017-00102.[8] The Company states that, based on its projected SAVE Plan expenditures from January 1, 2021, to December 31, 2021, the SAVE Rider Current Factor will be approximately $26,121,332.[9] An additional ($452,305) from the SAVE Rider Reconciliation Factor reduces the overall 2021 SAVE Factor revenue requirement to $25,669,027.[10]

WGL states that the Reconciliation Factor component of the 2021 SAVE Rider compares actual costs incurred and recovered over the period from May 1, 2019, to April 30, 2020, and that the Company expects an under-collection from the Residential customer class and an over-collection from the Commercial and Industrial, Group Metered Apartments, and Interruptible customer classes.[11] To correct these over/under collections as well as provide funding for the 2021 SAVE Rider revenue requirement, WGL seeks approval to apply its combined 2021 SAVE Rider rates to meter readings beginning on the first day of the January 2021 billing cycle, as a separate line item labeled "All Applicable Riders."[12] For the typical residential customer, the per therm 2021 SAVE Rider rate will be $0.0438,[13] or $2.76 per month (based on residential customer usage of 756 therms of gas annually).[14]

On October 9, 2020, the Commission issued an Order for Notice and Comment that, among other things, required the Company to publish notice of its Application; provided interested persons an opportunity to file comments, participate as a respondent, or request a hearing; required the Staff of the Commission ("Staff") to investigate the Application and file a report ("Staff Report" or "Report") containing its findings and recommendations; and permitted the Company to file a response to the Staff Report.

On November 4, 2020, the Company filed its proof of notice. No comments, notices of participation, or requests for hearing were filed.

---

[1] Code § 56-603 *et seq.*

[2] The Company's 2021 SAVE Rider is reconciled and adjusted under its Commission-approved SAVE plan ("SAVE Plan"), as amended in Case No. PUR-2017-00102. *See Application of Washington Gas Light Company, For approval to amend its SAVE Plan pursuant to § 56-604 B of the Code of Virginia*, Case No. PUR-2017-00102, 2017 S.C.C. Ann. Rept. 546, Order (Nov. 21, 2017) ("2017 SAVE Order").

[3] Application at 3-6.

[4] *Id.* at 6-9.

[5] *Id.* at 1.

[6] *Id.* at 1, 6.

[7] *Id*. at 6-7.

[8] *Id*. at 7.

[9] *Id*. at 8 and Appendix A – Items 4-6, Schedule 1.

[10] Application at Appendix A – Items 4-6, Schedule 1.

[11] *Id*. at 8-9.

[12] *Id.* at 9.

[13] *Id*.

[14] *Id*. at 1-2.

On November 20, 2020, the Staff filed its Report. In its Report, Staff recommended that the Commission approve a 2021 SAVE Rider for WGL, effective January 1, 2021, based on a Reconciliation Factor revenue requirement of ($911,166) and a Current Factor revenue requirement of $26,367,624, for a total 2021 SAVE revenue requirement of $25,456,457.[15] Staff also proposed limiting future SAVE plans to less than five years, which Staff states would mitigate the need for variances and reduce the difficulties with projecting costs and activities several years out.[16]

Staff indicated that it does not oppose the Company's proposed revenue apportionment and rate design methodology.[17] Finally, Staff noted that should the Commission approve a revenue requirement that differs from the Company's requested revenue requirement, Staff recommends that the currently proposed allocation factors remain in place.[18]

On December 1, 2020, WGL filed its Comments on the Staff's Report ("Comments"). The Company stated that it does not object to Staff's recommended revenue requirement and agrees with Staff's recommended revenue requirement allocation for the Current and Reconciliation Factors.[19] WGL requested that the Commission issue an order authorizing the Company to implement a SAVE Rider for 2021 consisting of a revenue requirement of $25,456,457, comprising a Current Factor of $26,367,624 and a Reconciliation Factor of ($911,166),[20] effective from January 1, 2021, to December 1, 2021.[21] The Company also noted that it did not support Staff's recommendation for the Commission to consider limiting future SAVE Plans to a period shorter than five years.[22]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company's 2021 SAVE Rider should be approved as set forth herein. Consistent with our prior approval, the Company's annual variance remains in effect.[23]

Accordingly, IT IS ORDERED THAT:

(1) The Company's 2021 SAVE Rider revenue requirement of $25,456,457, comprising a Current Factor of $26,367,624 and a Reconciliation Factor of ($911,166) is hereby approved. Rates consistent with this Order shall become effective on the first day of the Company's January 2021 billing cycle and shall remain in effect through December 31, 2021.

(2) WGL shall forthwith file, with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, revised tariffs for the 2021 SAVE Rider, with workpapers supporting the total revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order. The Clerk shall retain such filing for public inspection in person and on the Commission's website: scc.virginia.gov/case.

(3) This matter is dismissed.

[15] Staff Report at 15.

[16] *Id.* at 11, 15.

[17] *Id.* at 15.

[18] *Id.* at 14, 15.

[19] Comments at 1.

[20] On December 4, 2020, the Company filed a notice of erratum relating to the Company's Comments on the Staff Report.

[21] *Id.* at 4.

[22] *Id.* at 2. The Commission notes that Staff's recommendation regarding the length of future SAVE Plans is not necessary to be decided in a SAVE Rider update proceeding; therefore, the Commission makes no decision on this issue at this time.

[23] *See Application of Washington Gas Light Company, For approval of a SAVE plan and rider as provided by Va. Code § 56-604*, Case No. PUE-2010-00087, 2011 S.C.C. Ann. Rept. 345, 349, Order Approving SAVE Plan and Rider (Apr. 21, 2011).

CASE NO. PUR-2020-00196
OCTOBER 9, 2020

APPLICATION OF
SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For authority to obtain financing

ORDER GRANTING AUTHORITY

On August 25, 2020, Shenandoah Valley Electric Cooperative ("SVEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia[1] for approval of a loan from the Federal Financing Bank ("FFB"). SVEC has paid the requisite filing fee of $250.

[1] Code § 56-55 *et seq*.

SVEC is seeking authority to incur $101,709,000 in debt from the FFB. The Cooperative states that the loan will be used to finance new construction as detailed in its Rural Utilities Service Form 740c. The Application states that the term of the loan will be for 35 years, and the interest rate will be determined at the time of each advance.

NOW THE COMMISSION, upon consideration of the Application and having been advised by Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) SVEC is authorized to receive a loan of $101,709,000 from the FFB, all in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) Within thirty (30) days of the date of any advance of funds from the FFB, the Cooperative shall provide the Director of the Commission's Division of Utility Accounting and Finance a report, which shall include the amount of the advance and interest rate.

(3) Approval of this Application has no implications for ratemaking purposes.

(4) This case is dismissed.

CASE NO. PUR-2020-00209
DECEMBER 10, 2020

JOINT APPLICATION OF
RED FIBER PARENT LLC, CINCINNATI BELL INC., and CBTS VIRGINIA LLC

For approval of the transfer of indirect control of CBTS Virginia LLC, pursuant to Va. Code § 56-88 *et seq*.

ORDER GRANTING APPROVAL

On September 28, 2020, Red Fiber Parent LLC ("Red Fiber"), Cincinnati Bell Inc. ("CBI"), and CBTS Virginia LLC ("CBTS") (collectively, "Applicants"),[1] filed a joint application ("Application") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[2] requesting approval of the proposed transfer of indirect control of CBTS to Red Fiber ("Transfer"). The Applicants also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

CBTS is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity issued by the Commission.[3] Pursuant to an Agreement and Plan of Merger between Red Fiber, RF Merger Sub Inc. ("Merger Sub"), and CBI, Merger Sub will be merged with and into CBI, with CBI continuing its existence as the surviving corporation. The Applicants represent that as a result of the proposed Transfer, CBTS will remain a subsidiary of CBI, but will become an indirect, wholly owned subsidiary of Red Fiber.

The Applicants assert that the proposed Transfer will occur at the holding company level only and will not involve any change in assignment of operating authority, assets, or customers. The Applicants further state that CBTS will continue to provide services to its customers without any immediate changes to the rates, terms or conditions of service as currently provided. Lastly, the Applicants represent that CBTS will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the proposed Transfer.

Approval of the Transfer is also being sought by the Applicants from the Federal Communications Commission ("FCC") in WC Docket No. 20-146. On October 16, 2020, the Chair of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector ("Committee"), requested that the FCC defer any action until the Committee has completed its review of the Transfer for national security and law enforcement concerns. In 2019, a similar review was conducted of a transfer of control involving a Virginia certificated competitive local exchange carrier and a foreign-owned company. In Case No. PUR-2019-00110, the Commission conditioned its approval of such transfer of control upon the transaction receiving the approval of the FCC.[4]

---

[1] The Applicants state that the following entities are expected to hold a 25% or greater interest in CBI, CBTS' current parent, through Red Fiber upon closing of the proposed Transfer: Red Fiber Holdings LLC, RF TopCo LLC, MIP V (FCC) AIV, L.P., Macquarie Infrastructure V GP LLC, and Macquarie Infrastructure and Real Assets Inc. Accordingly, these entities are also considered Applicants and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] *See Application of Cincinnati Bell Any Distance of Virginia LLC, For amended and reissued certificate of public convenience and necessity to provide local exchange telecommunications services to reflect a company name change*, Case No. PUR-2017-00136, Doc. Con. Cen. No. 171120098, Order Reissuing Certificate (Nov. 8, 2017).

[4] *See Joint Petition of Zayo Group Holdings, Inc., Zayo Group, LLC, Front Range TopCo, Inc., and Front Range BidCo, Inc., For approval of the transfer of indirect control of Zayo Group, LLC, to Front Range TopCo, Inc., pursuant to Va. Code § 56-88 et seq.*, Case No. PUR-2019-00110, 2019 S.C.C. Ann. Rept. 465, Order Granting Approval (Nov. 8, 2019). The Commission imposed similar conditions in prior cases. *See, e.g., Joint Petition of Sprint Communications Company of Virginia, Inc., Sprint Communications Company L.P., SoftBank Group Corp., Deutsche Telekom AG, and T-Mobile USA, Inc., For approval of an indirect transfer of control of Sprint Communications Company of Virginia, Inc., to T-Mobile USA, Inc., pursuant to Va. Code § 56-88 et seq.*, Case No. PUR-2018-00110, 2018 S.C.C. Ann. Rept. 475, Order Granting Approval (Dec. 6, 2018).

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that, consistent with our prior rulings, the approval granted herein should be conditioned upon approval of the proposed Transfer by the FCC. Upon satisfaction of this condition, no further action is required by the Commission for approval of the Transfer. Finally, we find that the Applicants' Motion is no longer necessary and, therefore, should be denied.[5]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Applicants hereby are granted approval of the proposed Transfer, as described herein, conditioned upon approval of the Transfer by the FCC. Upon satisfaction of this condition, no further action is required by the Commission for approval of the Transfer.

(2) The Applicants shall file with the Commission proof of such approval or denial within ten (10) days of the issuance of the FCC's determination.

(3) Should approval be granted by the FCC, the Applicants shall file a report of action with the Commission in its Document Control Center within thirty (30) days after closing of the Transfer, which shall include the date of the completion of the Transfer.

(4) The Applicants' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(5) This case is dismissed.

[5] The Commission held the Applicants' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2020-00224
OCTOBER 9, 2020

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of service agreements

ORDER GRANTING INTERIM AUTHORITY

On September 29, 2020, Washington Gas Light Company ("Washington Gas" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-76 *et seq.* of the Code of Virginia. In its Application, Washington Gas requests that the Commission approve a revised affiliate service agreement between Washington Gas and SEMCO Energy, Inc. ("SEMCO").[1] According to the Application, the proposed revisions will authorize Washington Gas to receive three additional categories of shared services from SEMCO, on an as-needed basis, in the areas of information technology/digital services ("IT") and supply chain management, and environment, health and safety services.[2]

Through its Application, Washington Gas requests interim authority for the Company to receive the IT services described in its Application from SEMCO until such time as the Commission can issue a final order on the Company's Application.[3] Washington Gas represents that its costs for the IT services received from SEMCO pursuant to interim authorization will be consistent with the Commission's pricing standard applicable to affiliate transactions.[4]

NOW THE COMMISSION, upon consideration of the matter, finds that the Company's request for interim authority should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2020-00224.

(2) The Company's request for interim authority hereby is granted pending a final order on the Company's Application.

(3) This matter is continued.

[1] Washington Gas represents that the Commission approved the current agreement in *Application of Washington Gas Light Company, For approval of service agreements*, Case No. PUR-2020-00030, Doc. Con. Cen. No. 200330019, Order Granting Approval (Mar. 18, 2020). *See* Application at 1.

[2] *Id.*

[3] *Id.* at 2.

[4] *Id.*

CASE NO. PUR-2020-00224
DECEMBER 16, 2020

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of service agreement

ORDER GRANTING APPROVAL

On September 29, 2020, Washington Gas Light Company ("WGL" or "Company"), filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),[1] requesting approval of a revised affiliate service agreement ("Revised Agreement") between WGL and SEMCO Energy, Inc. ("SEMCO"). The proposed revisions reflect specific additional services ("Services") that WGL will receive from SEMCO, as well as revisions to the descriptions of two Services that WGL provides to SEMCO. The Company also requested interim authority to receive one of the proposed Services pending the Commission's disposition of this Application.[2]

The Commission approved the current service agreement between WGL and SEMCO ("Current Agreement") in Case No. PUR-2020-00030.[3] Under the Current Agreement, WGL provides sixteen categories of Services to SEMCO,[4] and SEMCO provides four categories of Services to WGL.[5]

In the Revised Agreement, the Company is requesting approval to receive three additional categories of Services from SEMCO, on an as-needed basis: (1) IT/Digital services; (2) Supply Chain services; and (3) EHS services.[6] The Company is also requesting approval to make revisions to the descriptions of Supply Chain and IT Services that WGL provides to SEMCO to be consistent with the scope of the additional Services WGL is requesting to receive from SEMCO. These revisions and the additional Services to the Current Agreement are outlined in Appendix A to the Application, which contains a red-lined copy of the proposed Revised Agreement.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the Revised Agreement is in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Company is hereby granted approval to enter into the Revised Agreement effective as of the date of this Order, subject to the requirements set forth in the Appendix attached hereto to this Order.

(2) This case is dismissed.

---

[1] Code § 56-76 *et seq.*

[2] On October 9, 2020, the Commission issued an Order Granting Interim Approval in this proceeding.

[3] *See Application of Washington Gas Light Company, For approval of a revised service agreement*, Case No. PUR-2020-00030, Doc. Con. Cen. No. 200330019, Order Granting Approval (Mar. 18, 2020). The Commission has also approved two previous versions of the service agreement. *See Application of Washington Gas Light Company, For approval of service agreements*, Case No. PUR-2019-00055, 2019 S.C.C. Ann. Rept. 413, Order Granting Approval (June 27, 2019); *Application of Washington Gas Light Company, For approval of service agreements*, Case No. PUR-2018-00130, 2018 S.C.C. Ann. Rept. 509, Order Granting Approval (Dec. 17, 2018).

[4] The Services WGL currently provides to SEMCO are: (1) Accounting and Tax; (2) Office of the General Counsel; (3) Supply Chain; (4) Strategy and Corporate Development; (5) Internal Audit; (6) Finance; (7) Operations, Engineering, Construction and Safety; (8) Information Technology; (9) Executive Officers; (10) Human Resources; (11) Payroll and Benefits; (12) Corporate Communications; (13) Regulatory Affairs; (14) Sustainability; (15) Security; and (16) Business Continuity Planning.

[5] The Services WGL currently receives from SEMCO are: (1) Executive Services for Utility Operations; (2) Human Resources and Benefits Strategy; (3) Accounting and Tax; and (4) Legal Services.

[6] The Company states that the EHS services to be provided by SEMCO are consistent with services provided by WGL to its affiliates, including SEMCO, in the following service categories: Utility Operations, Engineering, Construction and Safety; Sustainability; Security; and Business Continuity Planning. Application at 5, n.12.

APPENDIX

(1) The Commission's approval of the Revised Agreement shall extend through December 16, 2023. Should WGL wish to continue under the Revised Agreement beyond that date, separate Commission approval shall be required.

(2) The Commission's approval shall have no accounting or ratemaking implications.

(3) The Commission's approval is limited to the specific Services identified and described in the Revised Agreement. If WGL wishes to provide or receive Services not specifically identified and described in the Revised Agreement, separate approval shall be required.

(4) Separate Commission approval shall be required for WGL to provide Services to or receive Services from SEMCO through the engagement of any affiliated third parties under the Revised Agreement.

(5) WGL shall be required to maintain records, available to Staff upon request, verifying that the Services it provides to and receives from SEMCO under the Revised Agreement are priced at cost.[1]

(6) The Commission's approval shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*., hereafter.

(7) Separate Commission approval shall be required for any changes in the terms and conditions of the Revised Agreement.

(8) The Commission reserves the right to examine the books and records of WGL and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(9) WGL shall file a copy of the approved Revised Agreement within thirty (30) days after the effective date of the order in this case, subject to administrative extension by the Director of the Division of Utility Accounting and Finance ("UAF Director").

(10) WGL shall include all transactions associated with the Revised Agreement in its Annual Report of Affiliate Transactions ("ARAT"), submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT should:

(a) List the latest case number in which the Revised Agreement was approved;

(b) List WGL, the affiliate(s), and the Services provided and received; and

(c) Include schedule(s) in Excel electronic spreadsheet format with formulas intact, listing the prior year's Services provided and received by month, type of service, FERC account, and dollar amount (as the transactions are recorded in WGL's books).

(11) The Commission's approval granted in this case shall supplement the approval granted in Case Nos. PUR-2019-00055[2] and PUR-2020-00030.[3]

[1] Since both WGL and SEMCO are rate-regulated utilities, it is appropriate for Services to be exchanged at cost.

[2] *Application of Washington Gas Light Company, For approval of service agreements*, Case No. PUR-2019-00055, 2019 S.C.C. Ann. Rept. 413, Order Granting Approval (June 27, 2019).

[3] *Application of Washington Gas Light Company, For approval of a revised service agreement*, Case No. PUR-2020-00030, Doc. Con. Cen. No. 200330019, Order Granting Approval (Mar. 18, 2020).

CASE NO. PUR-2020-00225
DECEMBER 21, 2020

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE and CENTRAL VIRGINIA SERVICES, INC.

For approval to enter into an agreement under Chapter 4, Title 56 of Code of Virginia

ORDER GRANTING APPROVAL

On September 30, 2020, Central Virginia Electric Cooperative ("CVEC" or "Cooperative") and its subsidiary, Central Virginia Services, Inc. ("CVSI") (collectively, "Applicants") filed an application with the State Corporation Commission ("Commission") pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code").[1] The Applicants request approval to enter into a pole attachment agreement ("Agreement") permitting CVSI to attach its own facilities to CVEC's utility poles in order to provide broadband internet services to non-CVEC customers.

CVEC is a member-owned electric distribution cooperative. Its wholly owned subsidiary, CVSI, was formed to engage in unregulated business activities. The Commission has approved affiliate agreements that allowed CVEC and CVSI to establish a fiber optic network to improve CVEC's ability to monitor and control its electric distribution system while also providing CVEC's members with access to high-speed broadband internet and related services in its service territory and to non-CVEC members located near CVEC distribution poles.[2] However, to provide broadband services to those outside of CVEC's territory, CVSI must attach the necessary CVSI facilities to CVEC poles.[3] According to the Applicants, the Agreement sets forth the same terms and conditions as CVEC requires for attachments to its poles by unaffiliated entities, and that the rates and fees that CVSI will pay for its attachments will be established based on the same formula calculation currently used to establish the rates and fees paid by other unaffiliated entities attaching to CVEC's poles. The Applicants maintain that because CVEC will require that CVSI pay equivalent pole attachment rates and fees and be subject to the same terms and conditions as it requires of other non-affiliated entities that enter into pole attachment agreements with CVEC, there is no risk of competitive advantage for CVSI.

[1] Code § 56-76 *et seq*. ("Affiliates Act").

[2] *See Application of Central Virginia Electric Cooperative and Central Virginia Services, Inc., For approval of affiliate arrangements*, Case No. PUR-2018-00113, 2018 S.C.C. Ann. Rept. 476, Final Order (Oct. 23, 2018).

[3] Conversely, for members of the Cooperative, CVEC is running fiber to the premises, so no CVSI pole attachments will be necessary inside CVEC's service territory.

NOW THE COMMISSION, upon consideration of this matter, having been advised by its Staff through Staff's action brief, and having considered the Applicants' comments thereon,[4] is of the opinion and finds that the proposed Agreement is in the public interest and is approved subject to the requirements listed in the Appendix attached to this Order.

The Agreement is subject to the Commission's Regulations Governing the Separation of Regulated and Unregulated Businesses of Utility Consumer Services Cooperatives and Utility Aggregation Cooperatives ("Co-op Rules").[5] As such, we will adopt Staff's recommendation that the Commission require CVEC to provide pole attachments to CVSI under comparable prices, terms and conditions as provided to non-affiliated third parties. We also adopt Staff's recommendation that CVEC should be required to maintain records, available to Staff upon request, to verify CVSI's comparable pole attachment pricing, terms, and conditions, and to support the determination, in future rate proceedings, of the pole attachment revenues and costs that are includible in CVEC's cost of service.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Agreement is approved subject to the requirements listed in the Appendix attached to this Order Granting Approval.

(2) This case is dismissed.

APPENDIX

(1) CVEC shall provide pole attachments to CVSI under comparable prices, terms and conditions as provided to non-affiliated third parties. CVEC shall maintain records, available to Staff upon request, to document that practice and to support, in future rate proceedings, the pole attachment revenues and costs that are includible in CVEC's cost of service.

(2) The Commission's approval of the Agreement shall extend from the effective date of this Order Granting Approval through December 31, 2025. Should the Applicants wish to continue under the Agreement beyond that date, separate Commission approval shall be required.

(3) The Commission's approval shall have no accounting or ratemaking implications.

(4) The approval granted in this case shall not preclude the Commission from exercising its authority under the Affiliates Act and the Co-op Rules hereafter.

(5) Separate Commission approval shall be required for any changes in the terms and conditions of the Agreement.

(6) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(7) CVEC shall file with the Commission an executed copy of the approved Agreement within 60 days after the effective date of the Order Granting Approval in this case, subject to any administrative extensions granted by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

(8) CVEC shall include all transactions associated with the Agreement in its Annual Report of Affiliate Transactions submitted by May 1 of each year to the UAF Director. CVEC shall include a schedule showing the transactions by number of new CVSI attachments, FERC account, service category, month and amount as they are recorded on CVEC's books.

---

[4] The Applicants' comments are attached to Staff's action brief dated December 15, 2020, filed concurrently with this Order.

[5] 20 VAC 5-203-10 *et seq.*

CASE NO. PUR-2020-00226
OCTOBER 28, 2020

JOINT PETITION OF
SUMMIT INFRASTRUCTURE GROUP, INC., SUMMIT ISSUER, LLC, and SUMMITIG, LLC

For approval of the transfer of control of SummitIG, LLC

ORDER GRANTING APPROVAL

On September 30, 2020, Summit Infrastructure Group, Inc. ("Summit"), Summit Issuer, LLC ("Summit Issuer"), and SummitIG, LLC ("SummitIG") (collectively, "Petitioners"),[1] filed a petition with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[2] requesting approval of the proposed transfer involving an internal restructuring that will result in Summit Issuer's acquisition of control of a Virginia telephone company, SummitIG ("Transfer"). The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

In Virginia, SummitIG is authorized to provide local and interexchange telecommunications services pursuant to certificates of public convenience and necessity issued by the Commission.[3] The Petitioners state that they intend to enter into a financing transaction with associated corporate restructuring. Summit Guarantor, LLC ("Guarantor") and Summit Issuer, two newly formed companies, will be inserted into the organizational structure, with Guarantor as the parent of Summit Issuer, and Summit Issuer becoming the new direct parent of SummitIG.

The Petitioners state that the proposed Transfer will not impair the provision of adequate services to the public at just and reasonable rates, and the services that SummitIG currently provides to Virginia customers will be provided by SummitIG in the same manner. Further, information provided with the Petition indicates that Summit Issuer, through Summit, will have the financial, managerial, and technical resources necessary for SummitIG to continue to render telecommunications services in Virginia following the completion of the Transfer.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Staff of the Commission through the Staff's action brief, is of the opinion and finds that the above-described Transfer should be approved. Further, we find that the Petitioners' Motion is no longer necessary and, therefore, should be denied.[4]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(3) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

---

[1] SDC GP Manager, LLC and SDC Summit Intermediate Holdings, LLC are also considered Petitioners and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] *See Application of SIG Acquisition Company, LLC, For cancellation & reissuance of certification of public convenience & necessity to provide local exchange & interchange telecommunications services to reflect a company name change*, Case. No. PUC-2014-00006, 2014 S.C.C. Ann. Rept. 215, Order Reissuing Certificates (Mar. 21, 2014).

[4] The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2020-00228
DECEMBER 17, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION ENERGY SERVICES, INC.

For approval of a Revised Services Agreement under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On October 2, 2020, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV") and Dominion Energy Services, Inc. ("DES") (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval of a revised services agreement ("Revised DES Agreement") pursuant to Chapter 4[1] of Title 56 of the Code of Virginia ("Code"). The Commission approved the current agreement between DEV and DES ("Current DES Agreement") in Case No. PUR-2018-00161.[2]

On December 7, 2020, the Applicants filed an amended agreement ("Amended Revised DES Agreement") with limited additional changes to two categories of services. Pursuant to the Amended Revised DES Agreement, DES will provide DEV with 22 accounting, legal, human resources, information technology, management, and other centralized services ("Centralized Services").[3]

The proposed Amended Revised DES Agreement includes certain changes. First, the Applicants seek to extend the Amended Revised DES Agreement for three years, from January 1, 2021, through December 31, 2023. Second, the Applicants revised the service category descriptions for: (i) Accounting; (ii) Operations; (iii) Corporate Planning; (iv) Corporate Secretary; and (v) Investor Relations.[4] Third, the Applicants added a confidentiality section and an Agreement to Adhere and Protect CSOI[5] to the Amended Revised DES Agreement in order to synchronize with certain North Carolina Utilities Commission Code of Conduct requirements for Dominion Energy North Carolina.[6]

The revised service category descriptions for Accounting, Corporate Secretary, and Investor Relations have limited, non-substantive changes. The revised service category description for Corporate Planning included in the Amended Revised DES Agreement is more descriptive and provides specific language providing for DES to assist DEV with research, industry developments, innovation, sustainability, and social contract initiatives.[7] The revised service category for Operations is also more descriptive and provides specific language for DES to assist DEV with training programs, maintaining training records, and land services, among other things.[8]

The Applicants represent that the Amended Revised DES Agreement is in the public interest because it allows DEV to fulfill its public service obligations in a reliable and cost-effective manner. As a centralized service company regulated by the Federal Energy Regulatory Commission, DES generates certain operating economies of scale associated with providing Centralized Services to a large group of affiliated companies. The Applicants represent that DEV customers benefit because: (i) DEV only takes Centralized Services from DES on as-needed basis; and (ii) DEV pays the lower of cost or market for the Centralized Services in compliance with the Commission's asymmetric pricing policy.[9] The Applicants state that Centralized Services will be provided at cost under the Amended Revised DES Agreement, which they represent is reasonable and complies with the Commission's lower of cost or market pricing standard as documented by their outside consultant, Patrick L. Baryenbruch, in his report on DES and other affiliate charges for the twelve months ended December 31, 2019.

NOW THE COMMISSION, upon consideration of this matter, having been advised by its Staff through Staff's action brief, and having considered the Applicants' comments thereon, is of the opinion and finds that the proposed Amended Revised DES Agreement is in the public interest and should be approved subject to the requirements listed in the Appendix attached hereto this order.

---

[1] Code § 56-76 *et seq.*

[2] *See Application of Virginia Electric and Power Company and Dominion Energy Services, Inc., For approval of a revised services agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2018-00161, 2018 S.C.C. Ann. Rept. 537, Order Granting Approval (Dec. 21, 2018) ("2018 Order").

[3] See Attachment B, Exhibits I and II of the Amended Revised DES Agreement. The Centralized Services include (1) Accounting; (2) Auditing; (3) Legal; (4) Information Technology, Electronic Transmission and Computer Services; (5) Software/Hardware Pooling; (6) Human Resources; (7) Operations; (8) Executive and Administrative; (9) Business Services; (10) Risk Management; (11) Corporate Planning; (12) Supply Chain; (13) Rates and Regulatory; (14) Tax; (15) Corporate Secretary; (16) Investor Relations; (17) Environmental Compliance; (18) Customer Services; (19) Energy Marketing; (20) Treasury/Finance; (21) External Affairs; and (22) Office Space and Equipment.

[4] The Amended Revised DES Agreement filed on December 7, 2020, includes limited additional changes to the Operations and Corporate Planning services categories as compared to the Revised DES Agreement filed on October 2, 2020.

[5] "CSOI" stands for "confidential system operation information."

[6] See Section XIV (Confidentiality) and attached Exhibit IV to the Revised DES Agreement.

[7] The Applicants' Response to Staff DR 3-16 attached to Staff's action brief includes more detailed descriptions of the prospective research, industry developments, innovation, sustainability, and social contract initiatives assistance to be provided by DES to DEV.

[8] The Applicants' Response to Staff DR 3-15 attached to Staff's action brief includes more detailed descriptions of the Operations services to be provided by DES to DEV.

[9] *See* Application at 9, para. 16.

During Staff's review of the Application, two areas of particular concern were identified. First, the Applicants discussed and described their ongoing efforts to improve the transparency and verifiability of DES's charges to DEV.[10] Since the Commission approved the Current DES Agreement, DEV has provided Status Reports in its Annual Report of Affiliate Transactions ("ARAT") on the progress of DES in implementing these upgrades. In its 2019 ARAT, DEV indicated that DES completed the SAP upgrade to the new and updated SAP S/4 HANA system in the second quarter of 2019.[11] DEV also represented that DES designed and developed a custom "front-end" FERC solution that is in the process of being tested in a parallel testing environment and will be evaluated to be implemented in the first quarter of 2021. The Applicants propose to continue providing Status Reports in DEV's ARATs as part of the ongoing progress toward resolving the Commission's concerns with verifying DES's charges to DEV. Accordingly, we re-adopt the Status Report requirement from our 2018 Order.[12]

Second, two material events occurred during 2019 and 2020 that could affect DES's charges to DEV going forward. First, during 2019, DES and Dominion Energy Technical Solutions, Inc.,[13] implemented a voluntary retirement program ("VRP") for their employees, which resulted in a significant expenditure for DES. Second, on July 5, 2020, DEI, the Applicants' parent, announced that it executed a definitive agreement with Berkshire Hathaway, Inc.("BHI"), to divest itself of all of its natural gas transmission and storage segment assets in a transaction valued at approximately $9.7 billion, including the assumption by BHI of $5.7 billion of DEI debt ("Divestiture"). The assets included in the Divestiture include DEI's ownership interests in Dominion Energy Transmission, Questar Pipeline, Carolina Gas Transmission, Iroquois Gas Transmission System, legacy gathering and processing operations, farmout acreage, as well as a 25% interest in Cove Point. DEI will reclassify the assets as discontinued operations for GAAP[14] reporting purposes and exclude them from continuing operations for the full-year 2020.[15]

We are concerned that material changes such as the Divestiture and the VRP may significantly impact affiliated charges to DEV pursuant to the Amended Revised DES Agreement or other affiliate agreements, either directly or indirectly. To monitor the effect of such material changes, we will adopt Staff's recommendation that DEV be required to provide an annual disclosure in its ARAT, similar to an SEC Form 8-K, for material DEI events affecting the Revised DES Agreement or other affiliate agreements. Specifically, the disclosure will: (1) describe the material event; (2) note when it occurred; (3) identify the parties involved; and (4) discuss the effect on the Revised DES Agreement and other affiliate agreements.

We will not adopt Staff's proposed disclosure item (5) at this time. This decision is without prejudice; such issue may be revisited in the future after Staff and the Commission have more experience with the new reporting requirement ordered herein. In making this decision, we note our continuing supervisory control over the Amended Revised DES Agreement in accordance with Code § 56-80 and our authority under Code § 56-36 to require, "from time to time," information from utilities such as DEV.[16]

Accordingly, IT IS ORDERED THAT:

(1) The Amended Revised DES Agreement is approved subject to the requirements listed in the Appendix attached to this order.

(2) This case is dismissed.

APPENDIX

1) DEV shall provide an annual disclosure in its ARAT for DEI material events affecting the Amended Revised DES Agreement or other affiliate agreements. The disclosure shall: (1) describe the material event; (2) note when it occurred; (3) identify the parties involved; and (4) discuss the effect on the Amended Revised DES Agreement and other affiliate agreements.

2) The Commission's approval of the Amended Revised DES Agreement shall extend for three years, from January 1, 2021, through December 31, 2023.

3) The Commission's approval shall have no accounting or ratemaking implications.

---

[10] As explained in greater detail in Staff's action brief in Case No. PUR-2018-00161 (in which the Current DES Agreement was approved), the Commission has expressed concerns since 2011 regarding the transparency and verifiability of DES charges to DEV. These concerns include: (1) the lack of reporting capabilities of SAP, DES's and DEV's enterprise software system; (2) the lack of detailed information on DEV's books; (3) and the complex conversion process from SAP's natural chart of accounts to the FERC Uniform System of Accounts. *See also* 2018 Order, n.2 *supra*, 2018 S.C.C. Ann. Rept. at 537-538; *Application of Virginia Electric and Power Company and Dominion Resources Services, Inc., For approval of a Revised Services Agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00101, 2016 S.C.C. Ann. Rept. 454, 455, Order Granting Approval (Dec. 7, 2016); *Application of Virginia Electric and Power Company and Dominion Resources Services, Inc., For approval of a Revised Services Agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2010-00144, 2011 S.C.C. Ann. Rept. 410, 411-412, Order Granting Approval (Mar. 9, 2011).

[11] SAP is the enterprise software system for Dominion Energy, Inc. ("DEI") and its affiliates, including DES and DEV. S/4 HANA is a SAP upgrade that offers improved FERC accounting functionality.

[12] *See* 2018 Order, n.2 *supra,* Appendix Item (1).

[13] DEV is currently seeking approval of a separate affiliate services agreement with Dominion Energy Technical Solutions, Inc., in Case No. PUR-2020-00229.

[14] "GAAP" refers to Generally Accepted Accounting Principles.

[15] See DEI's, July 5, 2020 news release, available at https://news.dominionenergy.com/2020-07-05-Dominion-Energy-Agrees-to-Sell-Gas-Transmission-Storage-Assets-to-Berkshire-Hathaway-Energy-Strategic-Repositioning-Toward-Pure-Play-State-Regulated-Sustainability-Focused-Utility-Operations . The first part of the Divestiture closed on November 1, 2020, as expected.

[16] The Applicants themselves have acknowledged the Commission's ability to request additional information from the Company pursuant to these statutes. *See* Applicants' comments on the Staff's action brief at 5. These comments are appended to the action brief filed in this docket.

4) The Commission's approval shall be limited to the 22 Centralized Services[17] identified in the Amended Revised DES Agreement. Should DEV wish to obtain additional services not specifically identified in the Amended Revised DES Agreement, separate Commission approval shall be required in accordance with the requirements and timelines provided for in the Affiliates Act (Code § 56-76 *et seq*.).

5) Separate Commission approval shall be required in accordance with the requirements and timelines provided for in the Affiliates Act (Code § 56-76 *et seq*.) for affiliated third parties to provide Centralized Services through DES to DEV under the Amended Revised DES Agreement.

6) Separate Commission approval shall be required in accordance with the requirements and timelines provided for in the Affiliates Act (Code § 56-76 *et seq*.) for any changes in the terms and conditions of the Amended Revised DES Agreement.

7) The Commission reserves the right to examine the books and records of DEV and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

8) DEV shall maintain records demonstrating that the Centralized Services received from DES are cost beneficial to Virginia ratepayers. For all Centralized Services charged to DEV where a market may exist, DEV shall investigate whether comparable market prices are available and, if they exist, DEV shall compare the market price to cost and pay the lower of cost or market to DES. Records of such investigations and comparisons shall be available to Staff upon request. DEV shall bear the burden of proving, in any rate proceeding, that all Centralized Services costs charged to DEV are priced at the lower of cost or market where a market for such services exists.

9) The approval granted in this case shall not preclude the Commission from exercising its authority under the Affiliates Act (Code § 56-76 *et seq*.) hereafter.

10) DEV shall file with the Commission an executed copy of the Amended Revised DES Agreement within 60 days after the effective date of the Order Granting Approval in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

11) DEV shall continue to include a Status Report, which updates the Applicants' ongoing progress toward resolving the Commission's concerns with verifying DES' charges to DEV,[18] in its ARAT submitted to the UAF Director each year. The Applicants shall maintain records, which shall be available to Staff upon request, to support any statements made in the Status Report.

12) DEV shall include all transactions associated with the Amended Revised DES Agreement in its ARAT submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include: (a) the case number in which the Amended Revised DES Agreement was approved; (b) the names of all affiliated parties to the Amended Revised DES Agreement; and (c) a calendar year annual schedule showing the Amended Revised DES Agreement transactions by month, service category, FERC account, and amount as they are recorded on DEV's books.

[17] *See* n.3, *supra*.

[18] *See* n.10, *supra*.

CASE NO. PUR-2020-00229
DECEMBER 21, 2020

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION GENERATION, INC.,
DOMINION ENERGY NUCLEAR CONNECTICUT, INC., DOMINION ENERGY TECHNICAL SOLUTIONS, INC., and
DOMINION ENERGY FUEL SERVICES, INC.

For approval of Revised Affiliate Services Agreements and future exemptions from the filing and prior approval requirements under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On October 5, 2020, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV" or "Company"), Dominion Generation, Inc., Dominion Energy Nuclear Connecticut, Inc., Dominion Energy Technical Solutions, Inc., and Dominion Energy Fuel Services, Inc. (excluding DEV, collectively, "Affiliates") (including DEV, collectively, "Applicants"), filed an Application with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),[1] and Requirement (1) of the Appendix to the Commission's December 19, 2018 Order Granting Approval in Case No. PUR-2018-00162,[2] requesting approval of revised separate Affiliate Services Agreements under which each of the Affiliates will continue to provide needed services to DEV at the Company's election (the "Revised Agreements"). The Applicants request approval of the Revised Agreements for a three-year term with an effective date of January 1, 2021.[3]

[1] Code § 56-76 *et seq.* ("Affiliates Act").

[2] *Application of Virginia Electric and Power Company and Dominion Generation, Inc., Dominion Energy Kewaunee, Inc., Dominion Energy Nuclear Connecticut, Inc., Dominion Energy Technical Solutions, Inc., Dominion Energy Transmission, Inc., and Dominion Energy Fuel Services, Inc., For approval of Revised Affiliate Services Agreements and future exemptions from the filing and prior approval requirements under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2018-00162, 2018 S.C.C. Ann. Rept. 539, Order Granting Approval (Dec. 19, 2018) ("2018 Order").

[3] Concurrent with the instant Application, the Company also filed a separate application with the Commission in Case No. PUR-2020-00228, requesting approval of an Amended Revised DES Services Agreement, effective January 1, 2021, with Dominion Energy Services, Inc. ("DES"). DES currently provides centralized services to the Company pursuant to a DES Services Agreement approved by the Commission in Case No. PUR-2018-00161. *See Application of Virginia Electric and Power Company and Dominion Energy Services, Inc., For approval of a revised services agreement under Chapter 4 of Title 56 of the Code of Virginia,* Case No. PUR-2018-00161, 2018 S.C.C. Ann. Rept. 537, Order Granting Approval (Dec. 21, 2018).

In addition, for other affiliates not identified in the instant Application ("Future Affiliates") that would annually bill less than $500,000 for any one service (and less than $2 million in total services) to DEV, the Company requests that the Commission approve the same exemption ("Exemption") from the future filing and prior approval requirements under the Affiliates Act as granted in the Commission's 2018 Order, so long as the Future Affiliates execute the Revised Form Affiliate Services Agreement in the form set forth in the Application (the "Revised Form Agreement").[4]

On December 7, 2020, the Applicants filed an amendment to the Application ("Amendment"), which included amended versions of the Revised Agreements (the "Amended Revised Agreements") and an amended Revised Form Agreement (the "Amended Revised Form Agreement") that contained limited additional changes to the agreements.[5] The Applicants requested that the Amended Revised Agreements and the Amended Revised Form Agreement supercede and replace the versions of the Revised Agreements and Revised Form Agreement filed with the Application on October 5, 2020.

The Applicants represent that only limited, non-substantive changes are proposed for the Amended Revised Agreements. First, the Applicants seek to extend the Amended Revised Agreements for three years, from January 1, 2021, through December 31, 2023. Second, the Applicants have revised the service category descriptions for (i) Operations, and (ii) Corporate Planning to make them more explicit and descriptive.[6] Third, the Applicants added a confidentiality provision and an Agreement to Adhere and Protect CSOI[7] to the Amended Revised Agreements in order to synchronize with certain North Carolina Utilities Commission Code of Conduct requirements for Dominion Energy North Carolina.[8]

The Applicants state that all services will be provided at cost under the Amended Revised Agreements and Amended Revised Form Agreement, which they represent is reasonable and complies with the Commission's lower of cost or market pricing standard.[9] The Applicants also represent that the Amended Revised Agreements and Amended Revised Form Agreement are in the public interest because they allow DEV to receive needed services from its Affiliates/Future Affiliates in order to continue to fulfill its public service obligations in a reliable and cost-effective manner.[10]

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the Amended Revised Agreements, the Amended Revised Form Agreement, and the Exemption from the filing and prior approval requirements under the Affiliates Act, are in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Applicants are hereby granted approval of the Amended Revised Agreements and the Amended Revised Form Agreement, subject to the requirements set forth in the Appendix attached to this Order.

(2) Pursuant to Code § 56-77 B, the Applicants are hereby granted the Exemption from the filing and prior approval requirements under the Affiliates Act of affiliate services agreements with any Future Affiliates, provided that the Future Affiliate executes the Amended Revised Form Agreement in the form set forth in the Application and the Amendment, and that such transactions are reported in the Company's Annual Report of Affiliate Transactions ("ARAT"), subject to the requirements set forth in the Appendix attached to this Order.

(3) This case is dismissed.

APPENDIX

(1) The Commission's approval of the Amended Revised Agreements and the Amended Revised Form Agreement shall extend from January 1, 2021, through December 31, 2023. Should the Applicants wish to continue under the Amended Revised Agreements and/or continue to use the Amended Revised Form Agreement beyond the three-year period, separate Commission approval shall be required.

(2) DEV shall monitor billings for transactions for which the Exemption from the filing and prior approval requirements of the Affiliates Act is granted in this case to ensure that, if it appears as though billings will exceed $500,000 for any one service or $2 million in total, an application is filed with the Commission for approval under the Affiliates Act prior to such billings actually exceeding those levels.

(3) The Commission reserves the right to revoke the Exemptions granted in this case at any time that such revocation is deemed to be in the public interest.

(4) The Commission's approval granted in this case shall have no accounting or ratemaking implications.

---

[4] The Applicants represent that the Revised Form Agreement has limited revisions consistent with those described in the Application for the Revised Agreements.

[5] Specifically, the Amended Revised Agreements and the Amended Revised Form Agreement filed in the Amendment included limited additional changes to the Operations and Corporate Planning service category descriptions as compared to the Revised Agreements and Revised Form Agreement originally filed with the Application on October 5, 2020.

[6] The revised service category description for Corporate Planning included in the Amended Revised Agreements is more descriptive and provides specific language providing for the Affiliates to assist DEV with research, industry developments, innovation, sustainability, and social contract initiatives. The revised service category description for Operations in the Amended Revised Agreements is also more descriptive and provides specific language for the Affiliates to assist DEV with the performance of operations support services for generation, transmission and nuclear function, among other things.

[7] "CSOI" stands for "confidential system operation information."

[8] *See* Section XIV (Confidentiality) and attached Exhibit IV to each of the Amended Revised Agreements and the Amended Revised Form Agreement.

[9] Application at 9-11.

[10] *Id.* at 12.

(5) The Commission's approval is limited to the specific services[11] identified in the Amended Revised Agreements. Should DEV wish to obtain additional services from Affiliates other than those specifically identified in the Amended Revised Agreements, separate Commission approval shall be required. DEV shall be required to seek separate Commission approval of any changes to the selected services provided by Future Affiliates to DEV under each of the respective Amended Revised Form Agreements if such services are more than $500,000 per service per year to DEV for the receipt of such services or $2 million in total per year.

(6) DEV shall be required to provide written notice to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") within fifteen (15) days of any election, by either DEV or the Affiliates, of new services not currently selected in each of the respective Amended Revised Agreements, regardless of the cost of such services. In the case where new services are selected, DEV shall include that information in its ARAT.

(7) Separate Affiliates Act approval shall be required for any of the Affiliates to provide services to DEV through the engagement of any affiliated third parties under the Amended Revised Agreements.

(8) Separate Commission approval shall be required for any changes in the terms and conditions of the Amended Revised Agreements.

(9) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*., hereafter.

(10) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

(11) DEV shall maintain records demonstrating that the services provided by the Affiliates are cost beneficial to Virginia ratepayers. For all services provided by the Affiliates where a market may exist, DEV shall investigate whether there are alternative sources from which it could purchase such services. If an alternative source exists, DEV shall compare the market price to the Affiliates' charges and pay the lower of cost or market. Records of such investigations and comparisons shall be available for Staff review upon request. DEV shall bear the burden of proving, in any rate proceeding, that all service costs charged to DEV under the Amended Revised Agreements are priced at the lower of cost or market where a market for such services exists.

(12) DEV shall file with the Commission signed and executed copies of each of the Amended Revised Agreements within sixty (60) days of the effective date of the Order Granting Approval in this case, subject to administrative extension by the UAF Director.

(13) All transactions between the Affiliates/Future Affiliates and DEV under the Amended Revised Agreements and the requested exemption shall be included in DEV's ARAT, submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. All DEV ARAT reporting shall include, but not be limited to, the following information:

(a) The most recent Case Number under which the Agreement was approved;
(b) The name and type of activity performed by each Affiliate/Future Affiliate under the Agreement; and,
(c) A schedule, in Excel electronic spreadsheet format with formulas intact, listing the prior year's transactions by month, type of service, FERC account, and dollar amount (as the transaction is recorded on DEV's books).

(14) All requirements regarding the Amended Revised Agreements between DEV and the Affiliates shall also apply to transactions between DEV and Future Affiliates to which the Exemption from the filing and prior approval requirements of the Affiliates Act applies.

(15) Signed and executed copies of all Agreements involving Future Affiliates and DEV, for which an Exemption from the filing and prior approval requirements of the Affiliates Act is granted in this case, shall be submitted with DEV's ARAT.

[11] *See* Exhibits I and II of the Amended Revised Agreements and Amended Revised Form Agreement.

CASE NO. PUR-2020-00232
OCTOBER 23, 2020

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For approval pursuant to Title 56, Chapters 3 and 4 of the Code of Virginia

ORDER GRANTING AUTHORITY

On October 1, 2020, Central Virginia Electric Cooperative ("CVEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapters 3[1] and 4[2] of Title 56 of the Code of Virginia ("Code") for approval of a loan. CVEC has paid the requisite filing fee of $250.

As described in the Application, CVEC was awarded $28,000,0000 under the United States Department of Agriculture's ReConnect Program, administered by the Rural Utilities Service ("RUS"). The ReConnect Program offers federal financing and funding to facilitate broadband deployment in rural areas. The total amount awarded to CVEC consists of a grant of $14,000,000 and a $14,000,000 loan ("Loan") administered by RUS. Along with funds from the grant, CVEC will use the Loan proceeds to fund the build-out and extension of its fiber optic network.

[1] Code § 56-55 *et seq*.

[2] Code § 56-76 *et seq*.

The Loan will have a term of twenty-two years and borrowings may be advanced over a period of five years, with provisions for the three-year deferral of principal and interest payments from the date funds are first made available. Each advance under the Loan will have a fixed rate of interest equal to the cost of borrowing by the Department of Treasury for government obligations of comparable maturity.

CVEC requests expedited consideration for authority to borrow the Loan awarded under the ReConnect Program. As a condition of the Loan, RUS requires that Central Virginia Services, Inc. ("CVSI"), the broadband service affiliate of CVEC, guarantee CVEC's Loan payment obligations. To the extent that Chapter 4 authority is necessary for CVSI's guarantee of the Loan to CVEC, such authority is also requested.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest. The Commission is of the further opinion and finds that Chapter 4 authority for the Loan as reflected in the Application is not required.

Accordingly, IT IS ORDERED THAT:

(1) CVEC is authorized to borrow up to $14,000,000 from RUS, in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) The authority granted herein shall have no ratemaking implications.

(3) This case is dismissed.

CASE NO. PUR-2020-00233
NOVEMBER 24, 2020

JOINT PETITION OF
ERIC KLEIN and ADAM GOLDBERG and REDWOOD SERVICES GROUP, LLC

To authorize the transfer of direct control of Telco Experts, LLC

ORDER GRANTING APPROVAL

On October 28, 2020, Eric Klein and Adam Goldberg ("Klein and Goldberg"), and Redwood Services Group, LLC ("Redwood") (collectively, "Petitioners")[1] completed the filing of a joint petition ("Petition") with the State Corporation Commission ("Commission") pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[2] requesting approval of the proposed transfer of control ("Transfer") of Telco Experts, LLC ("Telco Experts"), from Klein and Goldberg to Redwood. The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

According to the Petition, Telco Experts is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity issued by the Commission.[3] The Petition further states that pursuant to a Membership Interest Purchase Agreement, Redwood will acquire all of the outstanding membership interests in Telco Experts in exchange for a cash payment.[4]

The Petitioners assert that the proposed Transfer will not involve any change in assignment of operating authority, assets, or customers.[5] The Petitioners further state that Telco Experts will continue to provide services to its existing customers at the same rates, terms, and conditions and in the same geographic areas as currently provided.[6] Lastly, information provided with the Petition indicates that Telco Experts will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the proposed Transfer.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff through its action brief, is of the opinion and finds that the above-described Transfer should be approved. The Commission also finds that the Petitioners' Motion is no longer necessary and therefore should be denied.[7]

---

[1] Graham Weaver; Alpine SLP VI, LLC; Alpine General Partner VI, LLC; Alpine Investors VI, LP; Evergreen Services Group Topco, LLC; and Evergreen Services Group, LLC, are also considered Petitioners and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] Petition at 3-4; *See Application of Telco Experts, LLC, For a certificate of public convenience and necessity to provide local exchange telecommunications services,* Case No. PUC-2010-00074, 2011 S.C.C. Ann. Rept. 237, Final Order (May 5, 2011).

[4] Petition at 4.

[5] *Id.* at 5.

[6] *Id.*

[7] The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(3) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

CASE NO. PUR-2020-00248
NOVEMBER 16, 2020

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For approval to issue short-term debt securities pursuant to Chapter 3 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On October 23, 2020, Virginia-American Water Company ("VAWC" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Tile 56 of the Code of Virginia ("Code") requesting authority to issue up to $60 million of short-term debt in the form of promissory notes ("Notes"). The Application states that the issuance will be between VAWC and its affiliate, American Water Capital Corp. ("Capital Corp."), pursuant to an existing affiliate authority.[1] [2] As stated in the Application, VAWC requests authority to issue the Notes in an amount not to exceed $60 million at any one time through the period ending December 31, 2023. The Company represents that the requested amount of short-term indebtedness may be in excess of 12% of the Company's total capitalization as defined § 56-65.1 of the Code and thus requires prior Commission approval. VAWC paid the requisite fee of $250.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that, subject to the requirements set forth in the Appendix attached hereto, approval of the authority requested in the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) VAWC is authorized to issue short-term debt in an amount not to exceed $60 million of Notes at any one time through the period ending December 31, 2023, subject to the requirements set forth in the Appendix attached hereto.

(2) This matter remains under the continued review, audit, and appropriate directive of the Commission.

APPENDIX

(1) VAWC is authorized to issue short-term debt in an amount not to exceed $60 million of Notes at any one time through the period ending December 31, 2023, under the terms and conditions and for the purposes stated in the Application.

(2) VAWC shall file with the Clerk of the Commission reports of action for short-term debt borrowings exercised from the date of this Order Granting Approval through December 31, 2021, and for calendar years ending December 31, 2022, and December 31, 2023. Such reports shall be due March 31, 2022, and March 31, 2023, with the final report due April 1, 2024. Such reports shall provide the daily average balance of borrowings in each month and the monthly average interest rates for the borrowings reported.

(3) The approval granted in this case shall have no accounting or ratemaking implications.

---

[1] Capital Corp. is a Delaware corporation and is a wholly owned subsidiary of American Water Works Company, Inc. ("AWW"). The Application states that Capital Corp. has been established to provide financial services to AWW and its water utility subsidiaries. The services provided to the participants consist of lending funds on both a short-term and long-term basis and providing cash management services.

[2] The currently operative financial services agreement between VAWC and Capital Corp. is set to expire on December 31, 2020. *See Application of Virginia-American Water Company and American Water Capital Corp., To extend authority for continued participation in a Financial Services Agreement pursuant to the Affiliates Act,* Case No. PUE-2016-00124, 2016 S.C.C. Ann. Rep. 468, Order Granting Authority (Dec. 13, 2016). The Company has requested authority to renew its financial services agreement. *See* Case No. PUR-2020-00254.

CASE NO. PUR-2020-00253
NOVEMBER 10, 2020

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to incur short-term indebtedness pursuant to Title 56, Chapter 3 of the Virginia Code

ORDER GRANTING AUTHORITY

On October 27, 2020, Atmos Energy Corporation ("Atmos" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code") requesting authority to incur short-term indebtedness of not more than $3.0 billion at any one time during the period January 1, 2021, to December 31, 2021. The requested amount of short-term indebtedness is in excess of 12% of Atmos' total capitalization as defined in § 56-65.1 of the Code and thus requires prior Commission approval. Atmos paid the requisite fee of $250.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that, subject to the requirements set forth in the Appendix attached hereto, approval of the authority requested in the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) Atmos is authorized to incur short-term indebtedness in excess of twelve percent of total capitalization, with a limit of $3.0 billion, subject to the requirements set forth in the Appendix attached hereto.

(2) This matter remains under the continued review, audit, and appropriate directive of the Commission.

APPENDIX A

1) Atmos is authorized to incur short-term indebtedness up to the maximum outstanding limit at any one time of $3.0 billion during the period January 1, 2021, through December 31, 2021, under the terms and conditions and for the purposes set forth in the Application.

2) Atmos shall file with the Commission quarterly reports of action ("Report(s)") on or before May 14, 2021, August 17, 2021, and November 16, 2021, reporting on all short-term indebtedness incurred during the previous calendar quarter. For each month of short-term indebtedness reported, such Report shall include the daily maximum amount of short-term indebtedness outstanding and the daily weighted average balance and cost rate.

3) Atmos shall file with the Commission a final Report on or before March 15, 2022, to include the same information in Item 2 for the last calendar quarter of 2021, along with a balance sheet as of December 31, 2021.

4) The authority granted in this case shall have no accounting or ratemaking implications.

5) If Atmos wishes to obtain authority beyond December 31, 2021, the Company shall file an application for such authority by October 29, 2021.

CASE NO. PUR-2020-00254
DECEMBER 17, 2020

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For approval to extend authority for continued participation in a Financial Services Agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER

On October 28, 2020, Virginia-American Water Company ("VAWC" or "Company") and American Water Capital Corp. ("Capital Corp.") (collectively, "Applicants") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),[1] for authority to continue to participate in the Financial Services Agreement ("Agreement"). Under the proposed Agreement, Capital Corp. will provide the Company with short-term loans, long-term borrowings, and cash management services from January 1, 2021, through December 31, 2024.[2]

[1] Code § 56-76 *et seq*. ("Affiliates Act").

[2] The Company obtained authority to incur short-term debt with respect to the services provided by Capital Corp. *See Application of Virginia-American Water Company, For approval to issue short-term debt securities pursuant to Chapter 3 of Title 56 of the Code of Virginia,* Case No. PUR-2020-00248, Doc. Con. Cen. 101130056, Order Granting Approval (Nov. 16, 2020).

The Application states that the terms and conditions of the Agreement have not materially changed since it was first approved in the mid-2000s.[3] The Application states that as a result of participating in the Agreement, the Company has been able to obtain more favorable rates on short-term borrowings from Capital Corp. The Company also represents that it has been able to obtain more favorable long-term borrowing rates as a result of either large public or private placement offerings that Capital Corp. has been able to obtain.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that, subject to the requirements set forth in the Appendix attached hereto, approval of the authority requested in the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) VAWC is authorized to participate in the Agreement from January 1, 2021, through December 31, 2024, subject to the requirements set forth in the Appendix attached hereto.

(2) This case is dismissed.

APPENDIX

1. Applicants' participation in the Agreement is authorized for a four (4) year period from January 1, 2021, through December 31, 2024, under the terms and conditions and for the purposes set forth in the Application. Separate Commission approval shall be required to continue participation in the Agreement beyond that period, with any application for extending such authority to be filed not later than October 31, 2024.

2. Separate Affiliates Act approval shall be required for any changes in the terms and conditions of the Agreement.

3. Applicants shall file a report of action on an annual basis on February 28, 2022, 2023, 2024, and 2025, which shall include a monthly schedule of short-term borrowing and lending activity during the previous calendar year. The schedule shall include: the monthly maximum daily balance borrowed or invested by VAWC; the average daily balance for each month with the corresponding monthly average rate of interest; a balance sheet as of the end of the calendar year containing balances for short-term debt, long-term debt, preferred stock, and common equity; and a monthly schedule of the allocation of all line of credit fees.

4. The authority granted shall have no accounting or ratemaking implications.

5. Approval of the Agreement shall not preclude the Commission from applying the provisions of Code § 56-76 *et seq.* hereafter.

6. The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by the Commission.

7. VAWC shall file separately for authority under Chapter 3 of Title 56 of the Code to have aggregate short-term debt borrowings in excess of 12% of total capitalization, to the extent such authority is required beyond that granted by the Commission to VAWC in Case No. PUR-2020-00248.

8. Should the Applicants seek to issue long-term debt under the Agreement, the Applicants shall file for separate authority under Chapter 3 of Title 56 of the Code.

9. VAWC shall include in its Annual Report of Affiliate Transactions the case number, type of financing, dates for any specific financing related to the approved Agreement, and any related financing costs inclusive of any line of credit fees allocated to VAWC, along with the account number to which they are booked.

---

[3] Page 3 of the Application shows a list of previous cases in which the Commission approved a Financial Services Agreement.

CASE NO. PUR-2020-00256
DECEMBER 15, 2020

APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

For authority to engage in affiliate transactions

ORDER GRANTING APPROVAL

On October 28, 2020, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Applicant") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapter 4[1] of Title 56 of the Code of Virginia ("Code") to request authority to engage in affiliate transactions. Specifically, the Applicant seeks to renew the approval of its currently operative Amended and Restated Utility Services Agreement ("Services Agreement")[2] with LG&E and KU Energy LLC ("LKE"); Louisville Gas and Electric Company ("LG&E"); LG&E and KU Services Company ("LK Services"); PPL Corporation ("PPL"); PPL Services Corporation ("PPL Services"); PPL EU Services Corporation ("PPL EU Services"); and PPL Capital Funding, Inc. ("PPL Capital") (collectively, "Service Affiliates").[3]

Under the Services Agreement, KU/ODP receives a variety of administrative, technical, management, engineering, legal, accounting, and other centralized services (collectively, "Services") from LK Services, its centralized service company affiliate.[4] The Services Agreement documents the methods, policies, and procedures that LK Services follows in providing the Services to its client affiliate companies, including KU/ODP. Under the Services Agreement, LK Services engages its fellow Service Affiliates (LKE, LG&E, PPL, PPL Services, PPL EU Services, and PPL Capital) to act on its behalf to provide certain of the Services to KU/ODP. The Commission's Staff ("Staff") refers to these affiliated third-party Services as Pass-Through Services. The Commission has adopted Pass-Through Service acknowledgement and reporting requirements in several Affiliates Act cases in order to facilitate in future rate proceedings the determination of the appropriate level of Pass-Through Service costs that are includible in a Virginia utility's cost of service.[5] All of the Services are provided at LK Services' cost.

NOW THE COMMISSION, upon consideration of this matter, having been advised by its Staff through Staff's action brief, and having considered the Applicant's comments thereon,[6] is of the opinion and finds that the proposed Services Agreement is in the public interest and is approved subject to the requirements listed in the Appendix attached to this Order. We note that, upon comparison of the current Application with our approval of the Applicant's cost allocation manual ("CAM") earlier this year,[7] Staff and the Applicant have agreed that the Affiliates Act regulatory process can be simplified by synchronizing the approval of the proposed Services Agreement with the CAM. Therefore, we adopt their joint proposal to adjust the expiration of approval in this case to match that of the CAM Order (December 31, 2024) so that the Applicant can seek future Affiliates Act approval of the Services Agreement and the CAM in the same filing.[8]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Services Agreement is approved subject to the requirements listed in the Appendix attached to this order.

(2) This case is dismissed.

---

[1] Code § 56-76 *et seq*. ("Affiliates Act")

[2] *See Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For authority to engage in affiliate transactions*, Case No. PUE-2015-00126, 2016 S.C.C. Ann. Rpt. 318, Order Granting Authority (Feb. 24, 2016).

[3] The Service Affiliates are parties to the Application and have provided the statutorily required verifications.

[4] LK Services is registered under the 2005 Public Utility Holding Company Act, and its books, accounts, and records are maintained in accordance with the Federal Energy Regulatory Commission's ("FERC('s)") Uniform System of Accounts.

[5] *See, e.g., Application of Virginia Natural Gas, Inc., and AGL Services Company, For approval of an amendment to a services agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2020-00133, Doc. Con. Cen. No. 200910125, Order Granting Approval (Sept. 8, 2020); *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For approval of the proposed amended and restated 2019 Cost Allocation Manual,* Case No. PUR-2019-00200, Doc. Con. Cen. No. 200220044, Order Granting Approval (Feb. 12, 2020); Doc. Con. Cen. No. 200310173, Order on Motion (Mar. 6, 2020); *Application of Virginia Electric and Power Company and Virginia Power Services, LLC, For approval of a revised affiliate agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2019-000138, 2019 S.C.C. Ann. Rpt. 503, Order Granting Approval (Nov. 18, 2019).

[6] The Applicant's comments are attached to Staff's action brief dated December 3, 2020, filed concurrently with this order.

[7] *See Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For approval of the proposed amended and restated 2019 Cost Allocation Manual*, Case No. PUR-2019-00200, Doc. Con. Cen. No. 200220044, Order Granting Approval (Feb. 12, 2020), and Doc. Con. Cen. No. 200310173, Order on Motion (March 6, 2020) (collectively, "CAM Order").

[8] The Applicant reserves the right to request separate approval of any future changes to the CAM or the Service Agreement prior to the proposed December 31, 2024 approval expiration date.

APPENDIX

(1) The Commission's approval of the Services Agreement shall extend from January 1, 2021, through December 31, 2024. If KU/ODP wishes to extend the Services Agreement beyond that date, separate Commission approval shall be required.

(2) KU/ODP shall provide a formal acknowledgement ("Acknowledgement") that the Commission regulates recovery of any Pass-Through Services costs that pass from the Service Affiliates[9] through LK Services to KU/ODP, and therefore must be able to determine the amount of such costs that are includible in KU/ODP's cost of service. Such Acknowledgement shall be filed with the executed copy of the approved Services Agreement.

(3) For all Pass-Through Services costs that pass from the Service Affiliates[10] through LK Services to KU/ODP, upon request, LK Services shall obtain and provide original cost records (invoices, etc.) of the costs and provide KU/ODP with a Report that details the costs by: Service Affiliate, month, service category, FERC account, and amount as the costs are recorded on KU/ODP's books. The Report shall be in Excel electronic media format, with formulas intact, so that Staff can tabulate and sort the data for analysis in future rate proceedings. The Report shall cover the January 1-December 31calendar year and be submitted with KU/ODP's Annual Report of Affiliate Transactions ("ARAT") to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") each year.

(4) For Pass-Through Services costs where costs are passed from a rate-regulated affiliate through LK Services to KU/ODP, such goods and services shall be priced at cost. All other Pass-Through Services costs shall be priced at the lower of cost or market.

(5) For all other Services by LK Services charged to KU/ODP, KU/ODP shall maintain records demonstrating that the Services costs charged to KU/ODP are cost beneficial to Virginia ratepayers. For such costs charged by LK Services to KU/ODP where a market may exist, KU/ODP shall investigate whether comparable market prices are available, and if they exist, KU/ODP shall compare the market price to cost and pay the lower of cost or market to LK Services. Records of such investigations and comparisons shall be available to Staff upon request. KU/ODP shall bear the burden of proving, in any rate proceeding, that such Services costs charged by LK Services to KU/ODP are priced at the lower of cost or market where a market for such Services exists.

(6) The Commission's approval shall have no accounting or ratemaking implications.

(7) The Commission's approval is limited to the specific Services identified and described in the Services Agreement. If KU/ODP wishes to receive any services not specifically identified and described in the Services Agreement, separate approval shall be required.

(8) Separate Commission approval shall be required for KU/ODP to receive Services from affiliated third parties (other than LK Services) under the Services Agreement.

(9) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

(10) Separate Commission approval shall be required for any changes in the terms and conditions of the Services Agreement.

(11) The Commission reserves the right to examine the books and records of KU/ODP and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(12) KU/ODP shall file a copy of the approved Services Agreement within 60 days after the effective date of the Order Granting Approval in this case, subject to administrative extension by the UAF Director.

(13) KU/ODP shall include all transactions associated with the Services Agreement in its ARAT submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include: (a) the case number in which the Services Agreement was approved; (b) the names of all affiliated parties to the Services Agreement; and (c) a calendar year annual schedule showing the Services Agreement transactions by month, service category, FERC account, and amount as they are recorded on KU/ODP's books.

[9] The Service Affiliates referred to in Appendix A Requirement Nos. 2 and 3 are the Service Affiliates (exclusive of LK Services itself) that pass services and costs through LK Services to KU/ODP.

[10] *Id.*

CASE NO. PUR-2020-00257
DECEMBER 10, 2020

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval under Chapters 3 and 4 of Title 56 of the Code of Virginia

ORDER

On October 30, 2020, Columbia Gas of Virginia, Inc. ("CVA" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), under Chapters 3 and 4 of Title 56 of the Code of Virginia ("Code"),[1] requesting authority to issue up to $150 million in Long-Term Promissory Notes ("Notes") and the authority to participate in the NiSource, Inc. Intrasystem Money Pool ("Money Pool"). CVA paid the requisite fee of $250.

[1] Code § 56-55 *et seq*. and § 56-76 *et seq*.

The Company requests the authority to issue up to $150 million in Notes and to incur short-term indebtedness up to $140 million through the Money Pool from time to time for the period January 1, 2021, through December 31, 2022. More specifically, the Company requests the authority to issue the Notes to permanently finance its capital program, refinance outstanding debt maturities, and for other corporate purposes. The Application states that CVA requests approval to incur short-term indebtedness to meet short-term requirements, including gas purchases, gas storage, and for general working capital purposes. The Company notes that the requested authority exceeds twelve percent of its total capitalization, which requires Commission approval pursuant to § 56-65.1 of the Code.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that, subject to the requirements set forth in the Appendix attached hereto, approval of the authority requested in the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) CVA is authorized to issue up to $150 million in Notes and to incur short-term indebtedness up to $140 million through the Money Pool from time to time for the period January 1, 2021, through December 31, 2022, subject to the requirements set forth in the Appendix attached hereto.

(2) This matter remains under the continued review, audit, and appropriate directive of the Commission.

APPENDIX

1. The Company is authorized to issue up to $150 million of Notes to NiSource, Inc., for the period January 1, 2021, through December 31, 2022, under the terms and conditions and for the purposes set forth in the Application.

2. The Company is authorized to borrow up to the aggregate maximum balance of $140 million in short-term indebtedness through the Money Pool for the period January 1, 2021, through December 31, 2022, for the purposes and under the terms and conditions set forth in the Application.

3. Commission approval shall be required for any subsequent changes in the terms and conditions, as well as participating members, of the Money Pool.

4. CVA shall file with the Clerk of the Commission an annual report of action no later than February 28, 2022, to report on its Money Pool activities during the previous calendar year. Such report shall include a monthly schedule of daily short-term borrowings by CVA, the average monthly balance, the average monthly interest rate, and the monthly maximum amount of short-term debt outstanding. The annual report shall also provide a summary of all Notes issued pursuant to Appendix Paragraph 1 during the previous calendar year to include for each respective issue:

(a) The issuance date, amount issued, interest rate, date of maturity, and proceeds to CVA;
(b) A brief description of how the proceeds were used; and
(c) A brief explanation of the reasons for the term of maturity chosen, and a copy of the Bloomberg Index information used to determine the interest rate on each respective Note.

5. CVA shall file a final report of action with the Clerk of the Commission no later than February 28, 2023. The final report shall detail CVA Money Pool activities during the period of authority and shall include a monthly schedule of daily short-term borrowings, the average monthly balance, the average monthly interest rate, and the monthly maximum amount of short-term debt outstanding. The final report shall also provide a summary of all Notes issued pursuant to Appendix Paragraph 1 during the entire period of authority to include for each respective issue:

(a) The issuance date, amount issued, interest rate, date of maturity, and proceeds to CVA;
(b) A brief description of how the proceeds were used; and
(c) A brief explanation of the reasons for the term of maturity chosen, and a copy of the Bloomberg Index information used to determine the interest rate on each respective Note.

6. CVA shall include in its Annual Report of Affiliate Transactions a reference to each of the aforementioned reports of action for Staff's monitoring by case number, type of financing, and date the report was filed.

7. The authority granted herein shall not preclude the Commission from applying the provisions of Code § 56-76 *et seq*. hereafter.

8. The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

9. The approval granted in this case shall have no ratemaking implications.

CASE NO. PUR-2020-00267
DECEMBER 23, 2020

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For approval under Chapter 3 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On November 10, 2020, Northern Virginia Electric Cooperative ("NOVEC" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 3 of Title 56 of the Code of Virginia,[1] for authority to obtain up to $200 million in long-term debt from Rural Utilities Services ("RUS"), CoBank, and/or the National Rural Utilities Cooperative Financing Corporation ("CFC"). NOVEC paid the requisite fee of $250.

The Company states that of the $200 million in long-term debt, roughly $150 million will be used to repay short-term debt bridge financing and fund additional distribution construction. The Company represents that the remaining $50 million will be used to finance the construction of a new administrative facility. The Application states that the Company expects approvals for the long-term debt from RUS, CFC, and CoBank in the first quarter of 2021, and interest rates will be determined by the market at the time of each issuance.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) NOVEC is authorized to obtain up to $200 million in long-term debt from RUS, CoBank, and/or CFC.

(2) This case is dismissed.

[1] Code § 56-55 *et seq*.

CASE NO. PUR-2020-00270
DECEMBER 23, 2020

APPLICATION OF
VIRGINIA NATURAL GAS, INC.
Principal Applicant
and
SOUTHERN COMPANY GAS, AGL SERVICES COMPANY, and SOUTHERN COMPANY GAS CAPITAL CORPORATION
Affiliate Applicants

For authority to issue short-term debt, long-term debt and common stock to an affiliate under Chapters 3 and 4, Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On November 16, 2020, Virginia Natural Gas, Inc. ("VNG"), Southern Company Gas ("SCG"), AGL Services Company ("AGL Services"), and Southern Company Gas Capital Corporation (collectively, "Applicants") filed an Application under Chapters 3[1] and 4[2] of Title 56 of the Code of Virginia ("Code") requesting authority for VNG to participate in a Utility Money Pool for the purpose of issuing short-term debt, to issue and sell common stock to an affiliate, and to issue long-term debt to an affiliate. The amount of short-term debt proposed in the Application exceeds twelve percent of total capitalization as defined in § 56-65.1 of the Code. Applicants paid the requisite fee of $250.

More specifically, Applicants request authorization for VNG to: (i) issue short-term debt up to an aggregate balance of $200,000,000 through participation in the Utility Money Pool administered by AGL Services; (ii) issue long-term debt to SCG in an amount not to exceed $250,000,000; (iii) refinance an existing adjustable principal note payable due December 31, 2021 ("Adjustable Principal Note"); and (iii) issue and sell common stock to SCG in an amount not to exceed $300,000,000, all for the period January 1, 2021, through December 31, 2021.

Applicants' requested level of short-term debt borrowing authority through the Utility Money Pool is the same that was previously requested and authorized in Case No. PUR-2019-00194.[3] Applicants state that the level of short-term borrowing requested will provide the flexibility needed by VNG to finance its permanent capital requirements when favorable capital market conditions exist and will allow VNG to plan for and meet future working capital requirements.

[1] Code § 56-55 *et seq*.

[2] Code § 56-76 *et seq*.

[3] *Application of Virginia Natural Gas, Inc., Southern Company Gas, AGL Services Company, and Southern Company Gas Capital Corporation, For authority to issue short-term debt, long-term debt, and common stock to an affiliate,* Case No. PUR-2019-00194, 2019 S.C.C. Ann. Rept. 522, Order Granting Authority (Dec. 19, 2019).

All short-term borrowings will be in accordance with the Utility Money Pool Agreement, which was originally approved by the Commission's Order Granting Authority in Case No. PUE-2004-00132.[4] With respect to the Utility Money Pool, loans to participants will be made in the form of open account advances for periods of less than 12 months. Borrowings will be payable on demand together with all interest accrued thereon. Interest on borrowings will accrue daily at a rate that will be determined based on the source of funds available in the Utility Money Pool.

If Utility Money Pool borrowings in a given month consist solely of surplus funds from participants ("Internal Funds"), the daily interest rate will be based on the published 30 day rates from the Federal Reserve Economic Data ("Internal Funds Rate").[5] If Utility Money Pool borrowings in a given month consist solely of proceeds from bank borrowings or the issuance of commercial paper ("External Funds"), the daily rate will reflect the weighted average cost of External Funds. In months when borrowings are supported by Internal Funds and External Funds, the rate will reflect a composite rate, equal to the weighted average cost of Internal Funds and External Funds.

The cost of compensating balances and fees paid to banks to maintain credit lines that support the availability of External Funds to the Utility Money Pool will be allocated to borrowing parties in proportion to their respective daily outstanding borrowing of External Funds. Borrowing parties will borrow pro rata from each fund source in the same proportion that the respective funds from each source bear to the total amount of funds available to the Utility Money Pool.

With respect to long-term debt issued by VNG to SCG, any terms and conditions thereon will mirror the terms and conditions of debt issued by SCG. If SCG does not issue long-term debt within one year from the date of the long-term debt issued by VNG, the rate of interest on that corresponding issue of VNG debt will be determined utilizing the interest rate on the comparable term U.S. Treasury Securities as reported in the H.15 Federal Reserve Statistical Release nearest to the time of the loan takedown, plus an appropriate credit spread for SCG's existing long-term debt rating. However, such VNG debt rate will be adjusted to match SCG's cost of borrowing if SCG subsequently issues long-term debt within one year after the VNG loan is drawn.

For common stock, VNG requests authority to issue up to 5,181 shares of common stock without par value to SCG. If all additional shares of common stock are issued pursuant to this request, the total number of common shares outstanding will be 10,000 shares. This is equal to the total number of shares authorized. The common stock will be sold to SCG at the book value of VNG's common equity as of its most recent balance sheet date immediately prior to the sale date.

For the Adjustable Principal Note, VNG requests authority to refinance the Adjustable Principal Note with SGC. The Applicants represent that the Adjustable Principal Note is the conduit by which VNG has been issuing all long-term debt previously authorized by the Commission. The principal amount on the note, as of October 31, 2020, is currently $509 million.[6] The terms of the Adjustable Principal Note are designed to effectively reflect a weighted average of the issuance rates under the long-term debt terms presented by the Applicants and authorized by the Commission in previous Chapter 3 requests. The Applicants, in response to a Staff data request, represented that the refinanced note will be issued in the same manner as described above.

Applicants state that the proposed issuance of long-term debt and common equity will be used to reduce short-term borrowings, to fund distribution system capital improvement projects, to pay or refinance other obligations of VNG, and for other proper public utility purposes.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) VNG is authorized to participate in the Utility Money Pool and to incur short-term indebtedness in excess of twelve percent of capitalization, but not to exceed $200,000,000, for the period January 1, 2021, through December 31, 2021, under the terms and conditions and for the purposes set forth in the Application, and subject to the requirements set forth in the Appendix attached to this Order.

(2) VNG is hereby authorized to issue long-term debt to SCG in an amount not to exceed $250,000,000 and to issue and sell common stock to SCG in an amount not to exceed $300,000,000, for the period January 1, 2021, through December 31, 2021, under the terms and conditions and for the purposes set forth in the Application, and subject to the requirements set forth in the Appendix attached to this Order.

(4) VNG is hereby authorized to refinance its Adjustable Principal Note under the terms and conditions and for the purposes set for forth in the Application, and subject to the requirements set forth in the Appendix attached to this Order.

(3) This matter is continued subject to the continuing review, audit, and appropriate directive of the Commission.

APPENDIX

1. Applicants shall seek additional Commission authority to alter or amend the terms and conditions set forth in the Application for participation in the Utility Money Pool or to change Utility Money Pool participants.

2. Should Applicants seek to extend the authority for VNG to participate in the Utility Money Pool beyond December 31, 2021, Applicants shall file an application requesting such authority no later than November 1, 2021.

---

[4] *Application of Virginia Natural Gas, Inc., AGL Resources Inc., and AGL Services Company, For authority to issue short-term debt, long-term debt, and common stock to an affiliate,* Case No. PUE-2004-00132, 2004 S.C.C. Ann. Rept. 539, Order Granting Authority (Dec. 3, 2004).

[5] In previous cases, the Internal Funds Rate was the high-grade unsecured 30-day commercial paper of major corporations sold through dealers as quoted in The Wall Street Journal. When this rate became no longer published, the Commission authorized the Company to use the 30-Day AA Nonfinancial Commercial Paper Interest Rate, Percent, Daily, Not Seasonally Adjusted. The Company now wishes to use the 30-Day A2/P2 Nonfinancial Commercial Paper Interest Rate, Percent, Daily, Not Seasonally Adjusted as it more closely reflects the financing cost for the Company.

[6] Staff noted this amount may increase due to any debt issued under authority currently existing (thorough 2020) or requested (through 2021).

3. Approval of this Application shall have no implications for ratemaking purposes.

4. Approval of this Application does not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code.

5. Applicants shall provide the Commission's Division of Utility Accounting and Finance with at least thirty (30) days' advance notice of the prospective amount and date of any dividend payment by VNG to any affiliate.

6. The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

7. Applicants shall file quarterly reports of action within sixty (60) days of the end of each calendar quarter following the date of this Order, to include:

(a) A monthly schedule of Utility Money Pool borrowings, segmented by borrower (whether VNG or an affiliate); and
(b) Monthly schedules that separately reflect interest expenses, each type of allocated fee, and an explanation of how both the interest rate and allocated fee have been calculated.

8. Applicants shall, within ten (10) days after the issuance of any common stock or long-term debt pursuant to the authority granted herein, file a preliminary report with the Clerk of the Commission. Such report shall include the date of issuance, type of security, amount issued, and the respective interest rate, date of maturity, and other terms and conditions of any issuance.

9. Applicants shall file their final report of action with the Commission on or before March 4, 2022, to include:

(a) A monthly schedule of Utility Money Pool borrowings, segmented by borrower (whether VNG or an affiliate);
(b) Monthly Utility Money Pool schedules that separately reflect interest expenses, each type of allocated fee, and an explanation of how both the interest rate and allocated fee have been calculated; and
(c) A detailed report describing common stock and long-term debt securities issued pursuant to the authority granted herein. Such report shall include the information noted in Requirement (7) above, the cumulative amount of securities issued to date for each type of security and the amount of authorized but unissued securities that remain, a general statement concerning the purposes for which the securities were issued, a summary of all issuance costs incurred to date for each respective security issued, and a balance sheet reflecting the actions taken.

10. VNG shall include, in its Annual Report of Affiliate Transactions, a reference to each of the aforementioned reports of actions for Staff's monitoring by case number, type of financing, and date report filed.

CASE NO. PUR-2020-00273
DECEMBER 9, 2020

JOINT APPLICATION OF
EXTENET SYSTEMS (VIRGNIA), LLC, HUDSON FIBER NETWORK (VIRGINIA), LLC, EXTENET ASSET ENTITY, LLC, MOUNT ROYAL HOLDINGS, LLC, and JH KILLINGTON COMMUNICATIONS, LLC

For approval of a transfer of control pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On November 23, 2020, ExteNet Systems (Virginia), LLC ("ExteNet-VA"), Hudson Fiber Network (Virginia), LLC ("HFN-VA"), ExteNet Asset Entity, LLC ("EAE") (collectively, "Licensees"), Mount Royal Holdings, LLC ("Parent"), and JH Killington Communications, LLC ("JH Killington") (collectively, "Applicants"),[1] completed the filing of a joint application ("Application") with the State Corporation Commission ("Commission"), requesting approval for JH Killington to acquire a 25 percent or greater ownership interest in Parent and indirect minority control of Licensees ("Transfer") pursuant to the Utility Transfers Act, § 56-88 *et seq.* of the Code of Virginia ("Code"). The Applicants also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

[1] Stonepeak Communications Holdings LLC, Digital Bridge Small Cell Holdings, LLC, Odyssey Intermediate Holdings, Inc., Odyssey Acquisition, LLC, and ExteNet Systems, Inc., are also considered Applicants and have provided the statutorily required verifications.

Each of the Licensees hold certificates of public convenience and necessity issued by the Commission. ExteNet-VA is authorized to provide local exchange and interexchange services in Virginia pursuant to Certificate Nos. T-649a and TT-219B granted on April 3, 2007, in Case No. PUC-2006-00141.[2] HFN-VA is authorized to provide local exchange and interexchange services in Virginia pursuant to Certificate Nos. T-767 and TT-307A granted on January 30, 2020, in Case No. PUR-2019-00152.[3] EAE is authorized to provide local exchange and interexchange services in Virginia pursuant to Certificate Nos. TT-763 and TT-304A granted on March 11, 2019, in Case No. PUR-2018-00181.[4]

The Applicants assert that the proposed Transfer will be transparent to Licensees' customers and will not transfer actual working control of Applicants or create a new majority owner of Parent. The Applicants state that because the Transfer will occur at the holding company level and will not affect the rates, terms, and conditions under which Licensees operate or the day-to-day operations of Licensees, the Transfer will have no effect on the services Licensees provide. Information provided with the Application indicates that the Licensees will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the proposed Transfer.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff through its action brief, is of the opinion and finds that the above-described Transfer should be approved. The Commission also finds that the Applicants' Motion is no longer necessary and, therefore, should be denied.[5]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Applicants hereby are granted approval of the Transfer as described herein.

(2) The Applicants shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(3) The Applicants' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

---

[2] *See Application of ClearLinx Networks (Virginia) LLC and ExteNet Systems (Virginia) LLC, For cancellation of certificates of public convenience and necessity to provide local and interexchange telecommunications services and to reissue certificates reflecting new corporate name*, Case No. PUC-2006-00141, 2006 S.C.C. Ann. Rept. 286, Order (Dec. 20, 2006).

[3] *See Application of Hudson Fiber Network (Virginia), LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia*, Case No. PUR-2019-00152, Doc. Con. Cen. No. 200140184, Final Order (Jan. 30, 2020).

[4] *See Application of ExteNet Asset Entity, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia*, Case No. PUR-2018-00181, 2019 S.C.C. Ann. Rept. 308, Final Order (Mar. 11, 2019).

[5] The Commission held the Applicants' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2020-00278
DECEMBER 14, 2020

APPLICATION OF
SHENTEL COMMUNICATIONS, LLC

For cancellation of a certificate of public convenience and necessity to provide local exchange telecommunications services

ORDER CANCELLING CERTIFICATE

On December 4, 2020, a letter application was filed on behalf of Shentel Communications, LLC ("Shentel") with the State Corporation Commission ("Commission") requesting cancellation of the certificate of public convenience and necessity ("Certificate No. T-436a") issued to Shentel to provide local exchange telecommunications services in the Commonwealth of Virginia in Case No. PUC-2012-00070.[1] The filing states that as a result of an internal merger with an affiliate, Shentel no longer exists as a separate corporate entity.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate No. T-436a should be cancelled, and any tariffs on file associated with the certificate should be cancelled.

---

[1] *Application of ShenTel Communications Company, For reissuance of a certificate of public convenience and necessity to provide local exchange telecommunications services to reflect company name change,* Case No. PUC-2012-00070, 2012 S.C.C. Ann. Rept. 210, Order Reissuing Certificate (Nov. 6, 2012).

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed as Case No. PUR-2020-00278.

(2) Certificate No. T-436a, issued to Shentel to provide local exchange telecommunications services, is hereby cancelled.

(3) Any tariffs on file with the Commission associated with Certificate No. T-436a are hereby cancelled.

(4) This case is dismissed.

CASE NO. PUR-2020-00281
DECEMBER 15, 2020

APPLICATION OF
PGEC ENTERPRISES, LLC

For an expanded designation as an eligible telecommunications carrier

ORDER

On December 9, 2020, PGEC Enterprises, LLC ("PGEC Enterprises" or "Applicant"), filed with the State Corporation Commission ("Commission") an application for an expanded designation as an eligible telecommunications carrier ("ETC") pursuant to 47 U.S.C. § 214(e), in which the Applicant asks that the Commission enter an order stating that the Commission declines to exercise jurisdiction over the Applicant for purposes of its expanded ETC designation application in accordance with 47 U.S.C. § 214(e)(6) ("Request").

In its Request, PGEC Enterprises states that it is a subsidiary of Prince George Electric Cooperative, and that as part of the Rural Electric Cooperative Consortium, it has been allocated Rural Digital Opportunity Fund Phase I support funding by the Federal Communications Commission ("FCC"). The funding is to cover a portion of the costs of providing service in the rural Disputanta area of Virginia. PGEC Enterprises states that as a condition of this funding, the FCC requires that the Applicant seek and obtain expanded ETC status within 180 days of the FCC's December 7, 2020 public notice announcing the winning bids.

PGEC Enterprises states that it intends to provide solely broadband and Voice-over-Internet Protocol ("VoIP") services. The Applicant notes that pursuant to the applicable federal statutes, the designation of a carrier as an ETC is made by the state commission, except where the carrier is not subject to the jurisdiction of the state commission.[1] PGEC Enterprises asserts that the Commission may decline to exercise jurisdiction over it for purposes of making an ETC designation given the Commission's limited jurisdiction over broadband and VoIP.[2]

PGEC Enterprises notes that in 2018, in dealing with a similar application, the Commission entered an Order finding that, in accordance with 47 U.S.C. § 214(e)(6), PGEC Enterprises should make its request to the FCC to be designated as an ETC.[3] The Applicant states that the FCC rules require that this Request be filed with the Commission before it can be properly filed with the FCC. PGEC Enterprises states that it must file its application for expanded ETC designation with the FCC by January 6, 2021, if the Commission declines to exercise jurisdiction. Accordingly, PGEC Enterprises requests an expedited determination as to whether the Commission will assert jurisdiction so that the Applicant may begin the ETC designation process with the FCC, if the Commission declines to exercise jurisdiction as it has in the past.[4]

NOW THE COMMISSION, upon consideration of the representations of PGEC Enterprises and of the applicable law, is of the opinion and finds that, as the Commission has not asserted jurisdiction over service providers such as PGEC Enterprises, 47 U.S.C. § 214(e)(6) is applicable to the Applicant's request for expanded ETC designation, and PGEC Enterprises should make its request to the FCC. We further find that this case should be dismissed.

Accordingly, IT IS SO ORDERED.

---

[1] *See* 47 U.S.C. § 214(e)(2) and (6).

[2] For example, § 56-1.3 of the Code of Virginia provides in part that "[t]he Commission shall not have jurisdiction with respect to the regulation of Voice-over-Internet protocol service, including but not limited to the imposition of regulatory fees, certification requirements, and the filing or approval of tariffs."

[3] *Application of PGEC Enterprises, LLC, For designation as an eligible telecommunications carrier,* Case No. PUR-2018-00156, 2018 S.C.C. Ann. Rept. 535, Order (Sept. 25, 2018);

[4] *See Application of BARConnects, LLC, For designation as an eligible telecommunications carrier pursuant to 47 U.S.C. § 214(e),* Case No. PUC-2015-00015, Doc. Con Cen. No. 150330048, Order (Mar. 30, 2015). *See also Application of EMPOWER Broadband, Inc., For designation as an eligible telecommunications carrier,* Case No. PUR-2018-00155, 2018 S.C.C. Ann. Rept. 534, Order (Sept. 25, 2018); *Application of BARConnects, LLC, For designation as an eligible telecommunications carrier,* Case No. PUR-2018-00157, 2018 S.C.C. Ann. Rept. 535, Order (Sept. 25, 2018).

DIVISION OF SECURITIES AND RETAIL FRANCHISING

CASE NO. SEC-2016-00022
MARCH 23, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
EDWARD CARR, JR.,
Defendant

JUDGMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation ("Investigation") of Edward Carr, Jr. ("Carr" or "Defendant"), pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code"). Based on the Investigation, the Division alleges, among other things, that the Defendant: (1) refused or failed to comply with the terms of the Commission's Settlement Order ("Settlement Order") [1] entered in this matter in violation of §§ 12.1-13 and 12.1-33 of the Code; and (2) committed fraud in connection with the unregistered offer and sale of securities in violation of §§ 13.1-502 (2), 504 (A), and 507 of the Act. The Defendant executed the attached Consent to Entry of Judgment Order ("Consent"), admitting to factual allegations as well as the violations of the Code and the Act, and supporting the Commission's entry of a Judgment Order.

Carr was previously licensed in Virginia as a non-resident insurance agent. Beginning in 2014, Carr was an independent trust consultant with Dominion Private Client Group LLC ("DPCG"), a Virginia limited liability company and an affiliate of Dominion Investment Group LLC ("DIG"), a Virginia limited liability company, and Summit Trust Company ("Summit") based in Pennsylvania and Nevada. As a consultant for DPCG and Summit, Carr offered and sold securities in several DIG affiliated Virginia limited liability companies, including Warped Cigars LLC, DV8 Sports LLC, weMonitor Group LLC, Spectrum 2100 LLC, Venture Capital I LLC and a Florida limited liability company, Diversified Financing LLC (hereinafter "Issuers"), to six Virginia and three North Carolina residents, totaling approximately $632,900. The offer and sale of these securities took place between 2014 and 2015. None of these securities were registered with the Division or exempt from registration pursuant to the Act. Carr received commissions from the sales of these securities.

The Defendant acted as an unregistered agent of the Issuers when he offered and sold the Issuers' unregistered securities in and from Virginia. Carr also failed to properly inform investors: (1) of the substantial risks of these investments; (2) that Daryl Gene Bank, managing member of DIG and DPCG, and managing member of the Issuers, was barred in 2010 from offering or selling securities by the Financial Industry Regulatory Authority, Inc.; (3) that Carr would receive commissions from the sale of these securities; and (4) the amount of commissions earned from the sales of securities to these investors.

In January 2014, the Division opened an investigation of DIG. Throughout the course of its investigation, the Division identified Carr as an unregistered selling agent of certain DIG products, determining that he offered and sold unregistered securities products as an unregistered agent of DIG or DPCG.[2] On August 4, 2016, the Commission entered a Settlement Order in this matter, in which the Defendant agreed to multiple terms, including the payment of $80,000 in monetary penalties to the Treasurer of Virginia or, alternatively, payment of $80,000 in restitution to the investors within twenty-four months of entry of the Settlement Order, split proportionately among the nine investors based on the amount each invested. As part of the Settlement Order, Carr also agreed to submit an affidavit to the Division showing proof of restitution payments, provide a copy of the Settlement Order to those investors who would receive restitution payments within thirty days of entry of the Settlement Order, and to not violate the Act in the future.

To date, the Defendant has not made any payments of restitution to the investors or payment of the $80,000 monetary penalties to the Treasurer of Virginia and has otherwise failed to comply with the terms of the Settlement Order. On October 29, 2019, the Commission entered a Rule to Show Cause[3] against Carr setting forth the above-referenced allegations and violations of the Code, Act, and the Settlement Order. Specifically, in the Rule to Show Cause, the Division alleges that Carr violated §§ 12.1-13 and 12.1-33 of the Code by failing to obey the requirements of the Settlement Order, including his failure to make required payments and submit an affidavit to the Division showing proof of restitution.[4] The Division further alleges in the Rule to Show Cause that Carr violated the following provisions of the Act:

1. Section 13.1-502 (2) of the Act by indirectly or directly obtaining money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

2. Section 13.1-504 (A) of the Act by transacting business in the Commonwealth of Virginia without duly being registered with the Division as an agent of the issuer; and

---

[1] *Commonwealth of Virginia, ex rel. State Corp. Comm'n. v. Carr*, Case No. SEC-2016-00022, 2016 S.C.C. Ann. Rept. 503 (Settlement Order, Aug. 4, 2016).

[2] *See Commonwealth of Virginia, ex rel. State Corp. Comm'n. v. Daryl Gene Bank, et al.*, Case No. SEC-2015-00020.

[3] Doc. Con. Cen. No. 191030148.

[4] *Id.* at ¶ 21.

3. Section 13.1-507 of the Act by offering or selling securities that were not registered under the Act or exempt from registration.[5]

On February 27, 2020, the Hearing Examiner Report of Mary Beth Adams was issued in this matter which granted the Division's Motion for Entry of Judgment Order and recommended entry of a Judgment Order in this matter.

The Defendant admits the foregoing allegations as set forth in the Consent attached to the Motion for Entry of Judgment Order and agrees to the entry of a Judgment Order including the following terms and conditions:

1. A directive requiring the Defendant to pay $80,000 in restitution to the above-referenced nine (9) investors, split proportionately among the investors based on the amount each invested;

2. A permanent bar prohibiting the Defendant from registration in Virginia as an investment advisor representative, broker-dealer agent, or agent of the issuer;

3. A permanent bar prohibiting the Defendant from licensure in Virginia as an insurance agent; and

4. A permanent injunction prohibiting the Defendant from committing future violations of the Act.

The Division has moved in its Motion for Entry of Judgment Order, the Hearing Examiner has now recommended, and the Defendant has now consented to, entry of judgment against the Defendant in this matter.

NOW THE COMMISSION, having considered the record herein, the Consent to Entry of Judgment Order signed by the Defendant, and the recommendation of the Division, and the recommendation of the Hearing Examiner, hereby enters judgment against the Defendant in this matter.

Accordingly, IT IS ORDERED THAT:

1. The Defendant is required to pay $80,000 in restitution to the above-referenced nine (9) investors split proportionately among the investors based on the amount each invested.

2. The Defendant is permanently barred from registration in Virginia as an investment advisor representative, broker-dealer agent, or agent of the issuer.

3. The Defendant is permanently barred from licensure in Virginia as an insurance agent.

4. The Defendant is permanently enjoined from offering and selling securities in and from the Commonwealth of Virginia and from engaging other agents or affiliates to offer and sell securities in and from the Commonwealth of Virginia on his behalf.

5. The Defendant is permanently enjoined from committing any future violations of the Act.

6. This case is dismissed, and the papers herein shall be placed in the file for ended causes.

[5] *Id.* ¶ 22. Thereafter, on or about January 28, 2020, the Defendant, by counsel, filed an Unopposed Motion for Extension of Time to Respond (Doc. Con. Cen. No. 200130135) as well as his "Response & Answer of Edward Carr, Jr. to Rule to Show Cause." (Doc. Con. Cen. No. 200130150). On January 31, 2020, the Hearing Examiner in this matter entered a Ruling (Doc. Con. Cen. No. 200140298), granting the Defendant's Motion for Extension of Time to Respond.

CASE NO. SEC-2018-00002
NOVEMBER 2, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
LIBERTY ROE CAPITAL, LLC and KWESI ROBOTHAM

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Liberty Roe Capital, LLC ("Liberty Roe") and Kwesi Robotham ("Robotham") (collectively, the "Defendants") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

Robotham is a Virginia resident and is licensed as an insurance agent in Virginia. Liberty Roe is a Virginia limited liability company. Robotham is Liberty Roe's managing director. Liberty Roe has a last known address of 15227 Jennerette Lane, Woodbridge, Virginia. Neither Robotham or Liberty Roe is registered to offer or sell securities in Virginia.

Based on the investigation, the Division alleges Liberty Roe and Robotham violated § 13.1-504 (A) and (B) of the Act by offering and selling securities in Virginia when the Defendants were not registered with the Commission to transact such business and § 13.1-507 of the Act by offering or selling securities in the form of evidence of indebtedness that were not registered under the Act or exempt from registration.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 (A) of the Act to impose a civil penalty; by § 13.1-521 (C) of the Act to order the defendant make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny the allegations made herein but admit to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters arising from these allegations, and to avoid the cost and uncertainty of defending an enforcement action initiated by the Division, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants, within two (2) years of the entry of this Order, will pay to the Treasurer of Virginia the amount of Seven Thousand Five Hundred Dollars ($7,500) in monetary penalties;

(2) The Defendants, within two (2) years of the entry of this Order, will pay to the Treasurer of Virginia the amount of Five Hundred Dollars ($500) to defray the costs of investigation in this matter; and

(3) The Defendants are enjoined from violating the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2018-00044
JANUARY 16, 2020

IN THE MATTER OF
REYE PARTNERS ASSET MANAGEMENT, LLC,
Defendant

SETTLEMENT ORDER

The Division of Securities and Retail Franchising ("Division") for the State Corporation Commission of Virginia ("Commission") conducted an investigation of Reye Partners Asset Management, LLC, CRD No. 135338 ("Reye Partners," "Firm," or "Defendant"), pursuant to § 13.1-518 of the Virginia Securities Act (the "Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

Reye Partners is a limited liability company formed in Delaware. The Firm's principal office is located at 800 Olde Georgetown Court, Great Falls, Virginia 22066. The Firm has been registered as an investment advisor in Virginia since October 2007. The Firm's principal and sole investment advisor representative is David Pickei.

The Division alleges that in connection with promissory notes ("Notes") issued by the Firm to three of the Firm's investment advisory clients - Mark Halbeisen ("Halbeisen"), Dana Liedel ("Liedel"), and Charles and Louise Coppi ("Coppis") - Reye Partners unknowingly obtained custody of certain of those clients' funds.

Specifically, the Division alleges that from November 2013 until December 2013, Reye Partners had custody of client funds in an account under Halbeisen's name at the Millennium Trust Company ("MTC"). From December 2013 until January 2014, the Firm had custody of client funds in an MTC account under Liedel's name. From May 2014 until November 2014, the Firm had custody of client funds in an MTC account under the Coppis' names.

In all three cases, client funds in those clients' MTC accounts were eventually to be transferred to a Reye Partners account in consideration for the issued Notes. The Division alleges that, prior to such transfer, the MTC accounts had no restrictions on the authority of the Firm with respect to client funds in these accounts.

The Division alleges that, despite the Firm's custody of client funds in those clients' MTC accounts, Reye Partners did not promptly notify the Commission of such custody as required under 21 VAC 5-80-146 of the Rules for Investment Advisors, 21 VAC 5-80-10 *et seq.* ("Rule(s)"), and thus violated Rule 21 VAC 5-80-200 (A) (15). Given that the Firm's failure to comply with this regulatory disclosure obligation as alleged by the Division was confined to only three investment advisory clients for a limited period, the Division does not believe that these violations were done knowingly or willfully.

If provisions of the Act and its associated Rules are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary and permanent injunctions; by § 13.1-521 (A) of the Act to impose civil penalties; by § 13.1-518 (A) of the Act to impose costs of the investigation; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations herein but admits to the Commission's jurisdiction over the Firm in such matters and to the Commission's authority to enter this Order.

In order to settle the matter arising from these allegations, the Defendant has made an offer of settlement to the Commission, wherein:

(1) The Defendant has tendered the sum of Six Thousand Dollars ($6,000) in monetary penalties to the Treasurer of Virginia; and

(2) The Defendant agrees that neither Reye Partners, its principal David Pickei, nor any other individual or entity acting on behalf of the Firm will engage in activities that violate the Act.

The Division has recommended that, pursuant to § 12.1-15 of the Code, the Commission accept the offer of settlement of the Defendant.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2018-00046
JANUARY 3, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
WEALTHFORGE SECURITIES, LLC and WEALTHFORGE HOLDINGS, INC.,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of WealthForge Securities, LLC ("WF Securities") and WealthForge Holdings, Inc. (collectively, "WealthForge" or "Defendants") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia ("Code").

Based on the investigation, the Division alleges that starting at least in November 2010, but occurring no later than 2016, (a) WealthForge offered and sold unregistered securities in violation of § 13.1-507 of the Act; (b) that WF Securities employed unregistered individuals and allowed unregistered individuals to act as broker-dealer agents in violation of § 13.1-504 of the Act; (c) that WF Securities failed to disclose to investors its affiliation with certain issuers of securities in violation of 21 VAC 5-20-280 A(20); (d) that WF Securities failed to timely conduct inspections of its branch offices in violation of 21 VAC 5-20-260 F; (e) that WF Securities failed to exercise diligent supervision of agents, in violation of 21 VAC 5-20-260 B, by failing to ensure agents were properly registered and by failing to review communications and filings relative to offerings; and (f) that WF Securities failed to establish, maintain and enforce written procedures adopted by the broker-dealer to comply with the Act and regulations in violation of 21 VAC 5 20-260 D.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-506 of the Act to revoke a defendant's registration, by § 13.1-519 of the Act to issue temporary or permanent injunctions, by § 13.1-518 A of the Act to impose costs of investigation, by § 13.1 521 A of the Act to impose certain monetary penalties, by § 13.1-521 C of the Act to order a defendant to make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny these allegations but admit to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) WF Securities will review its current securities compliance program(s) and written supervisory and compliance procedures and revise such program(s) and procedures to include specific processes to establish, maintain, review, test and modify written compliance policies and written supervisory procedures reasonably designed to achieve compliance with the requirements of the Virginia Securities Act and related rules and will retain an independent third party compliance consultant (as discussed in further detail below) to assist in this process and provide recommended revisions.

(2) WF Securities will implement a corrective action plan, which will include the following requirements:

(a) For a period of two years from the date this Order is entered, WF Securities will submit to the Division the Annual Certification of Compliance and Supervisory Processes it provides to the Financial Industry Regulatory Authority ("FINRA") pursuant to FINRA Rule 3130.

(b) For a period of two years from May 21, 2019, WF Securities will retain an independent, third-party compliance consultant ("Compliance Consultant") to assist in compliance review and reporting. The Compliance Consultant, as well as the terms of the agreement between the Defendants and the Compliance Consultant ("Compliance Consultant Agreement"), shall be approved by the Division in advance of the Compliance Consultant's engagement.

(c) The Compliance Consultant will conduct and prepare an initial assessment of WF Securities and its policies and procedures for complying with the Act and the Commission's Rules pertaining to the Act on or before the date this Order is entered. The Compliance Consultant will divide its initial assessment into quarters, and will conduct a review each quarter pursuant to an agreed-upon plan of review approved by the Division. At the conclusion of each quarter, the Compliance Consultant will prepare an appropriate quarterly report of WF Securities' progress regarding its policies and procedures for complying with the Act and the Commission's Rules pertaining to the Act. At the end of the time period identified in 2(b) above, the Compliance Consultant will prepare a final report summarizing its findings and recommendations. The Compliance Consultant's reports shall be submitted to the Division within thirty (30) days of completion of the respective report.

(d) To conduct its reviews, the Compliance Consultant shall have access to all information and data in the Defendants' possession that the Compliance Consultant deems necessary to conduct its review. WealthForge staff will cooperate and consult with the Compliance Consultant as deemed necessary by the Compliance Consultant.

(e) For each quarterly review report, the Compliance Consultant will identify any deficiencies found (whether initially found by the Compliance Consultant or by WealthForge staff) and recommend a resolution for the deficiency and a time frame in which any such deficiency should be remediated. The Defendants will remediate any deficiency identified in a quarterly review report within the recommended time frame. If the Defendants do not believe they can remedy the identified deficiencies within the stated time frame(s), they shall discuss an alternative time frame with the Compliance Consultant and Division, which must ultimately be approved by the Division in consultation with the Compliance Consultant.

(f) The Defendants will submit each quarterly review report and report of remediation, if any, to the Division. The Division will not consider deficiencies identified pursuant to paragraph 2(e) and included in the quarterly review reports as "new violations," which could subject the Defendants to additional enforcement proceedings as long as any such deficiencies are remediated to the satisfaction of the Compliance Consultant and the Division.

(3) For a period of two years from the entry of this Order, WF Securities shall establish and administer a training program for its agents, Compliance Department managers, employees, contractors, or other members and all other registered personnel ("Training Program"). The Training Program shall be held at least semi-annually and shall require the attendance of the individuals identified in this paragraph and evidence of their attendance. The Training Program shall be reviewed and approved by the Compliance Consultant. The Training Program can be conducted either in person or through other audio, visual or electronic means as long as the audience members have the opportunity to interact directly with the presenter during the course of the Training Program's sessions. At a minimum, the Training Program's sessions shall include education relating to:

(a) The Act's registration requirements for broker-dealer agents;

(b) The Act's registration requirements for securities;

(c) The Act's and Rule regulation requirements pertaining to agent supervision requirements;

(d) The Act's and Rule regulation requirements pertaining to broker-dealer due diligence requirements, and requirements for disclosure of issuer affiliation;

(e) A review of broker-dealer branch supervision requirements; and

(f) Other topics as identified by the Compliance Consultant.

(4) Within thirty (30) days of the date of entry of this Order, the Defendants will pay to the Treasurer of the Commonwealth of Virginia the amount of Thirty Thousand Dollars ($30,000) in monetary penalties.

(5) Within thirty (30) days of the date of the entry of this Order, the Defendants will pay to the Treasurer of the Commonwealth of Virginia the amount of Twenty Thousand Dollars ($20,000) to cover the Division's costs of investigation in this matter.

(6) The Defendants will not violate the Act in the future.

(7) It is recognized and understood that if the Defendants fail to comply with any of the foregoing terms and undertakings, the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Act based upon such failure to comply.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The State Corporation Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2019-00005
JANUARY 30, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
CHARLES B. BRINKMAN and INTEGRITY INVESTING, INC.,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Charles B. Brinkman ("Brinkman") and Integrity Investing, Inc. ("Integrity") (collectively, the "Defendants"), Eden Way Holdings, LLC ("Eden Way"), Residential Rentals of Virginia, LLC ("Residential Rentals") and Strategic Holdings of Virginia, LLC ("Strategic Holdings") (collectively, the "LLCs") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

Brinkman is an investment advisor representative, the sole proprietor, and the sole investment advisor representative of Integrity. Brinkman also organized and managed several limited liability companies, including Eden Way, Residential Rentals, and Strategic Holdings. Since June 2009, Eden Way, Residential Rentals, and Strategic Holdings have accepted investments totaling at least $5,070,000. The LLCs are involved with purchasing, selling, renovating or renting residential real estate. In addition, the LLCs have become involved in new construction and hard money lending to real estate developers. Some of Brinkman's advisory clients invested in the LLCs.

The Division alleges that Brinkman and Integrity failed to disclose to clients in writing before any advice was provided all material conflicts of interest[1] relating to Brinkman or Integrity which could reasonably have impaired the rendering of unbiased and objective advice from the Defendants. Brinkman provided disclosure documents to investors that included some of the ways in which he was compensated, including profit splits when real estate was sold and rental management fees. However, Brinkman failed to clearly state in writing to advisory clients who invested in the LLCs that he received additional compensation[2]. Brinkman and Integrity, as fiduciaries, have a duty to act primarily for the benefit of advisory clients. Therefore, all of Brinkman's methods of compensation should have been properly disclosed to advisory clients in writing prior to their investments in the LLCs.

Based on the investigation, the Division alleges Integrity and Brinkman violated 21 VAC 5-80-200 (A) (11) (a) and 21 VAC 5-80-200 (B) (11) (a) of the Commission's Rules Governing Investment Advisors, 21 VAC 5-80-10 *et seq*. ("Rules"), by failing to fully disclose to clients in writing before any advice was rendered any material conflict of interest relating to the investment advisor or investment advisor representative which could reasonably be expected to impair the rendering of unbiased and objective advice regarding compensation arrangements connected with advisory services to clients which are in addition to compensation from such clients for such services.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 (A) of the Act to impose a civil penalty; by § 13.1-521 (C) of the Act to order the defendant make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants admit that they did not fulfill their fiduciary duties as an investment advisor and as an investment advisor representative by failing to disclose all material conflicts of interest relating to investments in the LLCs as required by the Rules; and admit to the Commission's jurisdiction and authority to enter into this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants agree to be permanently enjoined from violating the Act in the future.

---

[1] Brinkman, while managing the investor-funded LLCs, purchased real estate from and sold real estate to the LLCs, acting as both the buyer and seller in some transactions.

[2] Some of the additional compensation was accrued through Brinkman's management of CFF Properties, L.L.C., and Atlantic Landscape Management, LLC. Brinkman currently owns CFF Properties, L.L.C., and formerly owned Atlantic Landscape management, LLC. Each provided compensated services to the LLCs (Eden Way, Residential Rentals and Strategic Holdings).

(2) The Defendants acknowledge the heightened disclosure obligations required when recommending the purchase of securities, including those instances in which Brinkman serves as underwriter and/or managing partner to advisory clients.

(3) Brinkman has voluntarily begun liquidating the assets of Eden Way, Residential Rentals and Strategic Holdings and will continue to liquidate all of the assets of the LLCs.

(4) The Defendants will distribute the money from the liquidation of the LLCs back to the investors and close the LLCs no later than December 31, 2020.

(5) The Defendants will deliver to the Division a final accounting of asset distributions and payments to the investors no later than January 31, 2021.

(6) The Defendants will provide a copy of this Settlement Order to all former and current Integrity clients that invested in Eden Way, Residential Rentals, and Strategic Holdings.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2019-00048
SEPTEMBER 9, 2020

PETITION OF
KAINE THEOPHILUS ALOZIE,
Petitioner,
v.
COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION,
Respondent.

ORDER

On September 18, 2019, Kaine Theophilus Alozie ("Alozie" or "Petitioner"), by counsel, filed with the Clerk of the State Corporation Commission ("Commission") a Petition for Injunctive Relief ("Petition") requesting that the Commission expunge all information relating to a complaint filed by the Petitioner's former employer on its Form U5 employment disclosure - occurrence number 2004520 ("Employer Complaint") - from the Petitioner's Central Registration Depository ("CRD") record, his Investment Adviser Public Disclosure report (maintained on the Investment Adviser Registration Depository ("IARD")), and his Financial Industry Regulatory Authority ("FINRA") BrokerCheck record.[1]

The Form U5 – referred to as the Uniform Termination Notice for Securities Industry Registration – is required to be filed with FINRA whenever a broker-dealer agent's ("BDA") or investment advisor representative's ("IAR") employment registration is terminated with the respective broker-dealer ("BD") or investment advisor ("IA").[2] The employing entity must file the Form U5 to terminate the registration of an individual in the appropriate jurisdictions and/or self-regulatory organizations. The BD or IA must disclose in its Form U5 why the BDA or IAR left the firm (*i.e.*, voluntary resignation, termination, etc.) and report certain events, such as an internal review of the individual for a compliance-related matter or allegations against the individual for violation of securities laws or firm policy.

The Petitioner is not currently registered with the Division in any capacity but has been registered periodically in Virginia as a BDA with multiple broker-dealers since 2011 and, most recently, with Morgan Stanley Smith Barney, LLC between 2012 and 2015. From 2016 to 2018, the Petitioner was registered with the Division as an IAR with the IA, Sullivan, Bruyette, Speros & Blayney, LLC ("SBSB").

The Employer Complaint in this matter arose from a 2018 internal investigation of the Petitioner conducted by his former employer, SBSB. According to the Petition, in November 2018, SBSB filed a Form U5, indicating that "[d]ue to email correspondence SBSB had reason to believe employee

[1] FINRA maintains the registration information for all firms and individuals involved in the securities industry in the CRD database which it operates for the benefit of FINRA, the Securities and Exchange Commission ("SEC"), other state regulatory organizations, security firms, and the 50 states (including Virginia). BrokerCheck is the publicly available portion of the CRD/IARD records.

[2] The Form U5 provides information of a variety of matters to the securities industry, regulators, and the public on individuals and entities registered in the securities field.

[Alozie] was possibly engaged in an undisclosed outside business activity." The Form U5 provided notice that on October 11, 2018, the Petitioner was permitted to resign from SBSB following the internal investigation. The Form U5 also explained that an "internal review concluded that there was no reason to believe any clients of SBSB have been contacted or solicited to participate in the potential Outside Business Activity, therefore no further reason to investigate." Alozie was permitted to resign.[3] The Petitioner claims he subsequently interviewed for a job with a firm "and was informed that they could not extend [him] an employment offer due to the language published by SBSB."[4] Consequently, the Petitioner asserts that allowing the Employer Complaint to remain on his CRD and IARD records will result in continued harm to his reputation and loss of business as well as employment opportunities.

On October 9, 2019, the Commission issued a Scheduling Order in this matter. Since the records sought to be expunged are maintained by FINRA as well as the Commission's Division of Securities and Retail Franchising ("Division"), the Commission directed the Petitioner to notify FINRA of the Petition and provided FINRA and the Division an opportunity to respond to the Petition. On November 27, 2019, FINRA, by counsel, filed its Response to the Petition for Injunctive Relief ("FINRA Response"), taking no position on the requested expungement.[5]

On December 13, 2019, the Division, by counsel, filed its Response to Petition for Injunctive Relief ("Division Response"). In its response, the Division opposed the Petitioner's request for expungement of the CRD and IARD records because, among other things: (1) the Petition cited no legal authority for the expungement of the Employer Complaint information; (2) expungement only applies to customer complaints; (3) the Petition would improperly require adjudication of the statements contained in the U5 disclosure – specifically, whether the Petitioner in fact was engaged in an undisclosed outside business activity while registered as an IAR with SBSB; and (4) petitions seeking expungement of information from CRD and IARD records face substantial limitations because they remove transparency and erase disclosures that otherwise protect consumers and the securities marketplace.

On December 27, 2019, the Petitioner filed his Reply to the Division Response ("Reply"). In his Reply, the Petitioner reiterates the grounds for expungement of a *customer* complaint under FINRA Rule 2080 [6] and contends that the Commission's authority to apply FINRA expungement rules to customer complaints also extends to FINRA's expungement rules of Form U5 disclosures. The Reply further contends that FINRA Rule 8312 allows for the expungement of termination disclosures because of the defamatory nature of the information.

As indicated *supra*, Form U5 is technically known as the Uniform Termination Notice for Securities Industry Registration and it informs the securities industry, regulators, and the public whenever a registered person's employment with a BD or an IA firm is terminated. BDs, IAs and issuers of securities are required to file a Form U5 with FINRA within 30 days of the termination of the registered person's association with the BD or IA.[7] This filing also requires the disclosure of certain employment events relating to the associated person, such as: whether an individual was under an internal review for a compliance-related matters; violation of industry laws, rules, or firm policy; or engaged in fraud or the wrongful taking of property and provides the reasons for any registration termination.[8]

The Petition represents, among other things, that while registered with SBSB:[9]

- Plaintiff began working on his own personal business goal of being a commercial loan broker. Plaintiff began the process of preparing himself for setting up this business and departing from SBSB. Plaintiff never established a business entity while registered with SBSB.

- Plaintiff established a website for the pending business, but never conducted any business while registered with SBSB. Plaintiff also had a LinkedIn profile that was set up to eventually make connections for his pending business, but never conducted any business through his profile.

- Through general compliance email monitoring, SBSB caught wind of this pending business activity. In October 2018, SBSB opened an investigation and permitted Plaintiff to resign.

In November 2018, SBSB filed an amendment to Plaintiff's U5 stating that there was an internal review of Plaintiff because "due to email correspondence SBSB had reason to believe employee was possibly engaged in an undisclosed outside business activity." SBSB further explained that the internal review concluded "that there was no reason to believe any clients of SBSB have been contacted or solicited to participate in the potential Outside Business Activity, therefore no further reason to investigate."[10]

---

[3] The Form U5 on Alozie prepared by SBSB and submitted to FINRA was not filed with the Commission and is not a part of the record herein. Petition, Statement of Facts, at ¶9 and 10.

[4] *See* Petition at ¶ 11, Doc. Con. Cen. No. 190940005.

[5] The FINRA Response provided, among other things, that: FINRA has no regulatory authority over IARD or the information contained therein; the U5 disclosure that Mr. Alozie seeks to expunge relates only to his work as an IA while registered with SBSB; and, as an IA, Mr. Alozie was not subject to regulation by FINRA.

[6] FINRA Rule 2080 only applies to expungement of a customer complaint – which this is not – and only applies to BDAs - which the Petitioner was not at the relevant time.

[7] Article V, Section 3, FINRA By-Laws.

[8] Reasons for registration termination may include the death of a registered person, a voluntary departure from the firm, permission to resign, or a discharge from employment.

[9] Petition for Injunctive Relief, Statement of Facts, at 3.

[10] Petition, Statement of Facts, at ¶ 10.

From the record presented in this matter, it appears that SBSB's submission of a Form U5 complies with FINRA filing and reporting requirements to disclose a registration termination and sets forth a reasonable basis for its investigation of the Petitioner's activities as admitted in the Petition's Statement of Facts. It also appears that the conclusion reached by the SBSB investigation is consistent with the representation in the Petitioner's Statement of Facts. As the Form U5 filed by SBSB disclosed to the securities industry, regulators and the public a change in the Petitioner's employment registration with SBSB, and the reasons related to the registration change are consistent with the activities admitted to by the Petitioner in his Petition, we find that the filing and disclosures therein are supported by the evidence established herein. Although the Petitioner contends that the Form U5 filing is an erroneous and misleading claim,[11] we note that contrary to the Petitioner's assertion, the record herein does not establish evidence to support that contention.

The Petition also claims another basis for the employment-related expungement request – specifically, that the Form U5 contains defamatory information. The Petition and the Reply, however, fail to set forth the necessary elements of a defamation claim under Virginia law in connection with the Employer Complaint.[12] Based on the pleadings submitted to date, the Petitioner has failed to demonstrate that the statements made in the Form U5 disclosure and in connection with the Employer Complaint were false or defamatory. If anything, paragraph 10 of the Petition acknowledges that the conclusion of the Form U5 disclosure was accurate and not defamatory, as it confirms that the internal review of Alozie concluded "that there was no reason to believe any clients of SBSB have been contacted or solicited to participate in the potential Outside Business Activity, therefore no further reason to investigate."[13]

NOW THE COMMISSION, upon consideration of this matter and the record herein, is of the opinion and finds that the Form U5 filed by the Petitioner's former employer, SBSB, appears to be consistent with the FINRA filing and reporting requirements; the Form U5 discloses activities admitted to by the Petitioner; the record fails to establish evidence to rebut the Form U5 disclosures as erroneous and misleading; and the record also fails to establish that the Form U5 disclosures are an actionable defamatory claim under Virginia law.[14] Based on these findings, we also find that the expungement requested by the Petition should be denied.

Accordingly, IT IS ORDERED THAT:

(1) The Petition is denied; and

(2) This matter is dismissed from the Commission's docket, and the papers herein shall be placed in the file for ended causes.

[11] Petition at ¶ 14.

[12] The elements of defamation are (1) publication of (2) an actionable statement with (3) the requisite intent. To be actionable, the statement must be false and defamatory. *Jordan v. Kollman*, 269 Va. 569, 575 (2005).

[13] *Id.* at ¶ 10.

[14] In making our findings and determining the directives ordered – and not ordered – in this matter (including those discussed and those not discussed herein), the Commission has considered all the evidence and arguments in the record. *See also Board of Supervisors of Loudoun County v. State Corp Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission decisions comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

CASE NO. SEC-2019-00058
FEBRUARY 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
HEALTHSOURCE CHIROPRACTIC, INC., and BERNARD BROZEK,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of HealthSource Chiropractic, Inc. ("HealthSource") and Bernard Brozek ("Brozek") (collectively, the "Defendants") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq*. of the Code of Virginia ("Code").

HealthSource is an Ohio corporation incorporated on December 5, 2005. HealthSource's principal business address is 36901 American Way, Suite 7, Avon, Ohio 44011. HealthSource offers and sells franchises that provide progressive rehabilitation through physical therapy and chiropractic services as a solution for pain relief, as well as other related services and products. HealthSource has been registered with the Division to sell franchises since 2006.

Brozek has been HealthSource's chief operating officer since September 2016. On April 25, 2012, Brozek filed for personal bankruptcy. Bankruptcies of officers or directors are required to be disclosed in the Franchise Disclosure Document ("FDD").

Based on its investigation, the Division alleges that in May 2018, Brozek, as chief operating officer of HealthSource, violated § 13.1-563 (2) of the Act when he omitted material facts in the offer and sale of franchises to a Virginia resident ("Virginia Franchisee"), who purchased three (3) franchise locations to be opened and operated in Virginia, when he failed to disclose his bankruptcy in the FDD provided to the Virginia Franchisee. Due to Brozek's bankruptcy omission, the Virginia Franchisee was not provided with the full required disclosure information necessary in order to make an informed decision as to whether the franchisee should invest in the franchise, as required.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain monetary penalties and to request a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny the allegations herein, but admit to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will make an offer of rescission ("Offer") to the Virginia Franchisee, by certified mail, within thirty (30) days of the entry of this Order. The Offer will include three (3) offers of rescission, one for each of the three (3) Virginia franchises. The Virginia Franchisee may accept or reject any or all of the three (3) offers of rescission.

(2) The Defendants will draft the Offer and provide the Division a copy of the Offer for its review and comment at least ten (10) days prior to sending it to the Virginia Franchisee.

(3) Within thirty (30) days of entry of this Order, the Defendants will send the approved Offer to the Virginia Franchisee.

(4) The Defendants will include a copy of this Settlement Order with the Offer.

(5) The Virginia Franchisee will have thirty (30) days from the date of receipt to provide HealthSource written notice of its decision to accept or reject the Offer.

(6) If the Virginia Franchisee accepts the Offer in its entirety, the Defendants, within fifteen (15) days of the acceptance, will pay to the Virginia Franchisee, in the form of certified funds, the Virginia Franchisee's initial franchise fees for each of the three (3) Virginia franchises purchased in the amounts of Forty-Five Thousand Dollars ($45,000), Twenty-One Thousand Dollars ($21,000), and Fourteen Thousand Dollars ($14,000), respectively. If the Virginia Franchisee accepts only one (1) or two (2) of the three rescission offers, then the Defendants, within fifteen (15) days of the acceptance, will pay to the Virginia Franchisee, in the form of certified funds, the Virginia Franchisee's initial franchise fee(s) for the Virginia franchise(s) of which there was acceptance.

(7) Additionally, within ninety (90) days of the entry of this Order, the Defendants will provide the Division with a signed affidavit, executed by the appropriate HealthSource officer, containing the date the Virginia Franchisee received the Offer, the Virginia Franchisee's response, and, if applicable, the payment amount and date the payment was sent to the Virginia Franchisee.

(8) The Defendants will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Six Thousand Dollars ($6,000) in monetary penalties.

(9) The Defendants will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Three Thousand Dollars ($3,000) to defray the costs of investigation in this matter.

(10) The Defendants will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2019-00059
FEBRUARY 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
CAPITOL SECURITIES MANAGEMENT, INC.,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Capitol Securities Management, Inc. ("Capitol Securities" or "Defendant"), pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

Capitol Securities is a Virginia corporation dually registered as a broker-dealer and federally covered investment advisor having been registered in Virginia since March 27, 1985, and with the Securities and Exchange Commission since March 16, 1992, respectively. The last known address and principal place of business for Capitol Securities is 100 Concourse Boulevard, Suite 101, Glen Allen, Virginia 23059.

The Division alleges that Capitol Securities failed to diligently supervise the securities activities of two former registered representatives, Troy Baldridge ("Baldridge") and Teryl Lee Trenchard ("Trenchard"), during the time they were associated with the Defendant. From August 2007 until August 2016, Baldridge was a registered representative and investment advisory representative of Capitol Securities. From May 2009 until March 2017, Trenchard was a registered representative and investment advisory representative of Capitol Securities. While Baldridge and Trenchard were associated with Capitol Securities, they, separately from one another, engaged in fraudulent activities upon their Capitol Securities' clients to include: unauthorized transfers of funds into third-party accounts controlled by Baldridge and Trenchard, the opening of brokerage accounts at third-party financial institutions for the sole benefit of Baldridge and Trenchard, as well as the misappropriation of client funds for their own personal use. The Division alleges that these fraudulent actions, although effected by Baldridge and Trenchard, went undetected due in part to the supervision failures by Capitol Securities. The Division alleges that because of Baldridge and Trenchard's alleged fraudulent practices, Capitol Securities' clients lost at least $500,000 and $2 million, respectively. The Division notes that the clients have been repaid by Capitol Securities prior to the entry of this Order.

With respect to these matters, the Division further alleges that Capitol Securities failed to exercise diligent supervision over Baldridge and Trenchard and failed to identify this fraudulent activity until alerted through a client account request and a subsequent interview by Federal authorities. Due to this alleged lack of supervision over the securities activities of Baldridge and Trenchard and the failure to frequently examine their customer accounts by Capitol Securities, Baldridge and Trenchard were able to abuse and misappropriate funds from customer accounts.

The Division further alleges that Capitol Securities failed to properly establish, maintain, and enforce written procedures and failed to frequently examine all customer accounts to detect and prevent irregularities or abuses.

Based on the investigation, the Division alleges that Capitol Securities violated: 21 VAC 5-20-260 B of the Commission's Rules Governing Broker-Dealers, Broker-Dealer Agents and Agents of the Issuer, 21 VAC 5-20-10 *et seq*. ("Rules"), by failing to exercise diligent supervision over the securities activities of its agents; and 21 VAC 5-20-260 D (1) and (2) of the Rules by failing to establish, maintain, and enforce written procedures and by failing to frequently examine all customer accounts to detect and prevent irregularities or abuses.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 (A) of the Act to impose a civil penalty; by § 13.1-521 (C) of the Act to order the defendant make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations herein but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

1. The Defendant has retained an independent, third-party Compliance Consultant to assist in its compliance review. Therefore:

    a. Within 180 days of the entry of this Order, the Compliance Consultant will complete its review.

    b. Within thirty (30) days of the date of the Compliance Consultant's review, the Defendant will submit to the Division:
        i. The Compliance Consultant's report or their findings, and
        ii. An affidavit listing the steps taken to address all findings;

2. The Defendant will pay to the Treasurer of Virginia, within ten (10) days of the entry of this Order, the amount of Seventy-Five Thousand Dollars ($75,000) in monetary penalties;

3. The Defendant will pay to the Treasurer of Virginia, within ten (10) days of the entry of this Order, the amount of Twenty-Five Thousand Dollars ($25,000) to defray the costs of investigation in this matter; and

4. The Defendant will not violate the Act in the future.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2019-00060
FEBRUARY 24, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
BEST WESTERN INTERNATIONAL, INC.,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Best Western International, Inc. ("BWI"), pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq*. of the Code of Virginia ("Code").

BWI is an Arizona domestic nonprofit corporation that conducts business as a membership association and offered and sold membership agreements for locations in the Commonwealth of Virginia ("Virginia"). Based on information reviewed, the Division alleges that these membership agreements offered and sold by BWI were franchises.

Based on its investigation, the Division alleges that BWI violated § 13.1-560 of the Act by selling franchises to be opened and operated in Virginia during a time when the franchise was not registered with the Division, as required.

Further, the Division alleges that BWI also violated § 13.1-563 (4) of the Act by failing to provide the Virginia franchisees a Franchise Disclosure Document ("FDD") reviewed and cleared for use by the Division in connection with the unregistered sales.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain monetary penalties and to request a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

BWI neither admits nor denies the allegations herein, but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, BWI has made an offer of settlement to the Commission wherein BWI will abide by and comply with the following terms and undertakings:

(1) BWI will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Twelve Thousand Dollars ($12,000) in monetary penalties;

(2) BWI will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of One Thousand Dollars ($1,000) to defray the costs of investigation in this matter; and

(3) BWI will not violate the Act in the future.

The Division has recommended that the Commission accept BWI's offer of settlement.

NOW THE COMMISSION, having considered the record herein, BWI's offer of settlement, and the recommendation of the Division, is of the opinion that BWI 's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of BWI in settlement of the matter set forth herein is hereby accepted.

(2) BWI shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of BWI's failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2019-00061
FEBRUARY 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
DOUGLAS STOPKEY,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Douglas Stopkey ("Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

The Defendant is a resident of Richmond, Virginia. He is currently registered with the Division to offer and sell securities in the Commonwealth of Virginia ("Virginia") [CRD # 2209717] with a registered broker-dealer, Davenport & Company LLC [CRD #1588]. The Defendant was registered with the Division from March 27, 1992 through September 18, 2018, with the firm of Merrill Lynch, Pierce, Fenner, & Smith Inc. ("Merrill Lynch") (CRD #7691).

The Division alleged that on at least two occasions the Defendant: (1) failed to follow client's instructions regarding investment strategy on or around June 21, 2018; and (2) liquidated stock in another client's account against their express written instructions on or around June 19, 2018.

Further, the Division alleged that the Defendant exercised discretion seven separate times in seven non-discretionary accounts held by four different clients without first obtaining written discretionary authority.

In addition, the Division alleged that the Defendant marked at least 46 different trades as "Unsolicited" when they were in fact solicited.

Based on the investigation, the Division alleges the Defendant violated: (1) Rule 21 VAC5-20-280 B (6) at least nine times by: (i) at least twice executing a transaction on behalf of a customer without the authority to do so (*See* Rule 21 VAC5-20-280 A (4)); and (ii) at least seven separate times by exercising discretionary power in effecting transactions for customer accounts without first obtaining written discretionary authority from the customer (*See* Rule 21 VAC5-20-280 A (5); and (2) Rule 21 VAC5-20-280 D (10) at least 46 times by marking any order ticket or confirmation as unsolicited when in fact the transactions were solicited.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-506 of the Act to revoke a defendant's registration, by § 13.1-519 of the Act to issue temporary or permanent injunctions, by § 13.1-518 A of the Act to impose costs of investigation, by § 13.1-521 A of the Act to impose certain monetary penalties, by § 13.1-521 C of the Act to order a defendant to make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

(1) The Defendant will pay to the Treasurer of Virginia ("Treasurer") the amount of Ten Thousand Dollars ($10,000) in monetary penalties within 15 days of the date of the entry of this Order.

(2) The Defendant will pay to the Treasurer the amount of Five Thousand Dollars ($5,000) for the costs of investigation within 15 days of the date of entry of this Order.

(3) The Defendant will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendant.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2019-00062
MARCH 13, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
MASTER NETWORKS, LLC and CHAS WILSON,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Master Networks, LLC ("MN") and Chas Wilson ("Wilson") (collectively, "Defendants") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq*. of the Code of Virginia ("Code").

MN is a corporation originally organized in Minnesota in 2011. MN converted to a limited liability company on October 25, 2016, and moved its home office headquarters to Texas. MN's principal office is located at 5540 Granite Parkway, Plano, Texas 75024. Wilson and Ed LeQuire are founders of MN. MN offers and sells consultation services to businesses and individuals educating entrepreneurs and professionals on effectively running their businesses through networking. MN has never been registered with the Division to sell or offer to sell a franchise in the Commonwealth of Virginia.

Based on its investigation, the Division alleges that in November 2014, the Defendants violated § 13.1-560 of the Act by offering to sell and by selling a franchise to be opened and operated in Virginia ("Virginia Franchisee"), during a time when the franchise was not registered with the Division or exempt from registration, as required.

Further, the Division alleges that the Defendants also violated § 13.1-563 (4) of the Act by failing to provide the Virginia Franchisee with a Franchise Agreement or a Franchise Disclosure Document reviewed and cleared for use by the Division in connection with the unregistered sale.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain monetary penalties and to request a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny the allegations herein, but admit to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will make an offer of rescission ("Offer") to the Virginia Franchisee, by certified mail, within thirty (30) days of the entry of this Order. The Virginia Franchisee may accept or reject the Offer.

(2) The Defendants will draft the Offer and provide the Division a copy of the Offer for its review and comment at least ten (10) days prior to sending it to the Virginia Franchisee.

(3) Within thirty (30) days of entry of this Order, the Defendants will send the approved Offer to the Virginia Franchisee.

(4) The Defendants will include a copy of this Order with the Offer.

(5) The Virginia Franchisee will have thirty (30) days from the date of receipt to provide MN written notice of its decision to accept or reject the Offer.

(6) If the Virginia Franchisee accepts the Offer, the Defendants, within fifteen (15) days of the acceptance, will pay to the Virginia Franchisee, in the form of certified funds, the Virginia Franchisee's initial franchise fee in the amount of Fifteen Thousand Dollars ($15,000).

(7) Additionally, within ninety (90) days of the entry of this Order, the Defendants will provide the Division with a signed affidavit, executed by Chas Wilson, containing the date the Virginia Franchisee received the Offer, the Virginia Franchisee's response and, if applicable, the payment amount and date the payment was sent to the Virginia Franchisee.

(8) The Defendants will pay to the Treasurer of Virginia, within one year of the entry of this Order, the amount of Five Thousand Dollars ($5,000) in monetary penalties and the amount of Three Thousand Dollars ($3,000) to defray the costs of investigation in this matter, for a total amount of Eight Thousand Dollars ($8,000) ("Payment Amount").

(9) The Payment Amount will be paid in four (4) equal quarterly installments of Two Thousand Dollars ($2,000). The first installment will commence one month after the entry of this Order.

(10) The Defendants will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2019-00063
JANUARY 14, 2020

APPLICATION OF
FIRST BAPTIST CHURCH C SPRING GROVE INC.

For an Order Effecting Registration of Securities by Qualification pursuant to § 13.1-510 of the Code of Virginia

ORDER EFFECTING REGISTRATION OF SECURITIES BY QUALIFICATION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of First Baptist Church C Spring Grove Inc. ("First Baptist"), which the Commission received on October 8, 2019, with attached exhibits, and a payment of $500 for the requisite fee. The application requested that First Mortgage Bonds ("Bonds") be registered by qualification pursuant to § 13.1-510 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) First Baptist is a Virginia Corporation formed on September 17, 2019; (ii) First Baptist intends to offer and sell Bonds for an aggregate amount of up to $800,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; and (iii) said Bonds are to be offered and sold by registered broker-dealers.

NOW THE COMMISSION, based on the facts asserted by First Baptist in the written application and exhibits, as subsequently amended, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of the Act, is of the opinion and finds, and does hereby ADJUDGE and ORDER, that the securities described above are registered for offer and sale in the Commonwealth of Virginia, through a Prospectus, a copy of which is filed as part of the record, and only by such persons who are registered broker-dealers under the Act.

CASE NO. SEC-2020-00002
AUGUST 13, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
PAL'S PAC, LLC, d/b/a PAL'S SUDDEN SERVICE, and THOM CROSBY,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Pal's PAC, LLC d/b/a Pal's Sudden Service ("Pal's") and Thom Crosby ("Crosby") (collectively, the "Defendants") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq*. of the Code of Virginia ("Code").

Pal's PAC, LLC is a Tennessee limited liability company organized in 1994 and conducts business under the name Pal's Sudden Service. Pal's offers and sells restaurant franchises that provide fast food items to the public. At all relevant times, Crosby is and was the Chief Executive Officer of Pal's. Pal's has never been registered with the Division as a franchise in the Commonwealth of Virginia ("Virginia").

The Division alleges that from approximately 2012 to 2020, Pal's violated § 13.1-560 of the Act by selling five (5) franchises to be opened and operated in Virginia ("Virginia Franchisees") during a time when the franchise was not registered with the Division, as required under the provisions of the Act.

Further, the Division alleges that Pal's also violated § 13.1-563 (4) (ii) of the Act by failing to provide the Virginia Franchisees with a Franchise Disclosure Document ("FDD") reviewed and cleared for use by the Division in connection with the offer and sale of the franchises, as required.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain monetary penalties and to request a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny the allegations herein but admit to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will draft a rescission offer ("Offer") and provide the Division a copy of the Offer for review and approval at least ten (10) days prior to sending it to the Virginia Franchisees;

(2) Within thirty (30) days of entry of this Order, the Defendants will send the approved Offer and a copy of this Order to the Virginia Franchisees by certified mail;

(3) The Virginia Franchisees will have thirty (30) days from the date of receipt of the Offer to provide Pal's written notice of their decision to accept or reject the Offer;

(4) If Pal's does not receive written notice of a Virginia Franchisee's decision to accept or reject the Offer within the thirty (30) days, it will operate as a rejection of the Offer;

(5) If any of the Virginia Franchisees accepts the Offer, the Defendants, within fifteen (15) days of the acceptance, will pay the Virginia Franchisee, in the form of certified funds, the franchisee's initial franchisee fee in the amount of Twenty-Four Thousand Dollars ($24,000);

(6) Additionally, within ninety (90) days of the entry of this Order, the Defendants will provide the Division with a signed affidavit, executed by Crosby, or another authorized officer of Pal's, containing the date each Virginia Franchisee received the Offer, the response of each Virginia Franchisee, and, if applicable, the payment amount and date the payment was sent to each Virginia Franchisee;

(7) The Defendants will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Twelve Thousand Dollars ($12,000) in monetary penalties;

(8) The Defendants will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Three Thousand Dollars ($3,000) to defray the costs of investigation in this matter; and

(9) The Defendants will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2020-00004
MAY 15, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
SCOTT LANE and LANE FINANICAL STRATEGIES, LLC
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Scott Lane ("Lane")[1], and Lane Financial Strategies, LLC ("LFS") (collectively, the "Defendants"), who offered and sold securities for Woodbridge Group of Companies ("Woodbridge"), pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

Lane is a Virginia resident with a last known address of 16307 Midnight Crossing, Moseley, Virginia 23120. Lane is the owner of LFS. LFS was registered from March 28, 2017 until September 17, 2018 when Lane filed a Form ADV-W requesting withdrawal. Other than that period of time, LFS has not been registered with the Division.

The Division alleges that Lane offered and sold unregistered Woodbridge securities in the form of a Participation Agreement to Virginia investors ("Virginia Investors") without being registered to offer or sell securities in Virginia.

Based on the investigation, the Division alleges Lane violated § 13.1-504 (A) of the Act by offering and selling securities in Virginia when the Defendant was not registered with the Commission to transact such business, and § 13.1-507 of the Act by offering or selling securities that were not registered under the Act or exempt from registration.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 (A) of the Act to impose a civil penalty; by § 13.1-521 (C) of the Act to order the defendant make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny the allegations made herein but admit to the Commission's jurisdiction and authority to enter into this Order.

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will immediately remove all references on their website to Scott Lane and Lane Financial Strategies, LLC as being a registered investment advisor(s);

(2) The Defendants, within ninety (90) days of the entry of this Order, will comply with the proper application procedures necessary to apply with the Division as an investment advisor(s);

(3) The Defendants will pay to the Treasurer of Virginia, within thirty (30) days of the entry of this Order, the amount of Seven Thousand Five Hundred Dollars ($7,500) in monetary penalties;

(4) The Defendants will provide a copy of this Order to the Virginia Investors within thirty (30) days of the entry of this Order; and

(5) The Defendants are permanently enjoined from violating the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

[1] At the time of the alleged offers and sales of Woodbridge securities, Lane was owner/manager of Richmond Wealth Management LLC ("RWM"). RWM is no longer a registered limited liability company in Virginia.

CASE NO. SEC-2020-00005
JANUARY 27, 2020

APPLICATION OF
CATHOLIC UNITED INVESTMENT TRUST

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of Catholic United Investment Trust ("CUIT"), which the Commission received December 9, 2019, with attached exhibits. The application requested that CUIT Value Equity Fund, CUIT Core Equity Index Fund, CUIT Growth Fund, CUIT Small Capitalization Equity Index Fund, CUIT International Equity Fund, CUIT International Small Capitalization Equity Fund, CUIT Short Bond Fund, CUIT Intermediate Diversified Bond Fund, CUIT Opportunistic Bond Fund, and CUIT Money Market Fund (collectively, the "Shares") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) CUIT is a nonprofit organization established under a trust agreement dated February 18, 1983, exclusively for religious, charitable and educational purposes; (ii) CUIT was converted by operation of law to a Delaware statutory trust on December 30, 2011; (iii) CUIT serves member religious organizations of the Roman Catholic Church which are eligible to be listed in the Kenedy *Official Catholic Directory* and are exempt from federal income tax under § 501(c)(3) of the Internal Revenue Code; (iv) CUIT intends to offer and sell the Shares to eligible Roman Catholic-related entities up to a maximum aggregate amount of $100,000,000 on terms and conditions more fully described in the Offering Memorandum filed as a part of the application; (v) the Shares are to be offered and sold only by broker-dealers registered under the Act; and (vi) CUIT will discontinue issuer transactions for all the Shares previously exempted by the Commission on August 26, 2015, in case number SEC-2015-00039 upon the grant of the exemption for the offering of the Shares described herein.

Based on the facts asserted by CUIT in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER that the securities described above are exempt from the securities registration requirements of the Act.

CASE NO. SEC-2020-00006
MAY 1, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
NEXT FINANCIAL GROUP, INC.,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Next Financial Group, Inc. ("Next Financial") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

Next Financial is a broker-dealer with an address of 2500 Wilcrest Drive, Suite 620, Houston, Texas 77042. Next Financial has been registered with the Division since March 4, 1999.

Based on the investigation, the Division alleges Next Financial violated 21 VAC 5-20-260 of the Commission's Rules Governing Broker-Dealers, Broker-Dealer Agents and Agents of the Issuer, 21 VAC 5-20-10, *et seq*. ("Rules") in February 2010 by offering and selling an investment to a client (the "Client") who did not meet the age and concentration guidelines in Next Financial's written supervisory procedures; and 21 VAC 5-20-280 A 3 of the Rules by offering and selling a customer an illiquid investment without reasonable grounds to believe that the recommendation was suitable for the customer, in that, among other things, the investment represented 13% of the Client's total liquid net worth.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 (A) of the Act to impose a civil penalty; by § 13.1-521 (C) of the Act to order the defendant make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter into this Order.

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

(1) The Defendant, within sixty (60) days of the entry of this Order, will purchase the investment from the Client's account or estate for the amount of Forty Thousand Dollars ($40,000);

(2) The Defendant, within ninety (90) days of the entry of this Order, will provide the Division with proof of the purchase; The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Five Thousand Dollars ($5,000) to defray the costs of investigation in this matter; and

(3) The Defendant will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendant.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2020-00007
JANUARY 31, 2020

APPLICATION OF
LOCAL INITIATIVES SUPPORT CORPORATION

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of Local Initiatives Support Corporation ("LISC"), which the Commission received December 23, 2019, with attached exhibits. The application requested that Impact Notes (the "Notes") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) LISC is a New York corporation operating not for private profit but exclusively for educational and charitable purposes; (ii) LISC intends to offer and sell the Notes up to a maximum aggregate amount of $150,000,000 on terms and conditions more fully described in the Prospectus filed as a part of the application; and (iii) the Notes are to be offered and sold only by broker-dealers registered under the Act.

Based on the facts asserted by LISC in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER that the securities described above are exempt from the securities registration requirements of the Act.

CASE NO. SEC-2020-00012
FEBRUARY 14, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SNC CAPITAL MANAGEMENT CORPORATION d/b/a RCM SECURITIES,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of SNC Capital Management Corporation d/b/a RCM Securities ("SNC Capital") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

SNC Capital was registered with the Division from July 27, 2007, until December 31, 2009, when SNC Capital requested to voluntarily terminate its registration with the Division.

Based on the investigation, the Division alleges that since January 2018 SNC Capital, in violation of § 13.1-504 A (i), transacted business in the Commonwealth of Virginia as a broker-dealer when SNC Capital was not registered pursuant to the Act.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 (A) of the Act to impose a civil penalty; by § 13.1-521 (C) of the Act to order the defendant make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admit nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

(1) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Three Thousand Five Hundred Dollars ($3,500) in monetary penalties.

(2) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of One Thousand Five Hundred Dollars ($1,500) to defray the costs of investigation in this matter.

(3) The Defendant will apply for registration as a broker-dealer within ninety (90) days of the entry of this Order.

(4) The Defendant will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendant.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2020-00013
MARCH 13, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
SKRIMP SHACK LLC, and STACEY HARTMAN a/k/a STACEY LYNN ARENA,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Skrimp Shack LLC ("Skrimp Shack") and Stacey Hartman a/k/a Stacey Lynn Arena ("Hartman") (collectively, the "Defendants") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq*. of the Code of Virginia ("Code").

Skrimp Shack is a Virginia limited liability company. Skrimp Shack offers and sells franchises that are full-service restaurants providing food to the public. Hartman is the member and manager of Skrimp Shack. Skrimp Shack has been registered with the Division to sell or offer to sell a franchise in the Commonwealth of Virginia ("Virginia") since May 8, 2017.

Based on its investigation, the Division alleges that from May 2017 to March 2019 Skrimp Shack violated § 13.1-563 (2) of the Act by making untrue statements of a material fact or omitting to state a material fact necessary in order to avoid misleading the offeree when Skrimp Shack provided financial statements of existing Skrimp Shack outlets to at least four (4) prospective Virginia franchisees ("Virginia Franchisees") in connection with the sale of seven (7) Skrimp Shack franchises. Skrimp Shack's Franchise Disclosure Documents on file with the Division from May 2017 to March 2019 did not provide financial performance representations to prospective franchisees.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain monetary penalties and to request a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny the allegations herein but admit to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Twenty Thousand Dollars ($20,000) in monetary penalties;

(2) The Defendants will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Five Thousand Dollars ($5,000) to defray the costs of investigation in this matter;

(3) The Defendants will provide a copy of this Order to the Virginia Franchisees; and

(4) The Defendants will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2020-00017
MARCH 17, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*
STATE CORPORATION COMMISSION

Ex Parte: Extension of Franchise Renewal Deadlines

ORDER EXTENDING FRANCHISE RENEWAL DEADLINES

The State Corporation Commission ("Commission") takes judicial notice of the ongoing public health emergency relating to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state[1] and federal levels, as well as the Order Declaring a Judicial Emergency In Response to COVID-19 Emergency issued by the Supreme Court of Virginia on March 16, 2020 ("Judicial Emergency Declaration"). Accordingly, the Commission takes the following action.

NOW THE COMMISSION, pursuant to the Judicial Emergency Declaration and § 13.1-561 of the Code of Virginia ("Code"), hereby ORDERS that, any franchise registered or exempted from registration under the Virginia Retail Franchising Act (§ 13.1-557 *et seq.* of the Code) but whose registration or exemption is due to expire while the Judicial Emergency Declaration is in effect ("Eligible Franchise"), is granted an extension of that registration or exemption for 21 days, or such other time period as may be subsequently ordered by this Commission or the Supreme Court of Virginia through any subsequent emergency order or declaration. The Commission notes that this Order functions only as an extension of the renewal deadline for Eligible Franchises, and not a registration or exemption waiver, and that all required fees or other documentation necessary for renewal pursuant to the Code must be paid or submitted on or before any applicable extended renewal deadline.

IT IS SO ORDERED this 17th day of March, 2020.

[1] *See* Executive Order No. 51, Declaration of a State of Emergency Due to Novel Corona Virus. COVID-19, issued March 12, 2020, by Governor Ralph S. Northam.

CASE NO. SEC-2020-00017
APRIL 2, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

CASE NO. SEC-2020-00017
SEC-2020-00018

Ex Parte: Extension of Franchise, Trademark or Service Mark Renewal Deadlines

EXTENSION ORDERS

On March 17, 2020, in response to the ongoing public health emergency relating to the spread of the coronavirus, or COVID-19, the declarations of emergency issued at both the state[1] and federal levels, and the Order Declaring a Judicial Emergency In Response to COVID-19 Emergency issued by the Supreme Court of Virginia on March 16, 2020 ("Judicial Emergency Declaration")[2], the State Corporation Commission ("Commission") entered certain orders extending the deadline for certain Eligible Franchises[3] and Eligible Marks[4] to be registered, renewed or exempted for 21 days or such other time period as may be subsequently ordered by this Commission or the Supreme Court of Virginia ("Extension Orders").

NOW THE COMMISSION, upon consideration of these matters, takes judicial notice that the underlying events and conditions prompting the initial entry of the Extension Orders continue. The Commission hereby ORDERS that the above referenced Extension Orders are extended and remain in effect during the pendency of the Judicial Emergency Declaration, or any similar subsequent declaration, declaration extension or order of the Supreme Court of Virginia, or such other time period as may be subsequently ordered by the Commission.

IT IS SO ORDERED this 2nd day of April, 2020.

[1] *See* Executive Order No. 51, Declaration of a State of Emergency Due to Novel Corona Virus. COVID-19, issued March 12, 2020, by Governor Ralph S. Northam.

[2] On March 27, 2020, the Supreme Court of Virginia extended the Judicial Emergency Declaration's applicable time frame until April 26, 2020.

[3] As defined in Order Extending Franchise Renewal Deadlines, Doc. Con. Cen. No. 200320238.

[4] As defined in Order Extending Trademark and Service Mark Renewal Deadlines, Doc. Con. Cen. No. 200320239.

CASE NO. SEC-2020-00017
NOVEMBER 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

CASE NO. SEC-2020-00017
SEC-2020-00018

Ex Parte: Extension of Franchise, Trademark or Service Mark Renewal Deadlines

ORDER SETTING RENEWAL DEADLINE

On March 17, 2020, in response to the public health emergency relating to the spread of the coronavirus, or COVID-19, the declarations of emergency issued at both the state[1] and federal levels, and the Order Declaring a Judicial Emergency In Response to COVID-19 Emergency issued by the Supreme Court of Virginia on March 16, 2020 ("Judicial Emergency Declaration")[2], the State Corporation Commission ("Commission") entered certain orders extending the deadline for certain Eligible Franchises[3] and Eligible Marks[4] to, among other things, be renewed or exempted for 21 days or such other time period as may be subsequently ordered by this Commission or the Supreme Court of Virginia ("Orders Extending Renewal Deadlines"). On April 2, 2020, the Commission entered an additional directive entitled Extension Orders, stating that the above-referenced Orders Extending Renewal Deadlines "are extended and remain in effect during the pendency of the Judicial Emergency Declaration, or any similar subsequent declaration, declaration extension or order of the Supreme Court of Virginia, or other such time period as may be subsequently ordered by the Commission."[5] Subsequently, the Division of Securities and Retail Franchising ("Division") has taken steps to accept renewal applications for Eligible Franchises and Eligible Marks, and applicants for such renewals have had sufficient time to submit the proper documentation to the Division.

[1] *See* Executive Order No. 51, Declaration of a State of Emergency Due to Novel Corona Virus. COVID-19, issued March 12, 2020, by Governor Ralph S. Northam.

[2] After multiple extensions, on July 29, 2020, the Supreme Court of Virginia extended the Judicial Emergency Declaration's applicable time frame through August 30, 2020.

[3] As defined in Order Extending Renewal Deadlines, Doc. Con. Cen. No. 200320238.

[4] As defined in Order Extending Trademark and Service Mark Renewal Deadlines, Doc. Con. Cen. No. 200320239.

[5] *See* Extension Orders, Doc. Con. Cen. No. 20044410073.

NOW THE COMMISSION, upon consideration of these matters, takes notice that it has provided an extension of over seven-months for the deadline of renewal registration of Eligible Franchises and Eligible Marks, the Division has undertaken steps to accept renewal applications for Eligible Franchises and Eligible Marks, and applicants for such renewals have had sufficient time over the extension period to prepare for submission of their respective renewals to the Division. Such applicants will not be prejudiced by the termination of the extension period. Accordingly, the Commission hereby ORDERS that the above-referenced Extension Orders are vacated and the deadline for Eligible Franchises and Eligible Marks renewals is November 16, 2020.

CASE NO. SEC-2020-00018
MARCH 17, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: Extension of Trademark and Service Mark Renewal Deadlines

ORDER EXTENDING TRADEMARK AND SERVICE MARK RENEWAL DEADLINES

The State Corporation Commission ("Commission") takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state[1] and federal levels, as well as the Order Declaring a Judicial Emergency In Response to COVID-19 Emergency issued by the Supreme Court of Virginia on March 16, 2020 ("Judicial Emergency Declaration"). Accordingly, the Commission takes the following action.

NOW THE COMMISSION, pursuant to the Judicial Emergency Declaration, hereby ORDERS that, any trademark or service mark registered under the Virginia Trademark and Service Mark Act (§ 59.1-92.1 *et seq.* of the Code of Virginia) but whose registration is due to expire while the Judicial Emergency Declaration is in effect ("Eligible Mark"), is granted an extension of that registration for 21 days, or such other time period as may be subsequently ordered by this Commission or the Supreme Court of Virginia through any subsequent emergency order or declaration. The Commission notes that this Order functions only as an extension of the renewal deadline for Eligible Marks, and not a registration waiver, and that all required fees or other documentation necessary for renewal pursuant to the Code of Virginia must be paid or submitted on or before any applicable extended renewal deadline.

IT IS SO ORDERED this 17th day of March, 2020.

[1] *See* Executive Order No. 51, Declaration of a State of Emergency Due to Novel Corona Virus. COVID-19, issued March 12, 2020, by Governor Ralph S. Northam.

CASE NO. SEC-2020-00018
APRIL 2, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

CASE NO. SEC-2020-00017
SEC-2020-00018

Ex Parte: Extension of Franchise, Trademark or Service Mark Renewal Deadlines

EXTENSION ORDERS

On March 17, 2020, in response to the ongoing public health emergency relating to the spread of the coronavirus, or COVID-19, the declarations of emergency issued at both the state[1] and federal levels, and the Order Declaring a Judicial Emergency In Response to COVID-19 Emergency issued by the Supreme Court of Virginia on March 16, 2020 ("Judicial Emergency Declaration")[2], the State Corporation Commission ("Commission") entered certain orders extending the deadline for certain Eligible Franchises[3] and Eligible Marks[4] to be registered, renewed or exempted for 21 days or such other time period as may be subsequently ordered by this Commission or the Supreme Court of Virginia ("Extension Orders").

NOW THE COMMISSION, upon consideration of these matters, takes judicial notice that the underlying events and conditions prompting the initial entry of the Extension Orders continue. The Commission hereby ORDERS that the above referenced Extension Orders are extended and remain in effect during the pendency of the Judicial Emergency Declaration, or any similar subsequent declaration, declaration extension or order of the Supreme Court of Virginia, or such other time period as may be subsequently ordered by the Commission.

IT IS SO ORDERED this 2nd day of April, 2020.

[1] *See* Executive Order No. 51, Declaration of a State of Emergency Due to Novel Corona Virus. COVID-19, issued March 12, 2020, by Governor Ralph S. Northam.

[2] On March 27, 2020, the Supreme Court of Virginia extended the Judicial Emergency Declaration's applicable time frame until April 26, 2020.

[3] As defined in Order Extending Franchise Renewal Deadlines, Doc. Con. Cen. No. 200320238.

[4] As defined in Order Extending Trademark and Service Mark Renewal Deadlines, Doc. Con. Cen. No. 200320239.

CASE NO. SEC-2020-00018
NOVEMBER 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

CASE NO. SEC-2020-00017
SEC-2020-00018

Ex Parte: Extension of Franchise, Trademark or Service Mark Renewal Deadlines

ORDER SETTING RENEWAL DEADLINE

On March 17, 2020, in response to the public health emergency relating to the spread of the coronavirus, or COVID-19, the declarations of emergency issued at both the state[1] and federal levels, and the Order Declaring a Judicial Emergency In Response to COVID-19 Emergency issued by the Supreme Court of Virginia on March 16, 2020 ("Judicial Emergency Declaration")[2], the State Corporation Commission ("Commission") entered certain orders extending the deadline for certain Eligible Franchises[3] and Eligible Marks[4] to, among other things, be renewed or exempted for 21 days or such other time period as may be subsequently ordered by this Commission or the Supreme Court of Virginia ("Orders Extending Renewal Deadlines"). On April 2, 2020, the Commission entered an additional directive entitled Extension Orders, stating that the above-referenced Orders Extending Renewal Deadlines "are extended and remain in effect during the pendency of the Judicial Emergency Declaration, or any similar subsequent declaration, declaration extension or order of the Supreme Court of Virginia, or other such time period as may be subsequently ordered by the Commission."[5] Subsequently, the Division of Securities and Retail Franchising ("Division") has taken steps to accept renewal applications for Eligible Franchises and Eligible Marks, and applicants for such renewals have had sufficient time to submit the proper documentation to the Division.

NOW THE COMMISSION, upon consideration of these matters, takes notice that it has provided an extension of over seven-months for the deadline of renewal registration of Eligible Franchises and Eligible Marks, the Division has undertaken steps to accept renewal applications for Eligible Franchises and Eligible Marks, and applicants for such renewals have had sufficient time over the extension period to prepare for submission of their respective renewals to the Division. Such applicants will not be prejudiced by the termination of the extension period. Accordingly, the Commission hereby ORDERS that the above-referenced Extension Orders are vacated and the deadline for Eligible Franchises and Eligible Marks renewals is November 16, 2020.

---

[1] *See* Executive Order No. 51, Declaration of a State of Emergency Due to Novel Corona Virus. COVID-19, issued March 12, 2020, by Governor Ralph S. Northam.

[2] After multiple extensions, on July 29, 2020, the Supreme Court of Virginia extended the Judicial Emergency Declaration's applicable time frame through August 30, 2020.

[3] As defined in Order Extending Renewal Deadlines, Doc. Con. Cen. No. 200320238.

[4] As defined in Order Extending Trademark and Service Mark Renewal Deadlines, Doc. Con. Cen. No. 200320239.

[5] *See* Extension Orders, Doc. Con. Cen. No. 20044410073.

CASE NO. SEC-2020-00020
APRIL 24, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SHAPES FRANCHISING, LLC, and RORY O'DWYER,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Shapes Franchising, LLC ("Shapes") and Rory O'Dwyer ("O'Dwyer") (collectively, the "Defendants") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq*. of the Code of Virginia ("Code").

Shapes is a Florida limited liability company with a last known address of 140 Island Way, #241, Clearwater, Florida 33757, and was organized in Florida on July 31, 2012. O'Dwyer is the chief executive officer of Shapes. Shapes offers and sells franchises that provide women-focused fitness, group training, personal training, and other fitness products and services. Shapes was registered as a franchise with the Division in 2018.

Based on the investigation, the Division alleges that from June 2018 until October 2018, the Defendants violated § 13.1-563 (2) of the Act by making untrue statements of a material fact or omitting to state a material fact necessary in order to avoid misleading the offeree when the Defendants made representations and claims that the Shapes Premier franchised model club was a fast growing, proven success when in fact there were only two such clubs opened prior to the offer and sale to a Virginia franchisee ("Franchisee").

The Division further alleges Shapes violated 21 VAC 5-110-95 of the Commission's Rules Governing the Retail Franchising Act Rules, 21 VAC 5-110-10 *et seq*., when the Defendants failed to make appropriate financial performance representations in Item 19 of the Financial Disclosure Document ("FDD") that Shapes provided to the Division.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain monetary penalties and to request a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny the allegations made herein but admit to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will make an offer of rescission ("Offer") to the Franchisee within seven (7) days of the entry of this Order;

(2) The Franchisee will have thirty (30) days to accept the Offer. If the Franchisee accepts the Offer, the Defendants will pay the Franchisee the rescission amount of Fifty Thousand Dollars ($50,000) within thirty (30) days of such acceptance and the Franchisee will execute and deliver to Shapes its provided form of release;

(3) If the Defendants seek to sell any further franchises in Virginia, the Defendants will include information in Item 20 of the FDD provided to the Division that relates only to the specific type model club being offered and sold in Virginia;

(4) The Defendants will pay to the Treasurer of Virginia, within thirty (30) days of the entry of this Order, the amount of Five Thousand Dollars ($5,000) in monetary penalties; and

(5) The Defendants will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2020-00021
APRIL 10, 2020

APPLICATION OF
COLUMBIA UNION REVOLVING FUND

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of Columbia Union Revolving Fund ("CURF"), which the Commission received on March 27, 2020, with attached exhibits. The application requested that CURF's 90-day Demand Promissory Notes ("Notes") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) CURF is a Delaware corporation operating not for private profit but exclusively for religious, charitable and educational purposes; (ii) CURF intends to offer and sell the Notes in an approximate aggregate amount of up to $40 million on terms and conditions as more fully described in the Offering Circular filed as a part of the application; (iii) said securities are to be offered and sold by registered agents of CURF; and (iv) CURF will discontinue issuer transactions for all notes previously exempted by the Commission upon the grant of the exemption for the offering of the Notes described herein.

Based on the facts asserted by CURF in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER, that the securities described above are exempt from the securities registration requirements of the Act. IT IS FURTHER ORDERED that CURF will discontinue issuer transactions for all notes previously exempted by the Commission.

CASE NO. SEC-2020-00022
APRIL 29, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting a Revision to the Rules Governing the Virginia Securities Act

ORDER TO TAKE NOTICE

Section 12.1-13 of the Code of Virginia ("Code") provides that the State Corporation Commission ("Commission") shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction. Section 13.1-523 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of the Act.

The rules and regulations issued by the Commission pursuant to the Act are set forth in Title 21 of the Virginia Administrative Code. A copy also may be found at the Commission's website: https://scc.virginia.gov/pages/Case-Information.

The Division of Securities and Retail Franchising ("Division") proposes revisions to Chapter 40 (Exempt Securities and Transactions), 21 VAC 5-40-10 *et seq*., following recent legislative changes to the Act. Specifically, the Division seeks to: (a) amend 21 VAC 5-40-190 concerning the Intrastate Crowdfunding Exemption; and (b) create a new rule (21 VAC 5-40-200) allowing an exemption for non-issuer distribution.

I. Amendment to the Intrastate Crowdfunding Exemption in 21 VAC 5-40-190.

The 2015 General Assembly passed legislation to adopt an exemption from registration under certain conditions for intrastate offerings pursuant to crowdfunding in § 13.1-514 B 21 (g) of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia. The legislation was set to sunset on July 1, 2020. The exemption only applied to issuers that were corporations and entities formed under the laws of Virginia, authorized to do business in Virginia, and that had their principal place of business in Virginia. On July 31, 2015, the Commission adopted 21 VAC 5-40-190 concerning the requirements for the exemption.

During the 2020 legislative session, the General Assembly passed House Bill 1339 (Chapter 331 of the 2020 Acts of the Assembly) and Senate Bill 542 (Chapter 279 of the 2020 Acts of the Assembly). First, this legislation removed the sunset provision of the exemption. Second, the legislation broadened the exemption to allow corporations and entities that are Virginia-based but organized outside of Virginia to also claim the exemption.

The Division of Securities and Retail Franchising ("Division") proposes to amend 21 VAC 5-40-190 to conform the regulation to this recent legislative change by adding Rule 147 A (17 C.F.R. §230.147A) issuers to the exemption. In addition, to further implement the intent of the legislation and promote small businesses, the Division will remove the prohibition on debt offerings for crowdfunding issuers.

II. Adding an Exemption for Non-Issuer Distribution (21 VAC 5-40-200).

The 2020 General Assembly passed House Bill 1457 (Chapter 256 of the Acts of the Assembly) that amended §13.1-514 B of the Act by adding a new subsection 23 that provides for a self-executing exemption for non-issuer distribution by securities issuers whose securities are listed on an electronic exchange, marketplace system, or disclosure repository which that makes information freely available to the public and is registered with the SEC under the Securities and Exchange Act of 1934, or is an alternative trading system regulated by the SEC.

A non-issuer distribution occurs in the secondary market and allows purchasers to freely purchase and sell securities that were originally purchased from the original issuer. A self-executing exemption allows the purchaser or seller to use the exemption without registration under the Act.

To implement the new legislation, the Division proposes adding a new section 21 VAC 5-40-200 for this exemption. As noted above, the exemption may apply to issuers whose securities are listed on an electronic exchange, marketplace exchange or disclosure repository, or alternative trading system that meet certain requirements. Here, the Division proposes that the new exemption apply only to those issuers who securities are listed on the OTC Markets Group ("OTG") OTCQX, as this tier applies the strictest listing standards of the electronic markets.

As of this date of this Order, roughly thirty-two states have a similar exemption that recognizes transactions placed on the OTCQX Tier.

The Division recommended to the Commission that the proposed revisions should be considered for adoption. The Division also has recommended to the Commission that a hearing should be held only if requested by those interested parties who specifically indicate that a hearing is necessary and the reasons therefore.

A copy of the proposed revisions may be requested by interested parties from the Division by e-mail request and also can be found at the Division's website: www.scc.virginia.gov/srf. Any comments to the proposed rules must be received by June 8, 2020.

IT IS THEREFORE ORDERED that:

(1) The proposed revisions are appended hereto and made a part of the record herein.

(2) Comments or request for hearing on the proposed revisions must be submitted in writing to Joel H. Peck, Clerk of the Commission, c/o Document Control Center, P. O. Box 2118, Richmond, Virginia 23218, on or before June 8, 2020. Requests for hearing shall state why a hearing is necessary and why the issues cannot be adequately addressed in written comments. All correspondence shall reference Case No. SEC-2020-00022. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: https://scc.virginia.gov/casecomments/Submit-Public-Comments.

(3) The proposed revisions shall be posted on the Commission's website at https://scc.virginia.gov/pages/Case-Information and on the Division's website at http://www.scc.virginia.gov/srf. Interested persons may also request a copy of the proposed revisions from the Division by e-mail.

NOTE: A copy of the attachment entitled " 2020 Securities RulePackage SEC-2020-00022 " is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2020-00022
JUNE 25, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting a Revision to the Rules Governing the Virginia Securities Act

ORDER ADOPTING AMENDED RULES

By Order to Take Notice ("Order") entered on April 29, 2020,[1] all interested persons were ordered to take notice that the State Corporation Commission ("Commission") would consider the adoption of revisions to Chapter 40 of Title 21 of the Virginia Administrative Code. On May 4, 2020,[2] the Division of Securities and Retail Franchising ("Division") mailed and emailed the Order of the proposed rules to all interested persons pursuant to the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia. The Order described the proposed revisions and afforded interested persons an opportunity to file comments and request a hearing on or before June 8, 2020, with the Clerk of the Commission. The Order provided that requests for a hearing shall state why a hearing is necessary and why the issues cannot be addressed adequately in written comments.

The Commission received one comment in support of the proposed revisions from OTC Markets Group, Inc. The Commission received no other comments to the proposed revisions, and no person requested a hearing.

The Order proposed revisions to Chapter 40 (Exempt Securities and Transactions), 21 VAC 5-40-10 *et seq*., following legislative changes to the Act by the 2020 General Assembly. These revisions sought to: (a) amend 21 VAC 5-40-190 concerning the Intrastate Crowdfunding Exemptions; and (b) create a new rule (designated as 21 VAC 5-40-200) allowing an exemption for non-issuer distribution.

Following entry of the Order, the Division proposes two conforming changes to proposed rule 21 VAC5-40-200 which deletes the words "broker-dealer" and "agent," as well as the associated punctuation and conjunction, to conform the final proposed rule with new subsection 23 to § 13.1-514 B of the Act passed by the 2020 General Assembly. Regarding the second conforming change, the Division has added language to the legend requirement contained in subsection A 8 of Rule 21 VAC5-40-190 that reads "SEC RULE 147A" and "SUBSECTIONS (e) AND (f) OF SEC RULE 147A" to conform with the amendment to subsection 21 of § 13.1-514 B of the Act passed by the 2020 General Assembly. The attached documents indicate the conformed changes in brackets.

NOW THE COMMISSION, upon consideration of the proposed rules and the conforming changes to those rules, the recommendations of the Division, and the record in this case, finds that the proposed amendments should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The revised proposed rules are attached hereto, made a part of hereof, and hereby are ADOPTED effective July 1, 2020.

(2) A COPY hereof, together with a copy of the adopted rules, shall be sent by the Clerk of the Commission in care of Ronald W. Thomas, Director of the Division, who forthwith shall give further notice of the adopted rules by mailing or emailing a copy of this Order to all interested persons.

(3) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, together with the adopted rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(4) This case is dismissed from the Commission's docket, and the papers herein shall be placed in the filed for ended causes.

NOTE: A copy of the attachment entitled " 2020 Securities RulePackage SEC-2020-00022" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

[1] Doc. Con. Cen. No 200430130.

[2] The notice was published by the Virginia Registrar of Regulations in the May 25, 2020 issue. Doc. Con. Cen. No. 200630012.

CASE NO. SEC-2020-00024
APRIL 22, 2020

APPLICATION OF
CAPITAL IMPACT PARTNERS

For registration of securities pursuant to § 13.1-510 of the Code of Virginia

ORDER EFFECTING REGISTRATION OF SECURITIES BY QUALIFICATION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of Capital Impact Partners ("Capital"), dated March 30, 2020, with attached exhibits, requesting that Capital Impact Investment Notes ("Notes") be registered by qualification pursuant to § 13.1-510 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia. The requisite fee of Five Hundred Dollars ($500) has been paid.

Based upon the information submitted, the following facts, in addition to others not enumerated herein, appear to exist: (i) Capital is a District of Columbia corporation formed on December 30, 1982; and (ii) Capital intends to offer and sell the Notes for an aggregate amount of up to $150 million. The Notes will be offered and sold by registered broker-dealers.

NOW THE COMMISSION, based on the facts asserted by Capital in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, is of the opinion and finds, and does hereby ADJUDGE and ORDER that, the securities described above are registered for offer and sale in the Commonwealth of Virginia through a prospectus, a copy of which is filed as a part of the record.

CASE NO. SEC-2020-00025
MAY 1, 2020

APPLICATION OF
THE SOLOMON FOUNDATION

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of The Solomon Foundation ("Foundation"), which the Commission received March 30, 2020, with attached exhibits. The application requested that the Foundation's Demand Certificates and Time Certificates (collectively, the "Certificates") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia, and that officers and employees of the Foundation be exempted from the agent registration requirements of the Act.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) the Foundation is a Colorado corporation operating not for private profit but exclusively for religious and charitable purposes; (ii) the Foundation intends to offer and sell the Certificates in an approximate aggregate amount of up to $500 million on terms and conditions as more fully described in the Offering Circular filed as a part of the application; (iii) said securities are to be offered and sold by officers and employees of the Foundation who will not be compensated for their sales efforts; and (iv) the Foundation will discontinue issuer transactions for all securities previously exempted by the Commission upon the grant of the exemption for the offering of the Certificates described herein.

Based upon the facts asserted by the Foundation in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER, pursuant to the provisions of § 13.1-514.1 B of the Act, that the securities described above are exempt from the securities registration requirements of the Act and that the officers and employees of the Foundation are exempt from the agent registration requirements of § 13.1-504 of the Act. IT IS FURTHER ORDERED that the Foundation will discontinue issuer transactions for all securities previously exempted by the Commission.

CASE NO. SEC-2020-00026
APRIL 30, 2020

APPLICATION OF
NATIONAL COVENANT PROPERTIES

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of National Covenant Properties ("NCP"), which the Commission received on March 2, 2020 with attached exhibits. The application requested that 5-Year Fixed Rate Renewable Certificates, 30-Month Fixed Rate Renewable Certificates, Variable Rate Certificates, Demand Investment Accounts, Individual Retirement Account Certificates, and Health Savings Account Certificates (collectively, the "Certificates") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia, and that the officers of NCP be exempted from the agent registration requirements of the Act.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) NCP is an Illinois corporation operating not for private profit but exclusively for religious, charitable, and educational purposes; (ii) NCP intends to offer and sell the Certificates in an approximate aggregate amount of up to $125,000,000 on terms and conditions as more fully described in the Offering Circular filed as a part of the application; (iii) said securities are to be offered and sold by officers of NCP who will not be compensated for their sales efforts; and (iv) NCP will discontinue issuer transactions for all securities previously exempted by the Commission upon the grant of the exemption for the offering of the Certificates described herein.

Based upon the facts asserted by NCP in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER, pursuant to the provisions of § 13.1-514.1 B of the Act, that the securities described above are exempt from the securities registration requirements of the Act and that the officers of NCP are exempt from the agent registration requirements of § 13.1-504 of the Act. IT IS FURTHER ORDERED that NCP will discontinue issuer transactions for all securities previously exempted by the Commission.

CASE NO. SEC-2020-00028
MAY 6, 2020

APPLICATION OF
MISSION INVESTMENT FUND OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of Mission Investment Fund of the Evangelical Lutheran Church in America ("Mission Fund"), which the Commission received on April 13, 2020, with attached exhibits. The application requested that Mission Fund's Demand Investments, Fixed and Adjustable Interest Term Investments, MIF4KIDZ Investments, and IRA/CESA/HSA program (collectively, the "Mission Investments") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) Mission Fund is a Minnesota corporation operating not for private profit but exclusively for religious purposes; (ii) Mission Fund intends to offer and sell the Mission Investments in an approximate aggregate amount of up to $500 million on terms and conditions as more fully described in the Offering Circular filed as a part of the application; (iii) said securities are to be offered and sold by registered agents of Mission Fund who will not be compensated for their sales efforts; and (iv) Mission Fund will discontinue issuer transactions for all securities previously exempted by the Commission upon the grant of the exemption for the offering of the Mission Investments described herein.

Based on the facts asserted by Mission Fund in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER that the securities described above are exempt from the securities registration requirements of the Act. IT IS FURTHER ORDERED that Mission Fund will discontinue issuer transactions for all securities previously exempted by the Commission.

CASE NO. SEC-2020-00031
JUNE 8, 2020

APPLICATION OF
BOARD OF CHURCH EXTENSION OF DISCIPLES OF CHRIST, INC.

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of Board of Church Extension of Disciples of Christ, Inc. ("Board of Church Extension"), which the Commission received on May 18, 2020, with attached exhibits. The application requested that Board of Church Extension's Flexible Demand Notes, Fixed Rate Term Notes (12 Month to 60 Month Term), Disciples Partner Plus 60 Month Term Notes, Kid Builder Notes (36 Month), Variable Rate Term Notes (3- and 5-year Terms), Variable Rate Term Educational Growth Notes (1-20 Years), Variable Rate Demand Capital Builder Notes, 180-Day Term Notes, and Variable Rate Demand Jumbo Mission Notes (collectively, "Notes") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia, and that officers and employees of Board of Church Extension be exempted from the agent registration requirements of the Act.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) Board of Church Extension is an Indiana corporation operating not for private profit but exclusively for religious purposes; (ii) Board of Church Extension intends to offer and sell the Notes in an approximate aggregate amount of up to $175 million on terms and conditions as more fully described in the Offering Circular filed as a part of the application; (iii) said securities are to be offered and sold by officers and employees of Board of Church Extension who will not be compensated for their sales efforts; and (iv) Board of Church Extension will discontinue issuer transactions for all securities previously exempted by the Commission upon the grant of the exemption for the offering of the Notes described herein.

Based on the facts asserted by Board of Church Extension in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER that the securities described above are exempt from the securities registration requirements of the Act, and the officers and employees of Board of Church Extension are exempt from the agent registration requirements of § 13.1-504 of the Act. IT IS FURTHER ORDERED that Board of Church Extension will discontinue issuer transactions for all securities previously exempted by the Commission.

CASE NO. SEC-2020-00035
AUGUST 25, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
THOMAS CLARK CLEARY,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Thomas Clark Cleary ("Cleary" or the "Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

Cleary is a Virginia resident. Cleary was duly registered with the Division as a broker-dealer agent and as an investment advisor representative from December 2, 2011 through September 3, 2019.

Based on the investigation, the Division alleges that on two separate occasions, Cleary violated Rule 21 VAC 5-20-260 D of the Commission's Rules Governing Broker-Dealers, Broker-Dealer Agents and Agents of the Issuer, 21 VAC 5-20-10, *et seq*. ("Rules") when he failed to follow policies and procedures in place during his employment with UBS Financial Services, Inc. ("UBS") and RBC Capital Markets, LLC ("RBC"), both broker-dealers, after acknowledging receipt of the procedures and agreeing to abide by them. Specifically, Cleary first failed to immediately notify UBS, his then-employer, when he became aware that he was named executor and beneficiary of a non-family member's estate. Second and subsequently, Cleary inaccurately reported to RBC with whom he was employed that he was not the executor of such estate.

The Division further alleges Cleary violated Rule 21 VAC 5-20-280 D 12 by failing to comply with applicable provisions of the Financial Industry Regulatory Authority ("FINRA") Rules, specifically FINRA Rule 3110. Specifically, Cleary first failed to immediately notify UBS, when he became aware that he was named executor and beneficiary of a non-family member's estate. Second and subsequently, Cleary inaccurately reported to RBC that he was not the executor of such estate.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 (A) of the Act to impose a civil penalty; by § 13.1-521 (C) of the Act to order the defendant make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant admits that he failed to abide by a broker-dealer's procedure and did not disclose his appointment as executor and beneficiary of a client's estate as required and admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

(1) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Thirty Thousand Dollars ($30,000) in monetary penalties;

(2) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Five Thousand Dollars ($5,000) to defray the costs of investigation in this matter; and

(3) The Defendant will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendant.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2020-00041
SEPTEMBER 14, 2020

APPLICATION OF
LUTHERAN CHURCH EXTENSION FUND - MISSOURI SYNOD

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of Lutheran Church Extension Fund - Missouri Synod ("LCEF"), which the Commission received on August 31, 2020, with attached exhibits. The application requested that LCEF's Young Investor ("Y.I.") Stamps, Dedicated Certificates, Family Emergency StewardAccount Certificates, StewardAccount Certificates, Y.I. Steward Account Certificate, FlexPlus Certificates, Fixed-Rate Term Notes, Floating-Rate Term Notes, Congregation Demand Certificates, Congregation StewardAccount Certificates, and Gold Tier StewardAccount Certificates (collectively, the "Certificates") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia, and that the officers of LCEF be exempted from the agent registration requirements of the Act.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) LCEF is a Missouri corporation operating not for private profit but exclusively for religious, charitable and educational purposes; (ii) LCEF intends to offer and sell the Certificates in an approximate aggregate amount of up to $75 million on terms and conditions as more fully described in the Offering Circular filed as a part of the application; (iii) said securities are to be offered and sold by officers of LCEF who will not be compensated for their sales efforts; and (iv) LCEF will discontinue issuer transactions for all other securities previously exempted by the Commission upon the grant of the exemption for the offering of the Certificates described herein.

Based on the facts asserted by LCEF in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER that the securities described above are exempt from the securities registration requirements of the Act and that LCEF's officers are exempt from the agent registration requirements of § 13.1-504 of the Act. IT IS FURTHER ORDERED that LCEF will discontinue issuer transactions for all securities previously exempted by the Commission.

CASE NO. SEC-2020-00045
SEPTEMBER 22, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
JAMES F. TATE and TATE WEALTH MANAGEMENT, INC.,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of James F. Tate ("Tate") and Tate Wealth Management, Inc. ("TWM") (collectively, the "Defendants") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

Tate is a Virginia resident and is the president and the sole investment advisor representative of TWM. TWM is a Virginia corporation with a last known business address of 76 Montego Bay Drive, Moneta, Virginia, 24121. Tate has been registered with the Division as an investment advisor representative since July 3, 2007. TWM has also been registered with the Division since July 3, 2007 as an investment advisor.

Based on the investigation, the Division alleges that Tate and TWM violated 21 VAC 5-80-160 A (1), (2), and (6) of the Commission's Rules Governing Investment Advisors, 21 VAC 5-80-10, *et seq*. ("Rules") when the Defendants (i) failed to maintain journals, and any other records of original entry forming the basis of entries in any ledger; (ii) failed to maintain general and auxiliary ledgers (or other comparable records) reflecting asset, liability, reserve, capital, income and expense accounts; and (iii) failed to make and keep true, accurate and current financial records of TWM. The financial records required consist of financial statements prepared in accordance with generally accepted accounting principles which shall include a balance sheet, income statement, and such other statements relating to the investment advisor's business. The records provided by TWM in response to the Division's request for financial statements, which essentially consisted of only a bank statement, failed to comply with the rules regarding recordkeeping requirements for investment advisors.

The Division further alleges Tate and TWM violated Rule 21 VAC 5-80-40 B by failing to file an audited balance sheet with the Division within 90 days of the investment advisor's fiscal year end, as prescribed by Part 2A, Item 18 of Form ADV. Part 2A, Item 18 of Form ADV states if an investment advisor solicits prepayment of more than $500 in fees per client, six months or more in advance, an audited balance sheet for the most recent fiscal year must be included with the investment advisor's Form ADV filing. Tate and TWM violated this Rule by accepting prepayment of client fees of more than $500, six months or more in advance, for calendar year 2018 and failed to file an audited balance sheet in accordance with the generally accepted accounting principles with TWM's 2018 Annual-Updating-Amendment.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 (A) of the Act to impose a civil penalty; by § 13.1-521 (C) of the Act to order the defendant make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny the allegations made herein but admit to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will pay to the Treasurer of Virginia, within ten (10) days of the entry of this Order, the amount of Three Thousand Five Hundred Dollars ($3,500) in monetary penalties;

(2) The Defendants will pay to the Treasurer of Virginia, within ten (10) days of the entry of this Order, the amount of One Thousand Five Hundred Dollars ($1,500) to defray the costs of investigation in this matter; and

(3) The Defendants will comply with Rules 21 VAC 5-80-160 A (1), (2), and (6) within ninety (90) days of the entry of this Order; and

(4) The Defendants will comply with Rule 21 VAC 5-80-40 for all future filings.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2020-00047
SEPTEMBER 25, 2020

APPLICATION OF
VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of the Virginia Housing and Community Development Corporation ("Virginia Housing"), which the Commission received on July 10, 2020, with attached exhibits, as subsequently amended. The application requested that Virginia Housing's Community Investment Notes ("Notes") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia, and that certain officers of Virginia Housing be exempted from the agent registration requirements of the Act.

Based upon the information submitted, the following facts, in addition to others not enumerated herein, appear to exist: (i) Virginia Housing is a Virginia corporation operating not for private profit but exclusively for charitable and educational purposes; (ii) Virginia Housing intends to offer and sell the Notes in an approximate aggregate amount of up to $1,250,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; (iii) said securities are to be offered and sold by officers of Virginia Housing, who will not be compensated for their sales efforts; and (iv) Virginia Housing will discontinue issuer transactions for all other securities previously exempted by the Commission upon the grant of the exemption for the offering of the Notes described herein.

Based on the facts asserted by Virginia Housing in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER that the securities described above are exempt from the securities registration requirements of the Act, and that the officers of Virginia Housing are exempted from the agent registration requirements of § 13.1-504 of the Act. IT IS FURTHER ORDERED that Virginia Housing will discontinue issuer transactions for all securities previously exempted by the Commission.

CASE NO. SEC-2020-00049
NOVEMBER 30, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
CORNERSTONE ASSET MANAGEMENT , INC.
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Cornerstone Asset Management, Inc. ("Cornerstone" or "Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

Cornerstone is a Virginia corporation. Cornerstone is registered as a state-covered investment advisor. Cornerstone's last known address is 116 South Stewart Street, Winchester, Virginia 22601.

Based on the investigation, the Division alleges Cornerstone violated 21 VAC 5-80-200 A of the Commission's Rules Governing Investment Advisors, of the Virginia Administrative Code, 21 VAC 5-80-10 *et seq.* ("Rules"), by failing to act primarily for the benefit of its clients, by failing to act as a fiduciary, and by engaging in unethical practices. From 2017 to the present, certain Cornerstone accounts were charged more than five percent (5%) of their current assets under management on a yearly basis from commissions alone. These calculations do not include the annual advisory fee also charged to each of the clients. In each case, the Cornerstone registered representative earned ninety percent (90%) of the commissions charged for each transaction.

The Division further alleges the Defendant violated 21 VAC 5-80-200 A (11) (b) of the Rules by charging clients an advisory fee for rendering advice in addition to the commissions for executing securities transactions purchased through their registered broker-dealer, Syndicated Capital, Inc. ("Syndicated"), without properly disclosing to clients in hybrid accounts that the Defendant would receive commissions. Cornerstone's ADV Part 2A Item 12 advised its clients that it was in the clients' best interest to use Syndicated as the broker-dealer to execute the transactions without informing its clients Cornerstone registered representatives earned ninety percent (90%) of the commissions charged for each transaction. This was in violation of Cornerstone's fiduciary duty by failing to disclose the conflict of interest and acting in the clients' best interest.

Additionally, the Division alleges that Cornerstone's Managed Account Agreements for hybrid accounts failed to disclose to its clients all persons from Cornerstone are registered representatives of Syndicated and they will earn commissions from trades that take place in their accounts. This failure is a material conflict of interest in that its clients incurred increased commission charges and were unable to make fully informed decisions because Cornerstone's clients did not know that they could choose a different broker-dealer to reduce commission charges.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 (A) of the Act to impose a civil penalty; by § 13.1-521 (C) of the Act to order the defendant make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

(1) The Defendant, within thirty (30) days of the entry of this Order, will pay restitution of the return of commissions to one Virginia client;

(2) Within one hundred twenty (120) days of the entry of this Order, the Defendant will update its Managed Account Agreements for hybrid accounts to state, "related persons of Cornerstone are registered representatives of Syndicated Capital and that such persons will earn a commission in addition to any fees paid for advisory services." The agreement will also disclose that the representatives earn ninety percent (90%) of all commissions charged by Syndicated. The Defendant will clearly disclose to every client that each client has the right, and opportunity, to choose their own broker-dealer;

(3) Within sixty (60) days of the entry of this Order, the Defendant will submit to the Division for approval the new client agreements that reflect the changes. Within one hundred twenty (120) days of the entry of this Order, and after receiving approval from the Division, the Defendant will execute the new agreements with clients;

(4) The Defendant, within twelve (12) months of the entry of this Order, will pay to the Treasurer of Virginia the amount of Fifteen Thousand Dollars ($15,000) in monetary penalties;

(5) The Defendant, within twelve (12) months of the entry of this Order, will pay to the Treasurer of Virginia the amount of Four Thousand Five Hundred Dollars ($4,500) to defray the costs of investigation in this matter; and

(6) The Defendant is enjoined from violating the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendant.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

DIVISION OF UTILITY AND RAILROAD SAFETY

CASE NO. URS-2019-00012
JANUARY 10, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
HUSS BORING LLC,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT AND DISMISSING PROCEEDING

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or September 26, 2018, Huss Boring LLC ("Company") damaged a tracer wire operated by Virginia Natural Gas, Inc., located at or near the intersection of Archie Cannon Drive and North Washington Highway, Hanover County, Virginia, while excavating.

(2) On the occasion set out in paragraph (1) above, the Company failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 A.

(3) On the occasion set out in paragraph (1) above, the Company failed to expose the underground utility line to its extremities by hand digging, in violation of Code § 56-265.24 A.

(4) On the occasion set out in paragraph (1) above, the Company failed to expose all utility lines which were in the bore path by hand digging to establish the underground utility line's location prior to commencing bore, in violation of 20 VAC 5-309-150 (6) of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

(5) On or about November 6, 2018, the Company excavated at or near the intersection of Archie Cannon Drive and North Washington Highway, Hanover County, Virginia.

(6) On the occasion set out in paragraph (5) above, the Company failed to expose the underground utility line to its extremities by hand digging, in violation of Code § 56-265.24 A.

(7) On the occasion set out in paragraph (5) above, the Company failed to make an additional call to the notification center after observing clear evidence of the presence of an unmarked utility line, in violation of Code § 56-265.24 C.

(8) On the occasion set out in paragraph (5) above, the Company failed to visually check the drill head as it passed through potholes, entrances, and exit pits, in violation of 20 VAC 5-309-150 (8) of the Damage Prevention Rules.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order Accepting Offer of Settlement and Dismissing Proceeding.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company has offered, and agreed to comply with, the following terms and undertakings:

(1) that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $10,000;

(2) that $6,850 of said penalty will be vacated upon the condition that the Company conducts a training session for its employees on the subject of underground utility damage prevention and submits documentation evidencing the training session to the Commission contemporaneously with the entry of this Order; and

(3) that the $3,150 balance of said penalty will be paid contemporaneously with the entry of this Order.

The Company has now complied fully with the terms and undertakings of the settlement as outlined herein. Documentation evidencing the training session on the subject of underground utility damage prevention has been submitted on a timely basis in accordance with the undertakings set forth above.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for acceptance of the Company's offer of settlement and evidence of training, hereby accepts this offer of settlement and evidence of training. Because the Company has complied with the terms and undertakings accepted herein, the remainder of the penalty should be vacated and this case dismissed.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case hereby is docketed and assigned Case No. URS-2019-00012.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.

(3) The Company hereby is penalized in the amount of Ten Thousand Dollars ($10,000).

(4) The sum of Three Thousand One Hundred Fifty Dollars ($3,150) tendered contemporaneously with the entry of this Order is accepted.

(5) The remainder of the penalty amount, Six Thousand Eight Hundred Fifty Dollars ($6,850), shall be vacated.

(6) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. URS-2019-00166
JANUARY 22, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MARK PAINTER, INDIVIDUALLY AND d/b/a THE SHEFFIELD COMPANY, INC.,
Defendant

FINAL ORDER

On November 25, 2019, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Mark Painter, individually and d/b/a The Sheffield Company, Inc. ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code"), and the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about November 28, 2018, the Defendant damaged a one-half-inch copper gas service stub line operated by Washington Gas Light Company, located at or near 6465 Linway Terrace, Fairfax County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to take all reasonable steps necessary to properly protect, support and backfill the underground utility line, in violation of Code § 56-265.24 A, and failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of any mechanized equipment, in violation of 20 VAC 5-309-140 (4) of the Damage Prevention Rules.

On January 7, 2020, the Division filed its Motion to Dismiss Rule to Show Cause ("Motion"). In support of its Motion, the Division stated that subsequent to the Rule, the Defendant ceased operations and relocated out of state.[1]

On January 13, 2020, the Senior Hearing Examiner's Report ("Report") was filed. The Senior Hearing Examiner found that the Division's Motion should be granted and that the Commission should dismiss the Rule without prejudice.[2] The Hearing Examiner recommended that the Commission adopt his findings and dismiss the case from its docket.[3]

NOW THE COMMISSION, upon consideration of the Rule, the Report, the record, and the applicable statutes, is of the opinion and finds that the findings in the Report should be adopted, the Division's Motion should be granted, and this case should be dismissed without prejudice.

Accordingly, IT IS SO ORDERED.

[1] Report at 1.

[2] *Id.*

[3] *Id.*

CASE NO. URS-2019-00232
JANUARY 30, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SOUTHWESTERN VIRGINIA GAS COMPANY
Defendant

ORDER OF SETTLEMENT

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq*., formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards for gas pipeline facilities used for intrastate transportation[1] and for hazardous liquid pipeline facilities used for intrastate transportation.[2] The Commission is authorized to enforce the Natural Gas Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Hazardous Liquid Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Southwestern Virginia Gas Company, ("Company"), the Defendant, and alleges that:

(1) The Company is a person within the meaning of § 56-257.2 B of the Code.

(2) The Company violated the Commission's Safety Standards by the following conduct:

(a) 49 C.F.R. § 192.616 (b) - Failure of the Company to follow its Public Awareness Plan, Section I, "Measuring the Effectiveness of This Program" by not documenting feedback from Public Officials, Emergency Officials, and Excavators and by not using this feedback in the Company's effectiveness evaluation.

The Company neither admits nor denies the allegation listed herein but admits to the Commission's jurisdiction and authority to enter this Order ("Order").

As an offer to settle all matters arising from the allegation made against it, the Company represents and undertakes that:

(1) The Company shall be assessed a civil penalty in the amount of Twenty-Four Thousand Dollars ($24,000), of which Six Thousand Dollars ($6,000) shall be further assessed in accordance with Undertaking Paragraph (2). The remaining Eighteen Thousand Dollars ($18,000) shall be due as outlined in Undertaking Paragraph (4) herein and may be suspended and subsequently vacated, in whole or in part, by the Commission, provided the Company timely takes the actions required by Undertaking Paragraph (2) herein and tenders the requisite certifications as required by Undertaking Paragraph (3).

(2) The Company shall undertake the following remedial action:

By no later than January 1, 2020, the Company shall complete an effectiveness evaluation of its Public Awareness Program ("Program"), to include feedback from all identified stakeholder groups, and to invest a minimum of Six Thousand Dollars ($6,000) as assessed in Paragraph 1 above, into its Program.

(3) On or before February 1, 2020, the Company shall tender to the Clerk of the Commission, with a copy to the Division, an affidavit executed by the Assistant Vice President of the Company detailing the Company's compliance with Undertaking Paragraph (2) and certifying that the Company completed the remedial actions set forth herein. Such affidavit should reference Case No. URS-2019-00232.

(4) Upon timely receipt of said affidavit, the Commission may vacate up to Eighteen Thousand Dollars ($18,000) of the amount set forth in Undertaking Paragraph (1). Should the Company fail to tender the affidavit required by Undertaking Paragraph (3), or fail to take the action required by Undertaking Paragraph (2), payment of Eighteen Thousand Dollars ($18,000) shall become due and payable, and the Company shall immediately notify the Division of the reasons for the Company's failure to accomplish the actions required by Undertaking Paragraphs (2) and (3). If, upon investigation, the Division and the Office of General Counsel determine that the reasons for said failure justify a payment lower than Eighteen Thousand Dollars ($18,000), a reduction in the amount due may be recommended to the Commission. The Commission shall determine the amount due and, upon such determination, the Company shall immediately tender to the Commission said amount.

(5) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein, nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

---

[1] The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Natural Gas Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program,* Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

[2] The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as minimum intrastate hazardous liquid pipeline safety standards ("Hazardous Liquid Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act,* Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995). The Commission is authorized to enforce the Hazardous Liquid Safety Standards for liquid pipeline facilities under Code § 56-555, which allows the Commission to impose the fines and penalties authorized therein. The Natural Gas Safety Standards and the Hazardous Liquid Safety Standards together comprise the "Safety Standards."

(6) Although the civil penalty in this Order is assessed to the Company, the probable violations can be attributed to the Company and its contractors. However, the Company is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

(7) Any amounts paid in accordance with Undertaking Paragraph (1) of this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and the undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case is hereby docketed and assigned Case No. URS-2019-00232.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company is hereby accepted.

(3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a penalty in the amount of Twenty-Four Thousand Dollars ($24,000).

(4) The Company has completed an effectiveness evaluation of its Public Awareness Program and has invested the sum of Six Thousand Dollars ($6,000) in the Program as outlined in Undertaking Paragraph (2) above. The Company has submitted an affidavit in accordance with Undertaking Paragraph (3) certifying that the Company completed the remedial action set forth in Undertaking Paragraph (2).

(5) The remaining Eighteen Thousand Dollars $18,000 is hereby vacated.

(6) Undertaking paragraphs (4), (5), (6), and (7) are hereby incorporated by reference.

(7) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. URS-2019-00289
JANUARY 9, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq*., formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation[1] and for hazardous liquid pipeline facilities used for intrastate transportation.[2] The Commission is authorized to enforce the Gas Pipeline Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Hazardous Liquid Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

[1] The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Gas Pipeline Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program,* Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

[2] The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as minimum intrastate hazardous liquid pipeline safety standards ("Hazardous Liquid Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act,* Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995). The Commission is authorized to enforce the Hazardous Liquid Safety Standards for liquid pipeline facilities under Code § 56-555, which allows the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Columbia Gas of Virginia, Inc. ("Company" or "CVA"), the Defendant, and alleges that:

(1) The Company is a person within the meaning of Code § 56-257.2.

(2) The Company violated the Commission's Safety Standards by the following conduct[3]:

(a) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Health, Safety, and Environmental Standard 4100.050, Section 1, of the Company's operation and maintenance manual by operating a tool which produces sparking that can cause ignition, to wit: an electrical reciprocating saw in an atmosphere where gas was present or could become present.

(b) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Health, Safety, and Environmental Standard 4100.050, Section 1, of the Company's operation and maintenance manual by operating a tool which produces sparking that can cause ignition, to wit: an electrical impact wrench on a live gas facility, causing an ignition followed by an injury.

(c) 49 C.F.R. § 192.605 (a) - Failure of the Company, on two occasions, to follow its Health, Safety, and Environmental Standard HSE 4100.010, Section 5.3 of the Company's operation and maintenance manual by not utilizing a communication line while using respiratory protection equipment: to wit: a self-contained breathing apparatus ("SCBA") in a hazardous atmosphere.

(d) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Health, Safety, and Environmental Standard HSE 4100.010, Section 5.2 of the Company's operation and maintenance manual by not utilizing frame resistant gloves in the area that may be affected by the ignition of gas.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

(1) The Company shall be assessed a civil penalty in the amount of Two Hundred Thirty-Six Thousand Dollars ($236,000), which shall be paid contemporaneously with the entry of this Order.

(2) The Company shall undertake to train all Virginia based field personnel and field personnel managers and directors, employed by CVA or its parent(s), to include contract employees, in the hazards of natural gas, preventing accidental ignition, stop work authority, and proper use of personal protective equipment ("PPE").

(3) The Division asserts that the Company has submitted an outline of its Plan to complete the training described in Undertaking Paragraph (2) above. The Division finds this plan to be acceptable to fulfill the training described in Undertaking Paragraph (2) above. The Company shall submit relevant training records to the Division by no later than April 1, 2020.

(4) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

(5) Although the civil penalty in this Order is assessed to CVA, the probable violations can be attributed to CVA and its contractors. However, CVA is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

(6) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case is hereby docketed and assigned Case No. URS-2019-00289.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by CVA is hereby accepted.

[3] Not all violations listed in this paragraph were necessarily a factor in calculating any civil penalty assessed herein.

(3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Two Hundred Thirty-Six Thousand Dollars ($236,000), which shall be paid contemporaneously with the entry of this Order.

(4) Undertaking paragraphs (2), (3), (4). (5), and (6) are hereby incorporated by reference.

(5) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. URS-2019-00389
MAY 20, 2020

PETITION OF
VIRGINIA UTILITY PROTECTION SERVICE, LLC

To amend notification call center performance standards established in Case No. PUE-2002-00525 pursuant to Va. Code § 56-265.16:1

ORDER

On October 9, 2019, Virginia Utility Protection Service, LLC ("VUPS" or "Company") filed with the State Corporation Commission ("Commission") a Petition seeking to amend notification call center performance standards established in Case No. PUE-2002-00525.[1] Specifically, VUPS proposed to eliminate or change the following requirements:

- **Average Speed of Answer ("ASA"):** VUPS currently must achieve an ASA of no more than 30 seconds on a monthly basis. VUPS claims that currently about 65% of its customer tickets are processed online and that the Company expects to increase online utilization to 85% within two years. According to VUPS, ASA does not capture the quality of the means by which most customers contact the notification center. VUPS proposes that the 30-second standard be replaced with a requirement that, on a quarterly basis, VUPS report monthly ASA metrics to the Commission.

- **Busy Signal Rate:** Under current standards, VUPS must have a busy signal rate not to exceed 1% of total incoming call volumes. The Company proposes to eliminate this requirement as obsolete, explaining that its infrastructure no longer allows callers to receive a busy signal. Instead, customers are directed to automated systems when live call center representatives are unable to answer calls.

- **Customer Satisfaction Standards ("CSS"):** Under current CSS, VUPS must commission third-party quarterly customer satisfaction surveys and maintain a minimum 99% customer satisfaction rate. VUPS seeks to eliminate the requirements for the third-party surveys, minimum 99% satisfaction rate, and associated requirements. In their place, the Company proposes to obtain feedback on service levels and suggestions for improvement through digitally distributed surveys designed by the Company. VUPS proposes to share survey results with Commission Staff and also suggests that the Commission may require VUPS to publicly provide information on its website about how to contact the Commission, providing customers an avenue to express concerns with VUPS' service. In support of its request, the Company claims that surveys over the past 17 years show VUPS consistently has met the 99% satisfaction requirement, that the surveys are costly compared to the amount of actionable feedback they produce, and that VUPS already has developed several non-survey customer satisfaction assessment processes.

VUPS also proposed to leave in place the standards for the Abandoned Call Rate and for quarterly reporting.

On November 15, 2019, the Commission entered an Order for Notice and Comment ("November 15 Order") that, among other things, required VUPS to provide notice of its proposed changes to the performance standards and to serve the notice on specific individuals and entities, allowed for a request for hearing and the filing of comments on the Petition by interested persons and by the Staff of the Commission ("Staff"). The November 15 Order as amended by an Amended Order for Notice and Comment of January 27, 2020 ("Amending Order") required VUPS to file proof of notice and service on or before March 6, 2020. VUPs complied with the notice and service provisions of the Amending Order, and neither comments nor requests for hearing were filed by interested persons with the Commission.

On March 2, 2020, and April 21, 2020,[2] the Staff filed comments wherein it did not object to the Petition. Staff noted that pursuant to the Petition, VUPS will report on the following metrics:

(1) Average Speed of Answer: The 30-second monthly average standard will be replaced with a requirement for VUPS to report monthly ASA metrics to the Commission on a quarterly basis.[3]

---

[1] *Application of Northern Virginia Utility Protection Services, Inc., and Virginia Underground Utility Protection Service, Inc., For approval of notification call center performance standards*, Case No. PUE-2002-00525, 2003 S.C.C. Ann. Rept. 407, Order Adopting Notification Center Performance Standards and Dismissing Proceeding (Jan. 22, 2003).

[2] The Commission grants the Motion for Supplemental Comments & Supplemental Comments of the Commission Staff and the comments of April 21, 2020 are received into the record.

[3] Petition at 3.

(2) Customer Satisfaction Standards: VUPS proposes to conduct its own digitally-distributed surveys and provide the results to the Commission.[4]

The Staff further noted that, VUPS currently submits a quarterly report regarding its performance standards to the Commission pursuant to Ordering Paragraph (7) of the Commission's Order Adopting Notification Center Performance Standards and Dismissing Proceeding filed in Case No. PUE-2002-00525 ("Performance Standards Order").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Petition should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The recommendations set out in the December 23, 2002, Staff Report, as adopted in the Performance Standards Order, shall be amended, and the performance standards in entirety are as follows:

(2) The Notification Center shall report monthly ASA metrics to the Commission on a quarterly basis.

(3) The Notification Center's proposed Abandoned Call Rate index of performance of five percent or less by the callers that waited more than 60 seconds is hereby approved.

(4) The Notification Center shall obtain feedback related to service levels and suggestions for continuous improvement through surveys so that the Company may design and digitally distribute to customers. The results of these surveys shall be provided to Commission Staff.

(5) The Notification Center shall provide information related to contacting the Commission regarding customer satisfaction issues on the Notification Center's website.

(6) The Notification Center shall submit written reports to the Commission detailing the Notification Center's performance for the periods January 1 - March 31; April 1 - June 30; July 1 - September 30; and October 1 - December 31, for periods of normal operation. These reports shall be postmarked or e-mailed no later than the 15th of the month immediately following each reporting period and shall be directed to the Director of the Division of Utility and Railroad Safety on behalf of the Commission.

(7) This case is dismissed.

[4] *Id.* at 6.

CASE NO. URS-2019-00390
JANUARY 16, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TERMINIX COMPANY, INCORPORATED,
Defendant

FINAL ORDER

On December 12, 2019, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Terminix Company, Incorporated, ("Defendant") which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about July 31, 2019, the Defendant damaged a one-half-inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3518 Lilac Drive, Portsmouth, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 A.

On January 7, 2020, the Division filed its Motion to Dismiss Rule to Show Cause ("Motion"). In support of its Motion, the Division requested that the Rule be dismissed without prejudice due to the investigation of new evidence subsequent to issuance of the Rule.[1]

On January 13, 2020, the Senior Hearing Examiner's Report ("Report") was filed. The Senior Hearing Examiner found that the Division's Motion should be granted and that the Commission should dismiss the Rule without prejudice.[2]

NOW THE COMMISSION, upon consideration of the Rule, the Report, the record, and the applicable statutes, is of the opinion and finds that the findings in the Report should be adopted, the Division's Motion should be granted, and this case should be dismissed without prejudice.

Accordingly, IT IS SO ORDERED.

[1] Report at 1.

[2] *Id.*

CASE NO. URS-2019-00433
JANUARY 31, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
STAKE CENTER LOCATING, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between July 16, 2019, and August 30, 2019, listed in Attachment A, involving Stake Center Locating, Inc. ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on five occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.

(b) Failing on two occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,400 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case hereby is docketed and assigned Case No. URS-2019-00433.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.

(3) The sum of Five Thousand Four Hundred Dollars ($5,400) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of Attachment A and the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. URS-2019-00486
OCTOBER 7, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
UTILIQUEST, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between July 5, 2019, and October 23, 2019, listed in Attachment A, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on nineteen occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.

(b) Failing on fifteen occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

(c) Failing on two occasions to report the status to the excavator-operator information exchange system, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $44,950 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case hereby is docketed and assigned Case No. URS-2019-00486.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.

(3) The sum of Forty-Four Thousand Nine Hundred Fifty Dollars ($44,950) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

Attachment A **URS-2019-00486**

URS Report #	Date	Address	City/County	Code	Count	Civ. Pen.
19-0614	7/5/2019	8939 Cross Chase Circle	Fairfax County	19 A & D	1	$650.00
19-0675	7/10/2019	3118 Groveton Street	Alexandria (City)	19 A & D	1	$1,500.00
19-0674	7/15/2019	1791 North Quinn Street	Arlington County	19 A & D	1	$1,400.00
19-0710	7/15/2019	3441 Rose Lane	Fairfax County	19 A & D	1	$1,050.00
19-0727	7/15/2019	321 Sherman Drive	Arlington County	19 A & D	1	$1,600.00
19-0693	7/17/2019	2422 North Underwood Street	Arlington County	19 A & D	1	$1,350.00
19-0622	7/18/2019	the intersection of Centurion Circle and Capstan Way	Chesapeake (City)	19 A & D	1	$1,700.00
19-0682	7/19/2019	7100 Plandome Court	Fairfax County	19 A & D	1	$950.00
19-0689	7/23/2019	2715 West Brigstock Road	Chesterfield County	19 A & D	1	$1,050.00
19-0725	7/25/2019	7315 Hooking Road	Fairfax County	19 A & D	1	$1,550.00
19-0690	7/28/2019	4732 Goshawk Drive	Chesapeake (City)	19 A & D	1	$1,050.00
19-0681	7/29/2019	the intersection of Old Ox Road and Douglas Court	Loudoun County	19 A & D	1	$1,500.00
19-0758	7/31/2019	1605 Hunting Avenue	Fairfax County	19 A & D	1	$1,400.00
19-0733	8/5/2019	420 7th Street	Campbell County	19 A & D	1	$1,500.00
19-0803	8/8/2019	332 River Bend Road	Fairfax County	19 A & D	1	$1,200.00
19-0827	8/8/2019	12241 Deer Crest Court	Fairfax County	19 A & D	1	$1,150.00
19-0744	8/12/2019	1427 2nd Street	Waynesboro (City)	19 A & D	1	$1,150.00
19-0845	8/12/2019	3915 Rive Drive	Fairfax County	19 A & D	1	$950.00
19-0842	8/14/2019	6365 North Nottingham Street	Fairfax County	19 A & D	1	$1,150.00
19-0753	8/21/2019	2819 Founders Bridge Road	Chesterfield County	19 A & D	1	$1,400.00
19-0851	8/22/2019	4963 14th Street South	Arlington County	19 A & D	1	$1,050.00
19-0833	8/26/2019	1950 Old Greenbrier Road	Chesapeake (City)	19 A & D	1	$1,000.00
19-0737	9/5/2019	45745 Nokes Boulevard	Loudoun County	19 A & D	1	$1,400.00
19-0897	9/6/2019	28 Underwood Place	Fairfax County	19 A & D	1	$1,500.00
19-0896	9/11/2019	3404 Lyrac Street	Fairfax County	19 A & D	1	$1,100.00
19-0895	9/12/2019	6560 Brooks Place	Fairfax County	None	None	$0.00
19-0888	9/23/2019	219 Robin Road	Portsmouth (City)	19 A & D	1	$1,600.00
19-0943	9/25/2019	6530 Foxhollow Lane	Fairfax County	19 A & D	1	$1,400.00
19-0946	9/30/2019	566 East Nelson Avenue	Alexandria (City)	19 A & D	1	$1,050.00
19-0945	10/1/2019	562 East Nelson Avenue	Alexandria (City)	19 A & D	1	$1,050.00
19-0925	10/7/2019	924 Main Street	Lynchburg (City)	19 A & D	1	$1,350.00
19-0962	10/7/2019	730 East Glebe Road	Alexandria (City)	19 A & D	1	$1,400.00
19-1073	10/18/2019	24851 Hogue Creek Court	Fairfax County	19 A & D	1	$1,250.00
19-1005	10/19/2019	1312 Gilmore Street	Fredericksburg (City)	19 A & D	1	$1,100.00
19-1070	10/21/2019	4105 Gardensen Drive	Prince William County	19 A & D	1	$950.00
19-1079	10/21/2019	4219 North Lorcom Lane	Arlington County	19 A & D	1	$1,050.00
19-1066	10/23/2019	3100 Western Branch Boulevard	Chesapeake (City)	19 A & D	1	$1,450.00
						$44,950.00

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. URS-2019-00490
JANUARY 31, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about June 26, 2019, Kiddco Plumbing, Inc., damaged a two-inch plastic gas service line operated by Washington Gas Light Company ("Company") located at or near 11236 Chestnut Grove Square, Fairfax County, Virginia, while excavating.

(2) On or about September 17, 2019, Fiber Optic Construction LLC damaged a one-quarter-inch plastic gas service line operated by the Company, located at or near 13710 Kerrydale Road, Fairfax County, Virginia, while excavating.

(3) On or about September 25, 2019, Fiber Optic Construction LLC damaged a one-quarter-inch plastic gas service line operated by the Company, located at or near 13708 Kenslow Court, Prince William County, Virginia, while excavating.

(4) On the occasions set out in paragraphs (1) through (3) above, the Company failed to mark the approximate horizontal location of the underground utility line on the ground to within two feet of either side of the underground utility line, in violation of Code § 56-265.19 A.

(5) On or about July 15, 2019, Distinctive Data Communications LLC damaged a two-inch plastic gas service line operated by the Company, located at or near 7406 Spring Village Drive, Fairfax County, Virginia, while excavating.

(6) On or about July 22, 2019, E. E. Lyons Const. Co., Inc., damaged a one-half-inch plastic gas service line operated by the Company, located at or near 616 22nd Street South, Arlington County, Virginia, while excavating.

(7) On or about July 23, 2019, Smoot Landscapes, L.L.C., damaged a one-quarter-inch plastic gas service line operated by the Company, located at or near 506 Little Street, Alexandria, Virginia, while excavating.

(8) On or about July 29, 2019, NPL Construction Co. damaged a one-quarter-inch plastic gas light operated by the Company, located at or near 1928 Freedom Lane, Falls Church, Virginia, while excavating.

(9) On or about August 7, 2019, R. E. Lee Electric Company, Incorporated damaged a one-and-one-quarter-inch steel gas service stub operated by the Company, located at or near the intersection of North Beauregard Street and Branch Avenue, Fairfax County, Virginia, while excavating.

(10) On or about September 18, 2019, Casper Colosimo & Son, Inc., damaged a three-quarter-inch steel gas service line operated by the Company, located at or near 5860 Farrington Avenue, Alexandria, Virginia, while excavating.

(11) On or about September 26, 2019, J. Fletcher Creamer & Son, Inc., damaged a one-half-inch copper gas service line operated by the Company, located at or near 4230 Raleigh Avenue, Alexandria, Virginia, while excavating.

(12) On the occasions set out in paragraphs (5) through (11) above, the Company failed to mark the underground utility line by no later than 7 a.m. on the third working day following the excavator's notice to the notification center, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $14,450 to be paid contemporaneously with the entry of this Order.

(2) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the journal entries made to record such amounts with the Commission's Division of Utility Accounting and Finance.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby is accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case hereby is docketed and assigned Case No. URS-2019-00490.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.

(3) The sum of Fourteen Thousand Four Hundred Fifty Dollars ($14,450) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. URS-2020-00001
APRIL 23, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq*., formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation[1] and for hazardous liquid pipeline facilities used for intrastate transportation.[2] The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Hazardous Liquid Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Washington Gas Light Company ("Company" or "WGL"), the Defendant, and alleges that:

(1) The Company is a person within the meaning of Code § 56-257.2.

(2) The Company violated the Commission's Safety Standards by the following conduct:

(a) 49 C.F.R. § 192.745 (a) - Failure of the Company on three occasions to inspect and partially operate a transmission line valve, at intervals not exceeding 15 months but at least once each calendar year.

(b) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Engineering and Operating Standards, Section 4106, on three occasions, by not maintaining adequate spacing of line markers along its transmission pipelines.

(c) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Engineering and Operating Standards, Section 4077, on two occasions, by not inspecting each pipeline or portion of the pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, not to exceed 39 months.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

(1) The Company shall be assessed a civil penalty in the amount of Twenty-Two Thousand Dollars ($22,000), which shall be paid contemporaneously with the entry of this Order.

(2) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

(3) Although the civil penalty in this Order is assessed to WGL, the probable violations can be attributed to WGL and its contractors. However, WGL is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

---

[1] The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program,* Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

[2] The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as minimum intrastate hazardous liquid pipeline safety standards ("Hazardous Liquid Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act,* Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995). The Commission is authorized to enforce the Hazardous Liquid Safety Standards for liquid pipeline facilities under Code § 56-555, which allows the Commission to impose the fines and penalties authorized therein.

(4) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case is hereby docketed and assigned Case No. URS-2020-00001.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by WGL is hereby accepted.

(3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Twenty-Two Thousand Dollars ($22,000), which shall be paid contemporaneously with the entry of this Order.

(4) Undertaking paragraphs (2), (3), and (4) are hereby incorporated by reference.

(5) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. URS-2020-00022
DECEMBER 22, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
UTILIQUEST, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between August 16, 2019, and October 17, 2019, listed in Attachment A, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on two occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.

(b) Failing on seven occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.17 C and Code § 56-265.19 A.

(c) Failing on one occasion to report that the proposed excavation or demolition was not planned in such proximity to the operator's underground utility lines that the utility line may be damaged, in violation of Code § 56-265.19 B.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $10,150 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case hereby is docketed and assigned Case No. URS-2020-00022.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.

(3) The sum of Ten Thousand One Hundred Fifty Dollars ($10,150) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of Attachment A and the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. URS-2020-00048
MAY 21, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

ORDER OF SETTLEMENT

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq*., formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation[1] and for hazardous liquid pipeline facilities used for intrastate transportation.[2] The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Hazardous Liquid Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Virginia Natural Gas, Inc. ("Company" or "VNG"), the Defendant, and alleges that:

(1) The Company is a person within the meaning of Code § 56-257.2.

(2) The Company violated the Commission's Safety Standards by the following conduct:

> 49 C.F.R. § 192.709 (c) - Failure of the Company on two occasions to maintain a record of each patrol, survey inspection and test required by subparts L and M of Part 192 for at least five years or until the next patrol, survey, inspection or test is completed, whichever is longer.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

(1) The Company shall be assessed a civil penalty in the amount of Sixteen Thousand Dollars ($16,000), which shall be paid contemporaneously with the entry of this Order.

(2) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

---

[1] The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program,* Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

[2] The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as minimum intrastate hazardous liquid pipeline safety standards ("Hazardous Liquid Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act,* Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995). The Commission is authorized to enforce the Hazardous Liquid Safety Standards for liquid pipeline facilities under Code § 56-555, which allows the Commission to impose the fines and penalties authorized therein.

(3) Although the civil penalty in this Order is assessed to VNG, the probable violations can be attributed to VNG and its contractors. However, VNG is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

(4) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case is hereby docketed and assigned Case No. URS-2020-00048.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by VNG is hereby accepted.

(3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Sixteen Thousand Dollars ($16,000), which shall be paid contemporaneously with the entry of this Order.

(4) Undertaking paragraphs (2), (3), and (4) are hereby incorporated by reference.

(5) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. URS-2020-00051
AUGUST 18, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq*., formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation[1] and for hazardous liquid pipeline facilities used for intrastate transportation.[2] The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Hazardous Liquid Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Columbia Gas of Virginia, Inc., ("Company" or "CVA"), the Defendant, and alleges that:

(1) The Company is a person within the meaning of Code § 56-257.2.

[1] The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program,* Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

[2] The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as minimum intrastate hazardous liquid pipeline safety standards ("Hazardous Liquid Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act,* Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995). The Commission is authorized to enforce the Hazardous Liquid Safety Standards for liquid pipeline facilities under Code § 56-555, which allows the Commission to impose the fines and penalties authorized therein.

(2) The Company violated the Commission's Safety Standards by the following conduct:

(a) 49 C.F.R. § 192.361 (d) Failure of the Company to install a plastic service line in a manner that minimizes the anticipated piping strain.

(b) 49 C.F.R § 192.605(a) Failure of the Company to follow its Corporate Policy and Procedure Manual, Reference Number 640-2, Section 7, by not replacing a damaged section of plastic pipe scratched to a depth deeper than 10 percent of its wall thickness.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

(1) The Company shall be assessed a civil penalty in the amount of $12,000, which shall be paid contemporaneously with the entry of this Order.

(2) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

(3) Although the civil penalty in this Order is assessed to CVA, the probable violations can be attributed to CVA and its contractors. However, CVA is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

(4) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case is hereby docketed and assigned Case No. URS-2020-00051.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by CVA is hereby accepted.

(3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Twelve Thousand Dollars ($12,000), which shall be paid contemporaneously with the entry of this Order.

(4) Undertaking paragraphs (2), (3), and (4) are hereby incorporated by reference.

(5) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. URS-2020-00054
DECEMBER 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq*., formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation[1] and for hazardous liquid pipeline facilities used for intrastate transportation.[2] The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Hazardous Liquid Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Columbia Gas of Virginia, Inc., ("Company" or "CVA"), the Defendant, and alleges that:

(1) The Company is a person within the meaning of Code § 56-257.2.

(2) The Company violated the Commission's Safety Standards, on or about July 26, 2019, by the following conduct:

(a) 49 C.F.R. § 192.605(a) - Failure of the Company to follow its Procedure, Gas Standard 1740.010, by not utilizing an approved method to seal the pipe ends of an abandoned service line.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

(1) The Company shall be assessed a civil penalty in the amount of $10,000, which shall be paid contemporaneously with the entry of this Order.

(2) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

(3) Although the civil penalty in this Order is assessed to CVA, the probable violations can be attributed to CVA and its contractors. However, CVA is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

(4) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case is hereby docketed and assigned Case No. URS-2020-00054.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by CVA is hereby accepted.

(3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Ten Thousand Dollars ($10,000), which shall be paid contemporaneously with the entry of this Order.

(4) Undertaking paragraphs (2), (3), and (4) are hereby incorporated by reference.

(5) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

---

[1] The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program,* Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

[2] The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as minimum intrastate hazardous liquid pipeline safety standards ("Hazardous Liquid Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act,* Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995). The Commission is authorized to enforce the Hazardous Liquid Safety Standards for liquid pipeline facilities under Code § 56-555, which allows the Commission to impose the fines and penalties authorized therein.

CASE NO. URS-2020-00057
SEPTEMBER 4, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq*., formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation[1] and for hazardous liquid pipeline facilities used for intrastate transportation.[2] The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Hazardous Liquid Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Washington Gas Light Company ("Company" or "WGL"), the Defendant, and alleges that:

(1) The Company is a person within the meaning of Code § 56-257.2.

(2) The Company violated the Commission's Safety Standards by the following conduct:

(a) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Engineering and Operating Standards, Section 5314 Steel Distribution Services, by not coating the exposed portion of the service line in its entirety.

(b) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Engineering and Operating Standards, Section 2010 Recordkeeping, by not maintaining accurate and complete data related to the service line inspected.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

(1) The Company shall be assessed a civil penalty in the amount of $8,000, which shall be paid contemporaneously with the entry of this Order.

(2) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

(3) Although the civil penalty in this Order is assessed to WGL, the probable violations can be attributed to WGL and its contractors. However, WGL is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

(4) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

---

[1] The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program,* Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

[2] The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as minimum intrastate hazardous liquid pipeline safety standards ("Hazardous Liquid Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act,* Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995). The Commission is authorized to enforce the Hazardous Liquid Safety Standards for liquid pipeline facilities under Code § 56-555, which allows the Commission to impose the fines and penalties authorized therein.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case is hereby docketed and assigned Case No. URS-2020-00057.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by WGL is hereby accepted.

(3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Eight Thousand Dollars ($8,000), which shall be paid contemporaneously with the entry of this Order.

(4) Undertaking paragraphs (2), (3), and (4) are hereby incorporated by reference.

(5) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. URS-2020-00204
DECEMBER 23, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
ROANOKE GAS COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between October 23, 2019, and April 27, 2020, listed in the Attachment A, involving Roanoke Gas Company ("Company"), the Defendant, and alleges that:

(1) During the aforementioned period, the Company violated the Code and/or Act by the following conduct:

(a) Failing on five occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.

(b) Failing on three occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $10,150, to be paid contemporaneously with the entry of this Order.

(2) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the journal entries made to record such amounts with the Commission's Division of Utility Accounting and Finance.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby is accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case hereby is docketed and assigned Case No. URS-2020-00204.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.

(3) The sum of Ten Thousand One Hundred Fifty Dollars ($10,150) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of Attachment A and the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. URS-2020-00206
DECEMBER 22, 2020

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between October 23, 2019, and May 20, 2020, listed in the Attachment A, involving Columbia Gas of Virginia, Inc., ("Company"), the Defendant, and alleges that:

(1) During the aforementioned period, the Company violated the Code and/or Act by the following conduct:

(a) Failing on three occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.

(b) Failing on five occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $6,000, to be paid contemporaneously with the entry of this Order.

(2) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the journal entries made to record such amounts with the Commission's Division of Utility Accounting and Finance.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby is accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case hereby is docketed and assigned Case No. URS-2020-00206.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.

(3) The sum of Six Thousand Dollars ($6,000) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of Attachment A and the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

Report to the Governor of the Commonwealth of Virginia, the Chairman of the Senate Committee on Commerce and Labor, the Chairman of the House Committee on Labor and Commerce, and the Commission on Electric Utility Regulation of the Virginia General Assembly

Status Report: Implementation of the Virginia Electric Utility Regulation Act Pursuant to § 56-596 B of the Code of Virginia

August 18, 2020

MARK C. CHRISTIE
COMMISSIONER

JUDITH WILLIAMS JAGDMANN
COMMISSIONER

JEHMAL T. HUDSON
COMMISSIONER

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

BERNARD LOGAN
INTERIM CLERK OF THE COMMISSION
P.O. BOX 1197
RICHMOND, VIRGINIA 23218-1197

August 18, 2020

The Honorable Ralph S. Northam
Governor, Commonwealth of Virginia

The Honorable Richard L. Saslaw
Chairman, Senate Committee on Commerce and Labor

The Honorable Jeion A. Ward
Chairman, House Committee on Labor and Commerce

Members of the Commission on Electric Utility Regulation

Ladies and Gentlemen:

Please find enclosed the Virginia State Corporation Commission's Status Report on the Implementation of the Virginia Electric Utility Regulation Act pursuant to § 56-596 B of the Code of Virginia.

Please let us know if we may be of further assistance.

Respectfully submitted,

Mark C. Christie, Chairman

Judith Williams Jagdmann, Commissioner

Jehmal T. Hudson, Commissioner

TABLE OF CONTENTS

EXECUTIVE SUMMARY

This document contains the report of the Virginia State Corporation Commission ("Commission") pursuant to § 56-596 B of the Code of Virginia ("Code"), which directs the Commission to provide an update by September 1 of each year on the status of the implementation of the Virginia Electric Utility Regulation Act, Code §§ 56-576 through 56-596.3 ("Regulation Act").

Key highlights from the report include:

- Dominion Energy Virginia's ("DEV" or "Dominion") typical[1] residential bill has increased $26.10 (28.81%) from July 1, 2007, to July 1, 2020, to $116.69.
- Appalachian Power Company's ("APCo") typical residential bill has increased $42.42 (63.68%) from July 1, 2007, to July 1, 2020, to $109.03.
- In response to a Commission directive in Dominion's 2020 Integrated Resource Plan ("2020 IRP") proceeding, Dominion quantified the typical residential bill impact of the Virginia Clean Economy Act ("VCEA") and additional legislation passed by the 2020 General Assembly to be between $52.40 and $55.02 per month by 2030 (or an estimated annual increase of $628.80 to $660.24).
- In a presentation to investors in May 2020, Dominion Energy, Inc., identified total potential DEV capital investments of $50 to $59 billion through 2035, including investments in solar, wind, energy storage, nuclear relicensing, transmission, distribution undergrounding, distribution grid modernization, and renewable-enabling quick start generation. Dominion's rate base is $24 billion on a total system basis as of December 31, 2019.
- As reported by Dominion, DEV's base rate financial results for calendar year 2019 reflect an actual earned return on equity ("ROE") of 8.03%, combined for generation and distribution. This earned ROE is below the 9.20% base ROE approved to apply to the earnings test in DEV's 2021 triennial review, as shown in the following table in percentage points and revenue dollars:

[1] For purposes of this report, a typical residential bill is based on usage of 1,000 kilowatt-hours ("kWh") per month.

2019 Earnings Above Authorized Levels

Percentage Points	Revenues
-1.17%	-$75.4 million[2]

- As reported by Dominion, DEV's combined base rate financial results for calendar years 2017 through 2019 reflect an actual earned ROE of 11.79%. This earned ROE is above the 9.20% base ROE approved to apply to the earnings test in DEV's 2021 triennial review, as shown in the following table in percentage points and revenue dollars:

2017–2019 Earnings Above Authorized Levels

	Earned ROE	Revenues in Excess of a 9.20% ROE
2017	13.84%	$300.8 million
2018	13.47%	$277.3 million
2019	8.03%	-$75.4 million
Combined 2017-2019	11.79%	$502.7 million

- As of June 30, 2020, DEV has made $199.9 million of Virginia jurisdictional investments in wind and distribution grid transformation projects that it states are eligible for use as a potential customer credit reinvestment offset pursuant to Code § 56-585.1 A 8.

- While Dominion's 2020 base rate financial results are not yet known, DEV recorded significant costs totaling $630.7 million on a Virginia jurisdictional basis in the first quarter of 2020 associated with the announced early retirement of Chesterfield Power Station Units 5 and 6 and Yorktown Power Station Unit 3. These significant charges could reduce DEV's 2020 earned ROE by more than 9 percentage points and the combined earned ROE for 2017-2020 by more than 2 percentage points.

[2] Dominion earned a positive return on equity of 8.03% during 2019; however, this earned return was below the 9.20% ROE authorized by the Commission by 1.17 percentage points or $75.4 million in revenues.

I.
INTRODUCTION

COVID-19

Like all government agencies, the Commission has been impacted by the coronavirus national health emergency. The Commission has continued operations with changes to operating procedures to protect the public and Commission employees, including increased employee teleworking and increased use of electronic filings and electronic hearings in Commission proceedings.

To ensure continued operations of critical services to residential, business, and government customers during the health emergency, the Commission certified providers in the electric, gas, telecommunications, water, and sewer industries in Virginia as critical infrastructure industry workers.[3] This designation means that utility service providers and their workers receive priority status to obtain resources necessary to continue uninterrupted delivery of vital services to Virginians.

The Commission also provided relief for customers financially impacted by the health emergency. On March 16, 2020, the Commission directed regulated electric, natural gas and water companies in Virginia to suspend service disconnections for 60 days.[4] On April 9, 2020, the Commission extended the suspension of service disconnections for an additional 30 days and clarified that late payment fees shall not be

[3] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Certification of Critical Infrastructure Industry Workers*, Case No. PUR-2020-00052, Doc. Con. Cen. No. 200330095, Order Certifying Critical Infrastructure Workers (Mar. 23, 2020) and Doc. Con. Cen. No. 200330125, Order Certifying Additional Critical Infrastructure Workers (Mar. 24, 2020).

[4] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, Doc. Con. Cen. No. 200320175, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020).

assessed during the suspension.[5] On June 12, 2020, the moratorium on disconnections was extended a third time until August 31, 2020, to give the Virginia General Assembly ("General Assembly") and the Governor an opportunity to address the economic impact of the crisis on utility customers.[6]

The Commission remains very sensitive to the effects of proposed rate increases on customers, especially in times such as these. The Commission, however, must and will follow the laws applicable to each case, as well as the findings of fact supported by evidence in the record.

Composition of the Electric Industry in Virginia

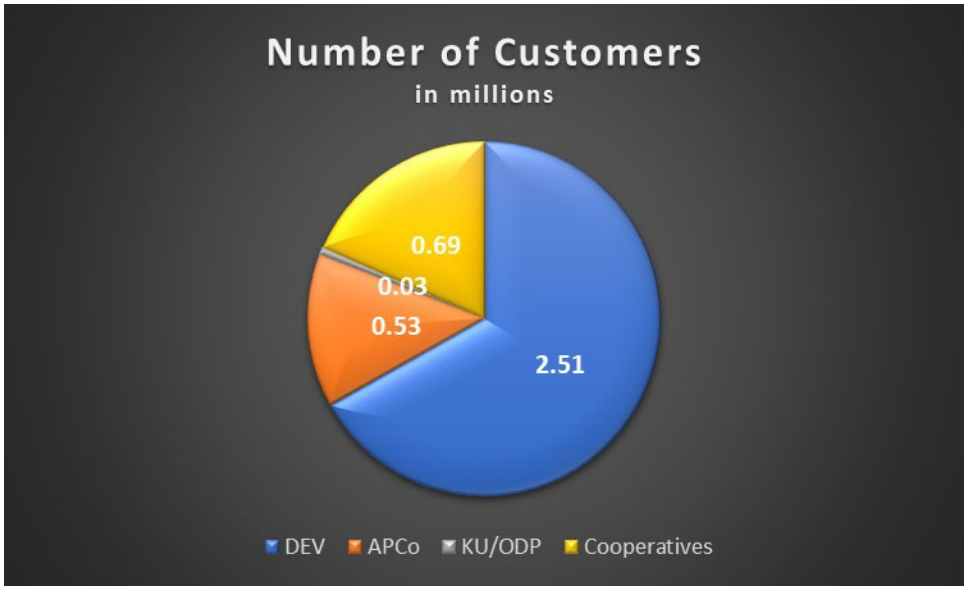
The responsibilities of the Commission include the regulation of a diverse electric industry pursuant to the Virginia Constitution and the laws enacted by the General Assembly. Virginia's electric industry, for which the Commission regulates the rates and services to customers, consists of three investor-owned utilities and 13 member-owned electric cooperatives.[7] The number of Virginia jurisdictional customers by utility is shown below:[8]

[5] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, Doc. Con. Cen. No. 200410196, Order Extending Suspension of Service Disconnections (Apr. 9, 2020).

[6] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, Doc. Con. Cen. No. 200630135, Order on Suspension of Service Disconnections (June 12, 2020).

[7] Non-jurisdictional utilities, such as municipal electric utilities, also provide service in Virginia.

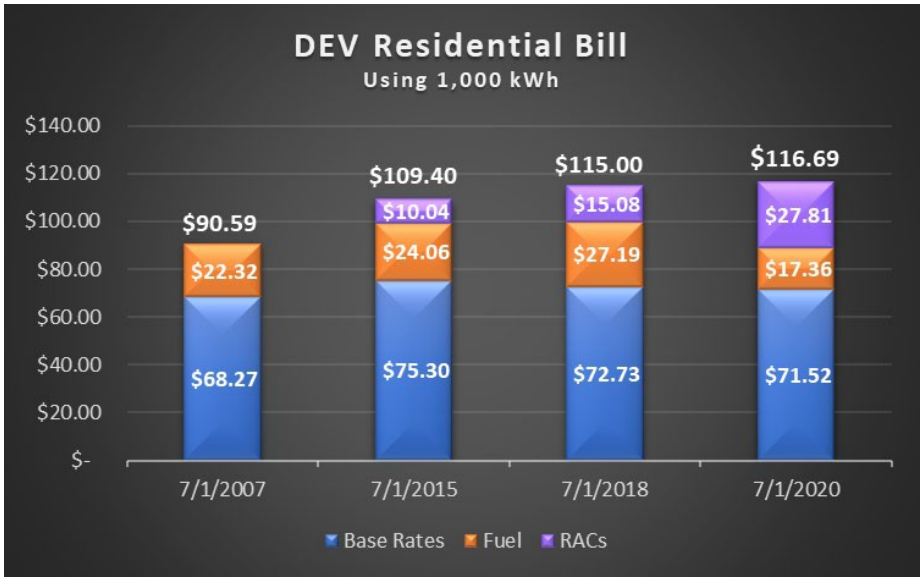
[8] Total Virginia customer numbers were reported in Federal Energy Regulatory Commission ("FERC") Form 1 and Annual Operating Reports. "KU/ODP" refers to Kentucky Utilities d/b/a Old Dominion Power Company.


Number of Customers
in millions
0.69
0.03
0.53
2.51
DEV
APCo
KU/ODP
Cooperatives

II.
RATE IMPACT

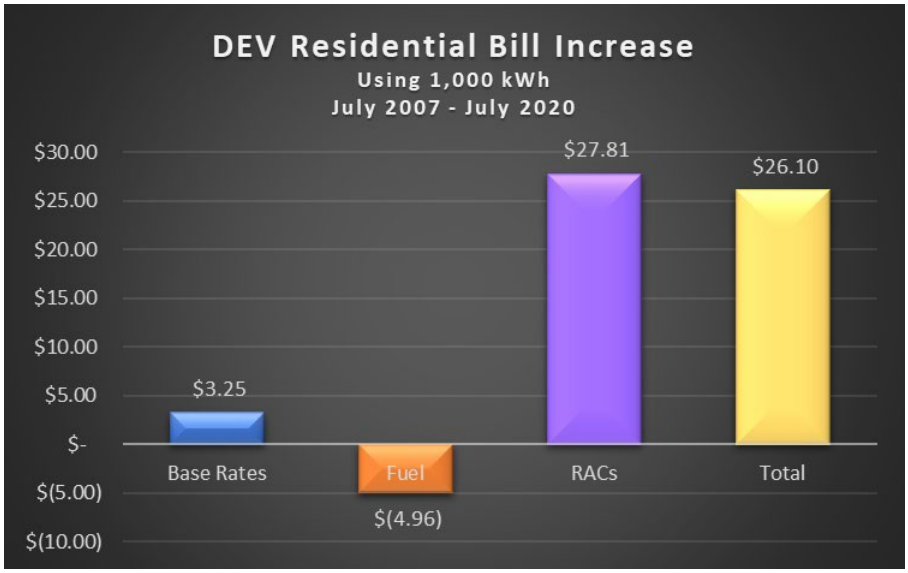
DEV Typical Residential Bill

Below is a chart that reflects the magnitude of the three components of DEV customer bills as of the effective dates of the Regulation Act (July 1, 2007), the Transitional Rate Period (July 1, 2015), the Grid Transformation and Security Act (July 1, 2018),[9] and the current year (July 1, 2020) for a typical residential customer using 1,000 kWh per month.



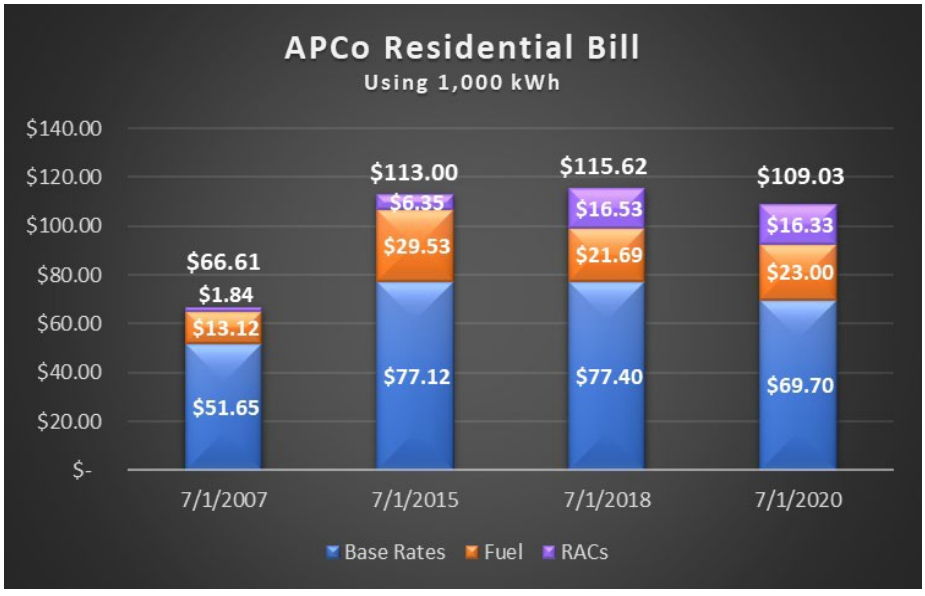
As the chart above indicates, DEV's monthly residential bill was $90.59 as of July 1, 2007. The bill has increased $26.10 (28.81%) to $116.69 per month as of July 1, 2020. As reflected on the chart below, the RAC component of the bill experienced the largest increase during this time.

[9] Senate Bill 966, 2018 Virginia Acts of Assembly Chapter 296 ("GTSA," "Senate Bill 966," or "SB 966").

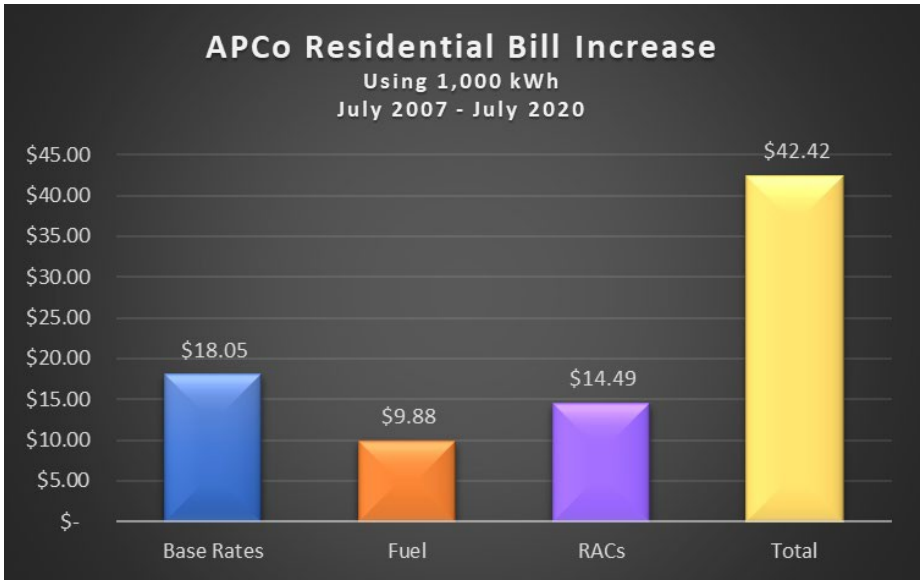


APCo Typical Residential Bill

Below is a chart that reflects the magnitude of the three components of APCo customer bills as of the effective dates of the Regulation Act (July 1, 2007), the Transitional Rate Period (July 1, 2015), the GTSA (July 1, 2018), and the current year (July 1, 2020) for a typical residential customer using 1,000 kWh per month.



As the chart indicates, APCo's monthly residential bill was $66.61 as of July 1, 2007. The bill has increased $42.42 (63.68%) to $109.03 per month as of July 1, 2020. As reflected on the chart below, the base rate component of the bill experienced the largest increase during this time.



DEV Rate and Capital Outlook

The 2020 General Assembly enacted the VCEA and other significant legislation.[10] In addition to establishing certain new requirements and mandates, the VCEA and other legislation modified some, but not all, of the legislative mandates included in the GTSA. Among other things, the VCEA establishes a mandatory renewable portfolio standard program, a carbon trading program, a percentage of income payment program for low-income customers, and an energy efficiency resource

[10] Senate Bill 851, 2020 Virginia Acts of Assembly Chapter 1194, and House Bill 1526, Virginia Acts of Assembly Chapter 1193.

standard.[11] For DEV, the VCEA also declares the construction or purchase of 16,100 megawatts ("MW") of solar and onshore wind, 5,200 MW of offshore wind, and 2,700 MW of energy storage resources to be in the public interest and requires the retirement of all carbon-emitting resources by 2045. Additionally, the VCEA states that nothing in the VCEA requires the Commission to take any action that threatens the reliability or security of electric service.

2020 Integrated Resource Plan

In an Order issued in Dominion's 2020 IRP proceeding on March 9, 2020, the Commission directed DEV to model the costs and reliability impacts of the VCEA and other relevant legislation in its 2020 IRP.[12] Specifically, the Commission directed that DEV's 2020 IRP shall do the following, among other things:

> Model the mandates and requirements of the VCEA and other relevant legislation based on the best available information, using reasonable and appropriately documented assumptions if necessary;

The Commission also directed DEV to:

> Calculate separately the annual bill impacts of the least cost plan, the VCEA, and additional legislation over each of the next ten years as compared to the bill of a residential customer using 1,000 kilowatt-hours per month as of May 1, 2020, including not only generation costs but also transmission and distribution costs;

[11] The 2020 General Assembly also enacted the Clean Energy and Community Flood Preparedness Act which authorizes Virginia to join the Regional Greenhouse Gas Initiative, a multi-state cap and trade agreement that applies to carbon dioxide emissions from certain electric power plants. Senate Bill 1027, 2020 Virginia Acts of Assembly Chapter 1280, and House Bill 981, 2020 Virginia Acts of Assembly Chapter 1219.

[12] *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.,* Case No. PUR-2020-00035, Doc. Con. Cen. No. 200320013, Order (Mar. 9, 2020).

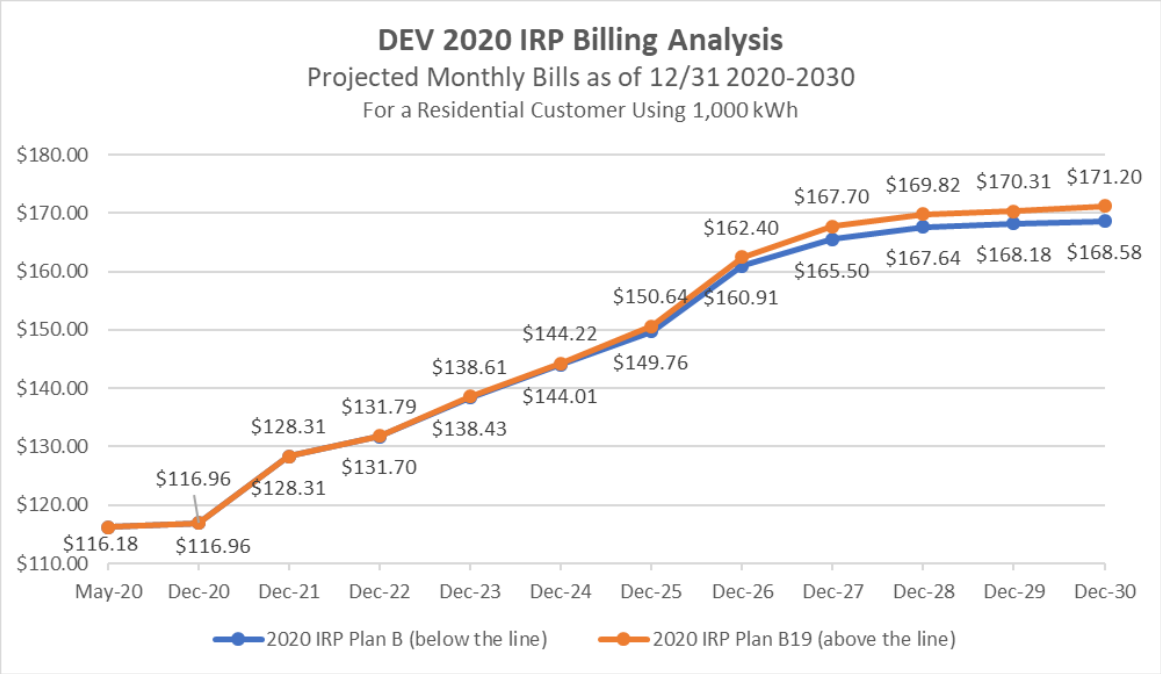
As required by the Commission's March 9, 2020, Order, DEV's 2020 IRP included a Virginia residential bill analysis ("Billing Analysis") showing projected annual impacts to a residential bill over the next ten years, as compared to the bill of a residential customer using 1,000 kWh per month as of May 1, 2020, of $116.18. Based on DEV's Billing Analysis, the monthly bill of a Virginia residential customer using 1,000 kwh per month is projected to be between $168.58 and $171.20 by 2030, an increase of between $52.40 and $55.02 per month over the May 1, 2020, typical residential bill (or an estimated annual increase of $628.80 to $660.24).[13] [14] The following chart shows the projected monthly residential bills for each year from 2020 through 2030 as presented in DEV's Billing Analysis.[15] [16]

[13] *See* 2020 IRP May 14, 2020 Supplement at page 5.

[14] The projected monthly bill increases of $52.40 and $55.02 are based on the 2020 IRP Alternative Plans B and B_{19}, respectively. Plans B and B_{19} assume solar capacity factors of 25% and 19%, respectively, but otherwise use the same assumptions. *See* 2020 IRP Supplement at page 1 (May 14, 2020).

[15] *See* 2020 IRP Revised Public Version of Virginia Addendum 1 (June 3, 2020) and Supplement, Plan B at page 2 of 2, and Plan B_{19} at page 2 of 2 (May 14, 2020).

[16] The results of DEV's Billing Analysis provided in this report are subject to investigation and litigation in the Company's pending 2020 IRP proceeding and have not yet been ruled on by the Commission.



2020 Investor Presentations

In addition to the information presented in its 2020 IRP, Dominion Energy, Inc., made a presentation to investors on May 4, 2020.[17] As summarized in the following table, this May 4, 2020, investors presentation identified total potential DEV capital investments of $50 to $59 billion through 2035, which could increase DEV's total system net rate base by as much as 246% based on net rate base on December 31, 2019 of $24 billion.[18] [19]

[17] https://s2.q4cdn.com/510812146/files/doc_financials/2020/q1/2020-05-05-DE-IR-Q1-2020-earnings-call-slides-vTCIII.pdf. Dominion Energy, Inc., is the parent company of DEV.

[18] The Virginia jurisdictional portion of DEV's total system net rate base is approximately $19.2 billion, or 80%.

[19] Investments identified in the May 4, 2020, investors presentation appear to be consistent with the Billing Analysis presented in DEV's 2020 IRP.

May 4, 2020 Investor Presentation

Potential DEV Capital Investments
2020 through 2035

	Potential Investment 2020-2035
Solar and Onshore Wind	$19 Billion
Offshore Wind	$8 - $17 Billion
Energy Storage	$7 Billion
Subtotal	$34 - $43 Billion[20]
Transmission, nuclear relicensing, undergrounding, grid modernization, renewable-enabling quick start generation	Up to $16 Billion[21]
Total Potential Investment 2020-2035	**$50 to $59 Billion**
DEV System Net Rate Base as of 12/31/2019	**$24 Billion**
Potential Increase of DEV System Net Rate Base	**208% to 246%**

On July 5, 2020, Dominion Energy, Inc., made an additional investor update presentation identifying estimated growth capital investment from 2020 through 2035 of up to $55 billion, including $47 billion of investment in zero-carbon generation and storage resources.[22] [23]

[20] Of this amount, the May 4, 2020, investors presentation identified $9.9 billion of investments to be made in the shorter-term from 2020 through 2024, composed of $5.5 billion of solar and onshore wind, $3.5 billion of offshore wind, and $0.9 billion of energy storage.

[21] The up to $16 billion included in the investors presentation only includes potential investments from 2020 through 2030.

[22] Zero-carbon generation and storage resources are defined in the July 5, 2020, investor update presentation to include wind, solar, battery, and nuclear re-licensing projects.

[23] https://s2.q4cdn.com/510812146/files/doc_presentations/2020/06/2020-07-05-DE-IR-investor-update-presentation-vTC.pdf

III.
BASE RATE FINANCIAL RESULTS

DEV 2019 Base Rate Financial Results

During 2020, in response to requests from Commission Staff ("Staff") pursuant to Code § 56-36, DEV provided certain analyses of its combined generation and distribution base rate financial results for calendar year 2019 on a regulatory accounting basis. Pursuant to Senate Bill 966, calendar year 2019 is the third test period of DEV's first triennial review to be filed with the Commission in 2021.[24]

DEV's analysis reflects a combined base rate generation and distribution ROE of 8.03% for 2019.[25] [26] The following table provides a breakdown of DEV's 2019 generation and distribution base rate earnings:

DEV 2019 Earned Return on Equity

Generation	Distribution	Combined
14.56%	1.38%	8.03%

[24] In accordance with changes to Code §§ 56-585.1 and 56-585.1:1 made by SB 966, after the conclusion of the Transitional Rate Period on December 31, 2016, reviews of DEV's rates for generation and distribution services shall resume in 2021, "utilizing the four successive 12-month test periods beginning January 1, 2017, and ending December 31, 2020." All other reviews that will occur after the end of the transitional rate period encompass three test periods. While four successive test periods compose the DEV 2021 review, Code § 56-585.1 as amended by SB 966 requires, "All such reviews occurring after December 31, 2017, shall be referred to as triennial reviews."

[25] A 0.01 percentage point of ROE is worth approximately $644,000 in combined generation and distribution annual revenues for DEV in 2019 provided by its customers through payment of their electric bills.

[26] This 2019 earned ROE is based on information provided by DEV. The Commission did not conduct an audit or investigation of the financial information provided by DEV. The Commission will conduct an audit of DEV's 2019 earnings in its first triennial review. Interested parties will have an opportunity to participate in that proceeding. The 2019 earned ROE determined by the Commission in the first triennial review may differ from the information provided by DEV and included in this report.

DEV's 2019 combined generation and distribution earned ROE is below the 9.20% base ROE approved by the Commission in Case No. PUR-2019-00050 to be used to measure earnings in DEV's first triennial review.[27] The following table provides a breakdown of DEV's 2019 earnings in both percentage points and revenues:

DEV 2019 Earnings in Excess of or Below a 9.20% ROE
(Revenues in Millions of Dollars)

	Generation	Distribution	Combined
Percentage Points	+5.36%	-7.82%	-1.17%
Revenues	+$174.4	-$249.8	-$75.4[28]

Section 56-585.1 A 8 of the Code, as amended by the GTSA, states that certain costs are deemed to be fully recovered in the test period in which they were recorded per books by DEV for financial reporting purposes. These costs include:

- Asset impairments related to early retirement determinations made for generation facilities fueled by coal, natural gas, or oil, or for automated meter reading ("AMR") electric distribution service meters;[29]

[27] *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).

[28] Dominion earned a positive return on equity of 8.03% during 2019; however, this earned return was below the 9.20% ROE authorized by the Commission by 1.17 percentage points or $75.4 million in revenues.

[29] The 2020 General Assembly, however, enacted legislation requiring the Commission to determine the amortization period for recovery of any appropriate costs due to the early retirement of electric generation facilities owned or operated by DEV or APCo. House Bill 528, 2020 Virginia Acts of Assembly Chapter 662. Specifically, House Bill 528 provides:

> Notwithstanding any other provision of law, the [Commission] shall determine the amortization period for recovery of any appropriate costs due to the early retirement of any electric generation facilities owned or operated by any Phase I Utility or Phase II Utility, as such terms are defined in subdivision A 1 of § 56-585.1 of the Code of Virginia. In making such determination, the [Commission] shall (i) perform an independent analysis of the remaining undepreciated capital costs; (ii) establish a recovery period that best serves ratepayers; and (iii) allow for the recovery of any carrying costs that the Commission deems appropriate.

- Costs associated with projects necessary to comply with state or federal environmental laws, regulations, or judicial or administrative orders relating to coal combustion by-product management that are not otherwise recovered through a RAC;
- Costs associated with severe weather events; and
- Costs associated with natural disasters.

During 2019, DEV recorded costs in base rate cost of service related to the early retirement of generation facilities and AMR electric distribution meters as well as costs related to coal combustion by-product management, as summarized in the following table and described in greater detail below.

2019 DEV Per Books Expenses
Pursuant to Code § 56-585.1 A 8
(In Millions of Dollars)

	Virginia Jurisdictional Amount	Impact to 2019 Earned ROE
Early Retirement of Generation Facilities	$263.7	-4.09%
Early Retirement of AMR Meters	$144.8	-2.25%
Coal Combustion By-Product Management	-$89.8	1.39%
Total Per Books Expenses	**$318.7**	**-4.95%**

On March 25, 2019, DEV announced immediate retirement of 11 fossil fuel-fired generating units as well as the retirement of an additional fossil fuel-fired generating unit in 2021.[30] As a result of these early retirement determinations, DEV recognized the

[30] Specifically, DEV announced the immediate retirement of Possum Point Units 3 and 4 (natural gas); Bremo Units 3 and 4 (natural gas); Chesterfield Units 3 and 4 (coal); Mecklenburg Units 1 and 2 (coal);

remaining value of the generating units as period costs on its books in 2019 in the amount of $263.7 million on a Virginia jurisdictional basis.[31] This cost reduced DEV's 2019 earned ROE by 4.09 percentage points.[32] During 2019, DEV also recognized approximately $144.8 million as period costs on a Virginia jurisdictional basis associated with the early retirement of its AMR electric distribution service meters, which served to reduce DEV's 2019 earned ROE by 2.25 percentage points.[33]

During 2019, DEV recognized a reduction to expense in base rate cost of service of $89.8 million on a Virginia jurisdictional basis associated with coal combustion by-product management, which increased DEV's 2019 earned ROE by approximately 1.39 percentage points.[34] Dominion stated that, in March 2019, the Governor signed into law legislation ("Senate Bill 1355") that requires any coal combustion residuals ("CCR") unit located at the Company's Bremo, Chesapeake, Chesterfield, and Possum Point power stations that stopped accepting CCR prior to July 2019 be closed by removing the CCR to an approved landfill or through recycling for beneficial reuse.[35] DEV previously

---

Bellemeade Units 1 and 2 (natural gas); and Pittsylvania Unit 1 (wood). DEV also announced the early retirement of Possum Point Unit 5 (oil) to occur in 2021.

[31] This type of cost is referred to in § 56-585.1 A 8 of the Code as an asset impairment. By recognizing the remaining value of these units in 2019, the cost of such units is no longer on DEV's books going-forward.

[32] House Bill 528 may impact how much of the $263.7 million DEV will be permitted to recognize as a period cost in the 2019 earnings test and may impact the earnings presented herein.

[33] By recognizing the remaining value of these units in 2019, the cost of such AMR meters is no longer on DEV's books going-forward.

[34] The $89.8 million reduction to Virginia jurisdictional expense is composed of a $96 million downward adjustment to certain asset retirement obligations included in base rate cost of service, offset in part by the recognition of $6 million of on-going base rate asset retirement obligation accretion and depreciation costs.

[35] 2019 Virginia Acts of Assembly Chapter 651.

recorded costs in base rate cost of service beginning in 2015 associated with closure in place plans for CCR at its Bremo, Chesapeake, and Possum Point power stations pursuant to the Environmental Protection Agency's ("EPA") Coal Combustion Residual Rule. [36] As a result of Senate Bill 1355, DEV made downward revisions to base rate cost of service in 2019 to remove the costs recognized under prior closure in place plans. DEV also recorded new costs associated with its Bremo, Chesapeake, and Possum Point power stations to be recovered through a future rate adjustment clause pursuant to Senate Bill 1355.

DEV Combined 2017-2019 Base Rate Financial Results

Section 56-585.1 A 8 (b) of the Code, as amended by the GTSA, requires the Commission to measure earnings for the four combined test periods of 2017 through 2020 in DEV's first triennial review to be filed in 2021. The following table presents a summary of DEV's combined earnings for the first three test periods of 2017 through 2019.[37] [38]

[36] EPA's Hazardous and Solid Waste Management System; Disposal of Coal Combustion Residuals From Electric Utilities; Final Rule. 80 Fed. Reg. 20,301 (Apr. 17, 2015).

[37] The 2017-2019 earned ROE is based on information provided by DEV in response to requests from Staff during 2018, 2019, and 2020. The Commission did not conduct an audit or investigation of the financial information provided by DEV. The Commission will conduct an audit of DEV's earnings in its first triennial review. Interested parties will have an opportunity to participate in that proceeding. The earned ROE determined by the Commission in the first triennial review may differ from the information provided by DEV and included in this report.

[38] A 0.01 percentage point of ROE for the combined period of 2017-2019 is worth approximately $1.94 million in combined generation and distribution revenues for the combined three-year period of 2017-2019.

DEV 2017-2019 Generation and Distribution
Earned Return on Equity
(Revenues in Millions of Dollars)

	Earned ROE	Revenues in Excess of 9.20% ROE
2017	13.84%	$300.8
2018	13.47%	$277.3
2019	8.03%	-$75.4[39]
Combined 2017-2019	11.79%	$502.7

As explained above, this section of the Code, as amended by the GTSA, states that certain early retirement,[40] coal combustion by-product management, severe weather event, and natural disaster costs are deemed to be fully recovered in the test period in which they were recorded per books by DEV for financial reporting purposes. The following table summarizes these costs and their impact on the combined earned ROE for 2017 through 2019.

[39] Dominion earned a positive return on equity of 8.03% during 2019; however, this earned return was below the 9.20% ROE authorized by the Commission by 1.17 percentage points or $75.4 million in revenues.

[40] As previously noted, legislation passed by the 2020 General Assembly (House Bill 528) directs the Commission to determine the amortization period for certain early retirement costs, which may impact the results presented herein.

2017-2019 DEV Per Books Expenses
Pursuant to Code § 56-585.1 A 8
Virginia Jurisdictional
(In Millions of Dollars)

	2017	2018	2019	Total 2017-2019 Amount	Impact to 2017-2019 Earned ROE
Severe Weather Events	$0.0	$43.5	$0.0	$43.5	-0.22%
Early Retirement of Generation Facilities	$0.0	$0.0	$263.7	$263.7[41]	-1.36%
Early Retirement of AMR Meters	$0.0	$0.0	$144.8	$144.8	-0.75%
Coal Combustion By-Product Management	$10.8	$77.2	-$89.8	-$1.8	+0.02%
Total Per Books Expenses 2017-2019	**$10.8**	**$120.7**	**$318.7**	**$450.2**	**-2.31%**

This section of the Code also requires the Commission to order refunds to customers' bills equal to 70% of DEV's earnings that are more than 70 basis points above the ROE determined by the Commission. Using this statutory calculation, the following table shows potential customer refunds based on combined 2017 through 2019 earnings and an ROE of 9.90% (9.20% authorized by the Commission plus 70 basis points).[42]

[41] As explained in greater detail below, Dominion recorded significant additional costs in the first quarter of 2020 of $630.7 million associated with the announced early retirement of Chesterfield Units 5 and 6 and Yorktown Unit 3. In total, Dominion has recorded costs associated with early generation retirements over 2019-2020 of $894.4 million.

[42] Prior reports of the status of the Regulation Act have assumed a 35% federal corporate income tax rate to present 2017 earnings on a revenue basis. However, the federal corporate income tax rate was reduced to 21% effective January 1, 2018. All combined 2017-2019 revenue and refund amounts calculated and presented herein assume a 21% federal corporate income tax rate.

DEV Potential Customer Refunds
Based on 2017 - 2019 Combined Earnings
(In Millions of Dollars)

Revenues in Excess of 9.90% ROE (9.20% plus 70 basis points)	$366.8
30% Retained by DEV	-$110.0
70% Customer Refund	**$256.8**

Pursuant to §§ 56-585.1 A 6 and 56-585.1 A 8 (d) of the Code, the Commission, at the request of DEV, shall determine the amount by which customer refunds are to be offset due to certain capital investments in solar, wind, energy storage, and distribution grid transformation projects.[43] This is referred to in the Code as the "customer credit reinvestment offset." As shown in the following chart as of June 30, 2020, DEV made $199.9 million of investments in wind and distribution grid transformation projects on a Virginia jurisdictional basis that it states are eligible for use as a potential customer credit reinvestment offset.[44]

[43] Under Code § 56-585.1 A 8 (d), to the extent Dominion has excess earnings above 9.90% after application of any customer credit reinvestment offsets, "70 percent of the amount of such excess shall be credited to customer bills as provided in subdivision 8 b in connection with the triennial review proceeding."

[44] The $199.9 million customer credit reinvestment offset balance as of June 30, 2020 only includes investments that have been approved by the Commission.

Eligible Customer Credit Reinvestment Offsets
Virginia Jurisdictional as of June 30, 2020
(In Millions of Dollars)

Coastal Virginia Offshore Wind Project	$182.6
Grid Transformation Projects	$17.3
Total as of June 30, 2020	**$199.9**

DEV 2020 Base Rate Financial Outlook

With regard to expected distribution function earnings for calendar year 2020, the final test period of DEV's first triennial review to be filed in 2021, DEV stated that it is difficult to predict the earned return given the unpredictability of major storm activity and certain other components of the cost of service. For the generation function, DEV stated that it is difficult to predict the 2020 earned return given the unpredictability of legislation and environmental regulations impacting operations, among other things. DEV also stated that it has recorded significant additional costs associated with early retirements of fossil fuel-fired generating facilities in the first quarter of 2020. Specifically, these costs total $630.7 million on a Virginia jurisdictional basis and are associated with the announced early retirement of Chesterfield Power Station Units 5 and 6 (coal) and Yorktown Power Station Unit 3 (oil).[45] These significant charges could reduce DEV's 2020 earned ROE by more than 9 percentage points and the combined earned ROE for 2017-2020 by more than 2 percentage points.[46]

[45] By recognizing the remaining value of these units in 2020, the cost of such generating units is no longer on DEV's books going-forward.

[46] As previously noted, House Bill 528 may further impact these results.

APCo 2017-2019 Base Rate Financial Results

In its 2018 and 2019 reports on the status of implementation of the Regulation Act, the Commission reported earned ROEs for APCo of 11.31% for 2017 and 9.89% for 2018, based on analysis provided by APCo in response to requests from Staff. Calendar years 2017 and 2018 are the first two test periods of APCo's first triennial review.[47] The Commission noted in the prior reports that it had not conducted an audit or investigation of these earned returns provided by APCo, and that an audit would occur as part of APCo's first triennial review.

On March 31, 2020, APCo filed with the Commission its first triennial review, docketed as Case No. PUR-2020-00015, which is currently pending before the Commission.[48] APCo presented a generation and distribution base rate earned ROE of 8.24% for the combined test periods of 2017 through 2019, which is below the 9.42% ROE approved by the Commission in Case No. PUR-2018-00048 to be used to measure earnings in APCo's first triennial review.[49] On July 30, 2020, Appalachian Voices; Sierra Club; the Kroger Co.; the Old Dominion Committee for Fair Utility Rates; Walmart, Inc.; Steel Dynamics, Inc.; and the Office of the Attorney General, Division of Consumer Counsel filed testimony in the proceeding. Staff filed testimony on August 13, 2020. The testimonies of Staff and other parties raised various issues and presented alternative

[47] In accordance with changes to Code §§ 56-585.1 and 56-585.1:1 made by SB 966, after the conclusion of the Transitional Rate Period on December 31, 2016, reviews of APCo's rates for generation and distribution services shall resume in 2020, "utilizing the three successive 12-month test periods beginning January 1, 2017, and ending December 31, 2019."

[48] *Application of Appalachian Power Company, For a 2020 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia*, Case No. PUR-2020-00015.

[49] *Application of Appalachian Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2018-00048, Doc. Con. Cen. No. 181120212, Final Order (Nov. 7, 2018).

earned ROEs for 2017 through 2019 that differ from the 8.24% earned ROE reported by APCo. APCo's rebuttal testimony is expected to be filed on August 28, 2020. A public hearing is scheduled to convene on September 14, 2020. A Final Order is due from the Commission on or before November 30, 2020 in which it will make a determination on APCo's earned ROE for the combined test periods of 2017 through 2019. The Commission will report on its determinations resulting from APCo's first triennial review in next year's report.

IV.
CURRENT STATUS OF THE REGULATION ACT

Since the Commission's August 29, 2019 report on the status of the Regulation Act, the Commission has conducted additional proceedings brought pursuant to the Regulation Act. This Report provides a high-level summary of important proceedings decided by the Commission since August 29, 2019, or pending at the time of this report.[50]

Renewable Energy Cases

Below is a table summarizing the renewable energy cases decided or pending at the time of this report.[51] A description of each proceeding follows the table.

Company	Topic	Approved?	Code Section	Case No.
DEV	US-4 Solar Project	Yes	§ 56-585.1 A 6	PUR-2019-00105
DEV	Westmoreland Solar PPA	Yes	§ 56-585.1:4 F	PUR-2019-00133
DEV	US-3 Solar Projects (Update)	Pending	§ 56-585.1 A 6	PUR-2020-00122
DEV	US-4 Solar Project (Update)	Pending	§ 56-585.1 A 6	PUR-2020-00123
DEV, KU/ODP	Regulations for a multi-family shared solar program	Pending	§ 56-585.1:12	PUR-2020-00124
DEV	Regulations for a shared solar program	Pending	§ 56-594.3	PUR-2020-00125

[50] Copies of the Commission's full orders, as well as access to publicly-filed case documents, are available at the Commission's website: https://scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," and clicking "Search By Case Information," and entering the case number in the appropriate box.

[51] Retail access cases involving renewable energy are addressed in the "Retail Access" section of this report.

Decisions

- DEV US-4 Solar Project and Associated RAC: DEV sought approval of the US-4 Solar Project and associated cost recovery. Recognizing that the US-4 Project is not needed to serve load growth in the short-term, the Commission found the facilities will assist DEV's compliance with future carbon regulations and provide environmental attributes. Because customers bear the risk of excessive costs with a self-build project, the Commission's approval was subject to a performance guarantee. (Order Granting Certificate, Jan. 22, 2020; Order Approving Rate Adjustment Clause, Apr. 13, 2020).

- DEV Westmoreland Solar PPA: Dominion sought a prudency determination with respect to the Company's proposed Westmoreland Solar Power Purchase Agreement ("PPA"). Recognizing that the General Assembly had determined the solar PPA to be in the public interest, the Commission found the factual evidence in the record supported a prudency determination. (Final Order, Nov. 6, 2019).

Pending Cases

- DEV US-3 Solar Projects and Associated RAC: DEV is seeking approval of an annual update to its RAC for cost recovery associated with its US-3 Solar Projects. (Filed July 1, 2020).

- DEV US-4 Solar Project and Associated RAC: DEV is seeking approval of an annual update to its RAC for cost recovery associated with its US-4 Solar Project. (Filed July 1, 2020).

- Regulations for a multi-family shared solar program (DEV and KU/ODP): As required by legislation passed by the 2020 General Assembly,[52] the Commission established a proceeding for the consideration of regulations affording DEV and KU/ODP customers the opportunity to participate in a subscription-based multi-family shared solar program. (Order Directing Comment, July 1, 2020).

- Regulations for a shared solar program (DEV): As required by legislation passed by the 2020 General Assembly,[53] the Commission established a proceeding for the consideration of a regulation affording DEV customers the opportunity to participate in a subscription-based shared solar project. (Order Directing Comment, July 1, 2020).

[52] House Bill 572, 2020 Virginia Acts of Assembly Chapter 1188, House Bill 1184, 2020 Virginia Acts of Assembly Chapter 1189, House Bill 1647, 2020 Virginia Acts of Assembly Chapter 1239, and Senate Bill 710, 2020 Virginia Acts of Assembly Chapter 1187.

[53] House Bill 1634, 2020 Virginia Acts of Assembly Chapter 1238 and Senate Bill 629, 2020 Virginia Acts of Assembly Chapter 1264.

Energy Storage Cases

Below is a table summarizing the energy storage cases decided or pending at the time of this report. A description of each proceeding follows the table.

Company	Topic	Approved?	Code Section	Case No.
DEV	Battery Storage Pilot Program	Yes	§ 56-585.1:6	PUR-2019-00124
DEV, APCo	Energy Storage Regulations	Pending	§ 56-585.5 E 5	PUR-2020-00120

Decisions

- DEV Battery Storage Pilot Program: The Commission approved DEV's request for three battery energy storage systems to participate in Dominion's battery storage pilot program established under the GTSA. (Final Order, Feb. 14, 2020).

Pending Cases

- DEV/APCo Energy Storage Regulations: As required by the VCEA, the Commission established a proceeding for the consideration of regulations related to recently-adopted energy storage targets. (Order Establishing Proceeding, June 29, 2020).

Environmental Cases

Below is a table summarizing the environmental cases decided or pending at the time of this report. A description of each proceeding follows the table.

Company	Topic	Approved?	Code Section	Case No.
DEV	Updated Rider E	Pending	§ 56-585.1 A 5	PUR-2020-00003

Pending Cases

- DEV Rider E: DEV filed a request for approval of an updated Rider E to recover certain coal ash-related environmental costs. (Filed Jan. 8, 2020).

Retail Access Cases

Below is a table summarizing the retail access cases decided or pending at the time of this report. A description of each proceeding follows the table.

Company	Topic	Approved?	Code Section	Case No.
Wal-Mart	Aggregation	No	§ 56-577 A 4	PUR-2017-00173; PUR-2017-00174
DEV	100% Renewable Tariff	Yes	§ 56-577 A 5	PUR-2019-00094
Multiple	Third Party Power Purchase Agreements Pilot	Pending	n/a	PUR-2020-00081
DEV	Aggregation Pilot	Pending	n/a	PUR-2020-00114

Decisions

- Wal-mart/Sam's Aggregation (Case No. PUR-2017-00173 (Dominion territory), PUR-2017-00174 (APCo territory): The Supreme Court of Virginia affirmed the Commission's decision to deny Walmart's request to aggregate its demand to obtain service from a competitive service provider. (*Wal-mart Stores East, LP v. State Corp. Comm'n.*, 844 S.E.2d 676 (July 9, 2020)).

- DEV 100% Renewable Tariff (Rider TRG): The Commission approved Dominion's proposed 100% renewable tariff. Approval limits the ability of customers in DEV's service territory to purchase renewable energy from competitive suppliers under Code § 56-577 A 5. (Order Approving Tariff, July 2, 2020) (on appeal).

Pending Cases

- Third Party PPA Pilot: Pursuant to the VCEA, existing pilot programs for third party sales of electricity from certain renewable facilities to utility customers through PPAs were expanded in both Dominion and APCo's service territories. The legislation also expanded the pilot programs to be applicable to KU/ODP's service territory. The Commission authorized pre-registration of participants up to certain caps and provided for such pre-registrations to become effective on and after July 1, 2020, concurrent with the effective date of the legislation. (Order Authorizing Pilot Capacity Pre-Registrations, May 7, 2020).

- DEV Aggregation Pilot: Pursuant to legislation passed by the 2020 General Assembly,[54] the Commission established a pilot program through which nonresidential customers that had previously sought to aggregate their load pursuant to Code § 56-577 A 4 in Dominion's service territory would be permitted to purchase electric energy from a competitive supplier, subject to an overall cap of 200 MW of load participating in the Pilot. (Order on Pilot Program, June 9, 2020).[55]

Energy Efficiency Cases

Below is a table summarizing the energy efficiency cases decided or pending at the time of this report. A description of each proceeding follows the table.

Company	Topic	Approved?	Code Section	Case No.
DEV	Energy Efficiency RAC	Yes	§ 56-585.1 A 5	PUR-2019-00201
APCo	Energy Efficiency RAC	Yes	§ 56-585.1 A 5	PUR-2019-00122

Decisions

- DEV Energy Efficiency RAC: DEV sought, and was granted, approval of 11 new programs and cost recovery associated with new and existing programs. Among other things, the Commission approved one of the programs under House Bill 2789, passed during the 2019 General Assembly Session, that required Dominion to implement a program targeting low income, elderly and disabled individuals in an amount not to exceed $25 million. The Commission found that proposed spending of $173.5 million on the approved programs would count towards the $870 million of spending referenced in Code § 56-596.2. The Commission also indicated it would subsequently initiate a new proceeding, specific to Dominion,

[54] House Bill 889, 2020 Virginia Acts of Assembly Chapter 796.

[55] The Commission has also issued decisions in several declaratory judgment proceedings involving the implementation of retail access under Code § 56-577. *Petition of Constellation NewEnergy, Inc., For a declaratory judgment*, Case No. PUR-2020-00072, Doc. Con. Cen. No. 200550191, Final Order (May 29, 2020); *Petition of Direct Energy Business LLC, For a declaratory judgment and injunctive relief against Virginia Electric and Power Company d/b/a Dominion Energy Virginia*, Case Nos. PUR-2020-00013, PUR-2020-00044, Doc. Con. Cen. No. 200710057, Order (July 2, 2020); *Petition of Pilgrim's Pride Corporation, For a declaratory judgment*, Case No. PUR-2019-00216, Doc. Con. Cen. No. 200420064, Final Order (Apr. 16, 2020); *Petition of Virginia Electric and Power Company, For a declaratory judgment*, Case Nos. PUR-2019-00117, PUR-2019-00118, 2019 S.C.C. Ann. Rept. 469, Final Order (Sept. 18, 2019).

to consider issues related to the Dominion's evaluation, measurement and verification of realized savings from its energy efficiency programs. (Final Order, July 30, 2020).

- APCo Energy Efficiency RAC: APCo sought, and was granted, approval of three new programs and cost recovery associated with the new and existing programs. The Commission found that the spending for the new programs should be applied towards meeting statutory targets for energy efficiency spending. The Commission also directed APCo to perform additional sampling and statistical analysis to support its claimed energy savings and to file evidence of actual energy savings achieved as a result of each specific program in future proceedings. (Order Approving Rate Adjustment Clause, May 21, 2020).

Distribution Cases

Below is a table summarizing the distribution cases decided or pending at the time of this report. A description of each proceeding follows the table.

Company	Topic	Approved?	Code Section	Case No.
DEV	Rider U (Update)	Yes	§ 56-585.1 A 6	PUR-2019-00046
APCo	Broadband Pilot	Yes	§ 56-585.1:9	PUR-2019-00145
DEV	Grid Transformation Plan	Yes, in part	§ 56-585.1 A 6	PUR-2019-00154
DEV	Rider U (Update)	Pending	§ 56-585.1 A 6	PUR-2020-00096

Decisions

- DEV Rider U Strategic Undergrounding Program: The Commission approved DEV's fifth Rider U-related Petition. Although continuing to find that the costs of the program would not be considered reasonable and prudent under a standard analysis, or cost-beneficial for residential customers in particular, the Commission recognized that Code § 56-585.1 A 6 requires the Commission to find the proposal cost-beneficial where certain statutory criteria are met. (Final Order, Oct. 31, 2019).

- APCo Broadband Pilot: The Commission considered and approved the first application brought under Code § 56-585.1:9 that establishes the framework for

broadband capacity pilot programs in unserved areas of the Commonwealth. (Final Order, Mar. 5, 2020).

- DEV Grid Transformation Plan: In response to DEV's second grid modernization proposal, the Commission approved additional incremental grid transformation-related costs of approximately $212 million. While approving cyber security, stakeholder engagement and customer education, the customer information platform, certain pilot programs and hosting capacity analysis, and certain components of grid hardening, the Commission found the remaining costs had not been shown by DEV to be reasonable and prudent. (Final Order, Mar. 26, 2020).

Pending Cases

- DEV Rider U Strategic Undergrounding Program: DEV is seeking approval of its sixth Rider U-related Petition. (Filed June 1, 2020).

Integrated Resource Plan Cases

Below is a table summarizing the IRP cases decided or pending at the time of this report. A description of each proceeding follows the table.

Company	Topic	Approved?	Code Section	Case No.
APCo	Integrated Resource Plan	Yes	§ 56-597 *et seq.*	PUR-2019-00058
DEV	Integrated Resource Plan	Pending	§ 56-597 *et seq.*	PUR-2020-00035

Decisions

- APCo 2019 IRP: The Commission found APCo's 2019 IRP reasonable and in the public interest for the specific and limited purpose of filing the planning document as mandated by Va. Code § 56-597. The Commission found that additional analysis should be required in future IRP proceedings, including providing an estimate of customer bill impacts of the least cost and preferred plans. (Final Order, Jan. 28, 2020).

Pending Cases

- DEV 2020 IRP: DEV's 2020 IRP is currently pending before the Commission. (Filed May 1, 2020).

Financial Cases

Below is a table summarizing the financial cases decided or pending at the time of this report. A description of each proceeding follows the table.

Company	Topic	Code Section	Case No.
DEV	Return on Equity	§ 56-585.1:1 C	PUR-2019-00050
APCo	Triennial Review	§ 56-585.1 A	PUR-2020-00015

Decisions

- DEV Return on Equity: The Commission rejected DEV's requested ROE of 10.75%, finding a 9.2% ROE to be fair and reasonable as a factual matter. This ROE will be applicable to rate adjustment clauses (before any statutory adders) and to measure earnings in the first triennial review. (Final Order, Nov. 21, 2019).

Pending Cases

- APCo Triennial Review: APCo's first triennial review is currently pending before the Commission. APCo reports that, for the combined 2017, 2018 and 2019 test years, the Company earned an 8.24% ROE on its generation and distribution operations relative to the allowed ROE of 9.42% previously approved by the Commission. Based on the Company's rate year analysis, APCo requests an increase in its annual revenue requirement in the amount of $65 million, which is a 5% increase to overall revenues. The Company bases its requested increase on, among other things, a requested increase in authorized ROE to 9.90%. A hearing is scheduled for September 14, 2020. (Filed Mar. 31, 2020).

Miscellaneous Cases

Below is a table summarizing miscellaneous cases decided or pending at the time of this report. A description of each proceeding follows the table.

Company	Topic	Code Section	Case No.
DEV	Universal Service Fee	§ 56-585.6	PUR-2020-00109
APCo	Universal Service Fee	§ 56-585.6	PUR-2020-00117

Pending Cases

- DEV Universal Service Fee: The Commission established a proceeding to determine the rates, terms and conditions of a "non-bypassable universal service fee" to be charged by DEV to fund the Percentage of Income Payment Program created by the VCEA to limit the electric utility payments of persons or households participating in certain, specified public assistance programs, based on a percentage of their income. (Filed July 21, 2020).

- APCo Universal Service Fee: The Commission also established a proceeding to determine the rates, terms and conditions of a "non-bypassable universal service fee" to be charged by APCo to fund the Percentage of Income Payment Program. (Filed July 21, 2020).

V.
STAKEHOLDER MEETINGS

The Staff has been involved in multiple stakeholder meetings over the last year as required by recent legislation. In these meetings, Staff has attended as a resource to provide technical information or background on Commission procedures and proceedings. The following is a list of meetings the Staff has attended:

- Energy Efficiency Meeting: (required by SB 966 and SB 1605) held on January 30, 2020, and March 5, 2020, for APCo; and, September 5, 2019, October 28, 2019, and February 6, 2020, for DEV.[56] An additional virtual meeting for DEV is scheduled for August 27, 2020.

- Data Privacy and Data Access: (required by HB 2332) held on October 9, 2019, December 10, 2019, and February 13, 2020.[57]

- Time-of-Use Rate Meeting: (required by Senate Bill 1769) held on October 15, 2019.[58]

[56] House Bill 1605, 2019 Virginia Acts of Assembly Chapter 398.

[57] House Bill 2332, 2019 Virginia Acts of Assembly Chapter 399.

[58] Senate Bill 1769, 2019 Virginia Acts of Assembly Chapter 763.

VI.
PJM / FERC STATUS

DEV and APCo are members of the PJM Interconnection, LLC, regional transmission entity ("PJM") that coordinates the movement of wholesale electricity across all or parts of the District of Columbia and 13 states.[59] Below is a list of recent matters involving PJM and FERC that may impact Virginia:

- In June 2018, FERC invalidated PJM's capacity market design. FERC ruled that state-subsidized resources were artificially and improperly suppressing market prices.[60] In October 2018, PJM proposed a set of reforms to address FERC's capacity market design ruling including an administratively-adjusted pricing mechanism. In December 2019, FERC ruled on PJM's capacity market design, placing new restrictions on participation in PJM's capacity market. The final resolution remains pending; however, the new rules will likely prevent new, intermittent resources from clearing future PJM capacity auctions.

- In March 2019, PJM filed a proposal with FERC to invalidate its current energy market design and approve reforms it developed to the pricing of reserves in its energy markets.[61] PJM argued that the reforms, which have been demonstrated to increase energy revenues paid to generators, will result in energy prices that better reflect the costs to serve customers. In May 2020, FERC approved PJM's proposed reforms to its current energy market design.[62] PJM proposed tariff revisions to comply with this order on July 6, 2020; a second compliance filing was made on August 5, 2020.

- On March 19, 2020, FERC issued a Notice of Proposed Rulemaking (NOPR) proposing to revise its electric transmission incentive policy under Federal Power Act Section 219 "to stimulate the development of transmission infrastructure needed to support the nation's evolving generation resource mix, technological innovation and shifts in load patterns."[63] The NOPR intends to replace the current policy of limiting incentives to the base ROE zone of reasonableness with a 250-basis-point cap on total ROE incentives.

---

[59] Specifically, the 13 states consist of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia.

[60] *Calpine Corp. v. PJM Interconnection, LLC,* 163 FERC ¶ 61,236 (2018).

[61] *PJM Interconnection, L.L.C.,* FERC Docket Nos. EL19-58-000 and ER19-1486-000 (Mar. 29, 2019).

[62] *PJM Interconnection, L.L.C.*, 171 FERC ¶ 61,153 (May 21, 2020).

[63] *Electric Transmission Incentives Policy Under Section 219 of the Federal Power Act*, 170 FERC ¶ 61,204 (Mar. 19, 2020).

- In November 2019, PJM announced Manu Asthana as its new President and CEO, effective on January 1, 2020.

- In July 2020, PJM reported to the states that regional reliability has not been impacted by the COVID-19 public health emergency.

VII.
CONSUMER EDUCATION

The Regulation Act, specifically § 56-592 of the Code, directs the Commission to establish, implement, and maintain a consumer education program to provide retail customers with information regarding energy conservation and efficiency, DSM, demand response, and renewable energy. The Virginia Energy Sense ("VES") consumer education program is in its eleventh year of building awareness of the value of energy efficiency.

VES program highlights in the last year are as follows:

- VES website redesign and launch created an enhanced user experience and achieved over 112,000 site visits in 2019, an all-time high;
- Facebook and Twitter follower growth remained strong with 5.8 million video impressions on Facebook and 5.4 million video impressions on Google in 2019;
- VES television advertising campaign featuring "Jack," an animated electrical outlet, was seen on cable channels in eight Virginia markets, generating over 12.3 million impressions;
- A third-grade energy efficiency curriculum developed by VES in cooperation with the Virginia Department of Education was distributed to 250 schools around the state, reaching over 14,000 students;
- VES representatives attended more than 17 community events and festivals across the Commonwealth in 2019, generating 215,450 impressions of program material;
- Due to the COVID pandemic, VES had to cancel community outreach activities beginning in April 2020, including 15 community festivals and events around the state; and,
- VES has also cancelled several in-person media interviews and substituted online interviews with media outlets.

VIII.
CLOSING

The Commission continues to execute its responsibilities under the Regulation Act. The Commission does not offer any legislative recommendations at this time but stands ready to provide additional information or assistance if requested.

APPENDIX 1

GLOSSARY OF TERMS

APCo	Appalachian Power Company
Code	Code of Virginia
Commission	Virginia State Corporation Commission
DEV or Dominion	Virginia Electric and Power Company d/b/a Dominion Energy Virginia
DSM	Demand Side Management
FERC	Federal Energy Regulatory Commission
General Assembly	Virginia General Assembly
GTSA or SB 966	Grid Transformation and Security Act, Chapter 296 of the 2018 Acts of Assembly
IRP	Integrated Resource Plan
KU/ODP	Kentucky Utilities Company d/b/a Old Dominion Power Company
kWh	Kilowatt-hour
MW	Megawatt
PJM	PJM Interconnection, LLC
PPA	Power Purchase Agreement
RAC	Rate Adjustment Clause
Regulation Act	Virginia Electric Utility Regulation Act, codified at Code §§ 56-576 through 56-596.3
ROE	Return on Equity
Staff	State Corporation Commission Staff
VCEA	Virginia Clean Economy Act, Chapters 1193 and 1194 of the 2020 Acts of Assembly
VES	Virginia Energy Sense, a State Corporation Commission consumer education program

TABLES

CLERK'S OFFICE

Summary of the changes in the number of Virginia and foreign corporations and other types of business entities licensed to do business in Virginia, and of amendments and other filings related to the organizational documents of Virginia and foreign business entities during 2019 and 2020.

CORPORATIONS

	12/31/19	12/31/20
Virginia Corporations		
Certificates of Incorporation issued	11,887	12,686
Voluntary terminations	3,406	2,470
Involuntary terminations	1	0
Automatic terminations (Assessment/AR/RA Resignation)	13,598	13,656
Reinstatements of corporate existence	6,844	9,802
Charters amended	1,609	1,868
On Record		
Active Stock Corporations	119,646	118,996
Active Non-Stock Corporations	48,416	51,544
Total Active Virginia Corporations	168,062	170,540
Foreign Corporations		
Certificates of Authority to do business in Virginia issued	3,018	3,169
Voluntary withdrawals from Virginia	990	912
Automatic Revocations (Assessment/AR/RA Resignation)	2,082	2,301
Reinstatement of surrendered or revoked certificates	1,338	1,794
Charters Amended	641	539
On Record		
Active Stock Corporations	38,571	35,389
Active Non-Stock Corporations	3,057	3,043
Total Active Foreign Corporations	41,628	38,432
Total Active Corporations (Virginia and Foreign)	209,690	208,972

LIMITED LIABILITY COMPANIES

Virginia Limited Liability Companies		
Certificates of Organization issued	72,488	95,564
Voluntary cancellations	8,966	10,105
Automatic cancellations (Assessment/RA Resignation)	45,491	59,725
Reinstatements of existence	9,471	20,695
Articles of Organization amended	2,873	4,398
On Record		
Active Virginia Limited Liability Companies	388,908	439,955
Foreign Limited Liability Companies		
Certificates of Registration issued	5,180	5,692
Voluntary cancellations	1,093	1,108
Automatic cancellations (Assessment/RA Resignation)	1,766	2,786
Reinstatement of canceled certificates	611	1,055
Certificates of Registration amended	0	317
On Record		
Active Foreign Limited Liability Companies	34,454	37,009
Total Active Limited Liability Companies (Virginia and Foreign)	423,362	476,964

BUSINESS TRUSTS

Virginia Business Trusts	12/31/19	12/31/20
Certificates of Trust issued	39	138
Voluntary cancellations	4	10
Automatic cancellations (Assessment/RA Resignation)	0	29
Reinstatements of existence	9	13
Articles of Trust amended	7	13
On Record		
Active Virginia Business Trusts	290	370
Foreign Business Trusts		
Certificates of Registration issued	17	18
Voluntary cancellations	3	0
Automatic cancellations (Assessment/RA Resignation)	0	1
Reinstatement of canceled certificates	0	3
Certificates of Registration amended	5	1
On Record		
Active Foreign Business Trusts	110	114
Total Active Business Trusts (Virginia and Foreign)	400	484

LIMITED PARTNERSHIPS

Virginia Limited Partnerships		
Certificates of Limited Partnership filed	146	215
Voluntary cancellations	87	104
Automatic cancellations (Assessment/RA Resignation)	0	239
Reinstatements of existence	52	124
Certificates of Limited Partnership amended	180	228
On Record		
Active Virginia Limited Partnerships	4,486	3,981
Foreign Limited Partnerships		
Certificates of Registration issued	98	78
Voluntary cancellations	72	62
Automatic cancellations (Assessment/RA Resignation)	2	61
Reinstatement of canceled certificates	12	26
Certificates of Registration amended	0	70
On Record		
Active Foreign Limited Partnerships	1,587	1,275
Total Active Limited Partnerships (Virginia and Foreign)	6,073	5,256

GENERAL PARTNERSHIPS

General Partnership Statements filed	108	256
On Record		
Active Virginia General Partnerships	550	517
Active Foreign General Partnerships	88	66
Total Active General Partnerships (Virginia and Foreign)	638	583

REGISTERED LIMITED LIABILITY PARTNERSHIPS

Statement of Registration as a Virginia Registered Limited Liability Partnerships filed	53	251
Statement of Registration as a Foreign Registered Limited Liability Partnerships filed	31	5
Total Active Registered Limited Liability Partnerships (Virginia and Foreign)	1,260	1,207

COMPARISON OF REVENUES DEPOSITED BY THE CLERK'S OFFICE FOR THE FISCAL YEARS ENDING JUNE 30, 2019 AND JUNE 30, 2020

General Fund	**2019**	**2020**	**(Difference)**
Charter Fees	$1,392,500.00	1,437,869.50	45,369.50
Entrance Fees	1,379,415.00	1,474,995.00	95,580.00
Filing Fees	591,475.00	580,580.00	-10,895.00
Registered Name	1,960.00	3,020.00	1,060.00
Registered Office and Agent	0.00	0.00	0.00
Service of Process	45,030.00	39,360.00	-5,670.00
Copy and Recording Fees	0.00	0.00	0.00
SCC Annual Report Sales	0.00	0.00	0.00
Uniform Commercial Code Revenues	1,764,730.00	2,130,860.00	366,130.00
Excess Fees Transferred to Unclaimed Property	315,884.00	272,402.26	-43,481.74
Miscellaneous Sales	0.00	0.00	0.00
TOTAL	$5,490,994.00	$5,939,086.76	$448,092.76
Special Fund			
Domestic-Foreign Corp. Registration Fee	$31,850,073.10	30,874,884.41	-975,188.69
Limited Partnership Registration Fee	298,199.00	288,744.00	-9,455.00
Reserved Name - Limited Partnership	9,575.00	9,650.00	75.00
Certificate Limited Partnership	10,100.00	16,675.00	6,575.00
Application Reg. Foreign LP	11,000.00	8,319.00	-2,681.00
Reinstatement LP	10,300.00	9,650.00	-650.00
Registration Fee LLC	17,145,826.00	18,279,868.04	1,134,042.04
Application For. Reg. LLC	509,125.00	506,388.00	-2,737.00
Art. of Org. Dom. LLC	7,541,575.00	7,712,872.50	171,297.50
AMEND, CANC., CORR. RAC, etc. LLC	448,204.00	578,934.00	130,730.00
SCC Bad Check Fee	23,564.00	30,122.50	6,558.50
Interest on Del. Tax	0.00	0.00	0.00
Penalty on Non-Pay Fees by Due Date	2,087,345.35	2,534,698.00	447,352.65
Statement of Reg. as Domestic LLP	4,600.00	7,775.00	3,175.00
LLP Annual Continuation	63,400.00	32,000.00	-31,400.00
Statement of Partnership Authority GP Dom.	2,000.00	4,975.00	2,975.00
Statement of Partnership Authority GP For.	175.00	75.00	-100.00
Statement of Amendments - GP	1,300.00	1,200.00	-100.00
Statement of Reg. as Foreign LLP	2,500.00	2,200.00	-300.00
Statement of Amendment LLP	325.00	300.00	-25.00
Reinstatement LLC, BT	1,019,620.00	1,549,910.00	530,290.00
Tape Sales, Misc. Fees	0.00	0.00	0.00
Copies, Recording Fees	418,351.00	402,040.50	-16,310.50
Recovery of Prior Yr. Expenses	9,733.80	67,163.44	57,429.64
LLP Reinstatement	0.00	0.00	0.00
Expedite Fee Collected	1,320,937.00	1,045,589.00	-275,348.00
TOTAL	$62,787,828.25	$63,964,033.39	$1,176,205.14
Valuation Fund			
Corp. Operations Rec. of Copy and Cert. Fees	$0.00	$0.00	$0.00
Recovery of Prior Year Expenses	$0.00	$0.00	$0.00
TOTAL	$0.00	$0.00	$0.00
Trust & Agency Fund			
Fines imposed and collected by SCC	$216,000.00	$276,000.00	$60,000.00
Debt Set Off Collections	$0.00	$0.00	$0.00
TOTAL	$216,000.00	$276,000.00	$60,000.00
GRAND TOTAL	$68,494,822.25	$70,179,120.15	$1,684,297.90

COMPARISON OF FEES COLLECTED BY THE BUREAU OF FINANCIAL INSTITUTIONS FOR FISCAL YEARS ENDING JUNE 30, 2019 AND JUNE 30, 2020

	2019		2020	
Banks	$7,423,525	(1)	$9,529,389	
Savings Institutions and Savings Banks	6,734	(1)	8,418	
Consumer Finance Licensees	440,564		425,422	
Credit Unions	1,531,391	(2)	1,991,563	
Trust Subsidiaries and Trust Companies	25,946		33,660	
Industrial Loan Associations	3,600		2,400	
Money Order Sellers and Transmitters	906,707		1,048,997	
Credit Counseling Agency Licensees	53,707		37,223	
Mortgage Lenders and Mortgage Brokers	770,951	(3)	956,455	(3)
Mortgage Loan Originators	1,971,710		2,293,680	
Check Cashers	94,100		81,100	
Payday Lenders	231,170		211,971	
Motor Vehicle Title Lenders	616,859		588,928	
Miscellaneous Collections	73,160		86,131	
TOTAL	$14,150,124		$17,295,337	

Notes:
(1) The bank and savings institutions assessments were reduced 20% in Fiscal 2019.
(2) The credit union assessment was reduced 20% in Fiscal 2019.
(3) The mortgage lender and broker assessment was reduced 55% in Fiscal 2019 and 2020.

CONSUMER SERVICES

The Bureau received and acted upon 483 formal written complaints during 2020 and recovered $153,496 on behalf of Virginia consumers.

COMPARISON OF FEES AND TAXES COLLECTED BY THE BUREAU OF INSURANCE FOR THE FISCAL YEARS ENDING JUNE 30, 2019 AND JUNE 30, 2020

General Fund	2019	2020	Increase or (Decrease)
Gross Premium Taxes of Insurance Companies	$0.00	$0.00	$0.00
Fraternal Benefit Societies Licenses	500.00	0.00	(500.00)
Interest on Delinquent Taxes	0.00	0.00	0.00
Penalty on non-payment of taxes by due date	0.00	0.00	0.00
Special Fund			
Company License Application Fees	$17,000.00	$22,500.00	$5,500.00
Health Maintenance Organization License Fees	0.00	0.00	0.00
Automobile Club/Agent Licenses	0.00	0.00	0.00
Insurance Premium Finance Companies Licenses	13,600.00	12,200.00	(1,400.00)
Fraternal Benefit Societies Licenses	0.00	0.00	0.00
Agent Appointment Fees	16,206,290.00	16,958,270.00	751,350.00
Surplus Lines Broker Licenses	138,750.00	143,800.00	5,050.00
Home Service Contract Providers License Fees	0.00	0.00	0.00
Title Settlement Agent Fees	6,600.00	40,870.00	34,270.00
Producer License Application Fees	1,276,280.00	1,268,730.00	(7,550.00)
Surety Bail Bondsmen License Fees	0.00	0.00	0.00
P&C Consultant License Fees	76,500.00	75,500.00	(1,000.00)
Recording, Copying, and Certifying Public Records Fees	255.00	133.00	(122.00)
SCC Bad Check Fees	2,905.00	4,655.00	1,750.00
Managed Care Health Ins. Plan Appeals Fees	0.00	0.00	0.00
Administrative Penalty Payment	0.00	0.00	0.00
State Publication Sales	0.00	0.00	0.00
Assessments to Insurance Companies for Maintenance of the Bureau of Insurance	10,475,001.00	11,336,082.00	861,081.00
Reinsurance Intermediary Broker Fees	2,000.00	1,500.00	(500.00)
Reinsurance Intermediary Manager Fees	0.00	0.00	0.00
Managing General Agent Fees	6,000.00	7,500.00	1,500.00
Viatical Settlement Provider License Fees	7,400.00	6,500.00	(900.00)

Viatical Settlement Broker License Fees	9,250.00	9,050.00	(200.00)
MCHIP Assessment	0.00	0.00	0.00
Public Adjusters	54,250.00	26,855.00	(27,365.00)
Appointment Fee Penalty	49,250.00	43,250.00	(6,000.00)
Miscellaneous Revenue	(1,475.00)	9,584.00	11,059.00
Recovery of Prior Year Expenses	30,123.00	537,717.00	507,594.00
Fire Programs Fund	41,350,456.00	43,861,438.00	2,510,982.00
Fire Programs Fund Interest	111,675.00	78,467.00	(33,208.00)
DMV Uninsured Motorist Transfer	4,008,122.00	7,234,319.00	3,226,197.00
Flood Assessment Fund	336,713.00	474,484.00	137,771.00
Heat Assessment Fund	2,389,075.00	2,451,798.00	62,723.00
Fines Imposed by State Corporation Commission	834,195.00	1,476,130.00	641,935.00
Fraud Assessment Fund	6,924,833.00	7,190,396.00	265,563.00
Fraud Assessment Interest	21,450.00	17,533.68	(3,916.32)
TOTAL	$84,347,628.00	$93,289,291.68	$8,941,663.68

ASSESSMENT OF VALUE OF PUBLIC SERVICE CORPORATIONS TAX YEARS 2019 AND 2020

VALUE OF ALL TAXABLE PROPERTY INCLUDING ROLLING STOCK

Class of Company	2019	2020	Increase or (Decrease)
Electric Light & Power Corporations	$35,937,641,798	$36,674,618,417	$736,976,619
Gas Corporations	3,248,915,508	3,519,821,231	270,905,723
Motor Vehicle Carriers (Rolling Stock only)	42,258,311	40,127,841	($2,130,470)
Telecommunications Companies	7,535,213,338	7,535,557,731	$344,393
Water Corporations	300,806,759	$313,019,096	12,212,337
TOTAL	$47,064,835,714	$48,083,144,316	$1,018,308,602

STATE TAXES OF PUBLIC SERVICE COMPANIES TAX YEARS 2019 AND 2020

Class of Company	2019	2020	Increase or (Decrease)
Electric Companies	$90,075,711	$89,122,282	($953,429)
Gas Companies	13,911,932	12,744,592	(1,167,340)
Motor Vehicle Carriers	50,811	55,973	5,162
Railroad Companies	3,091,716	3,053,013	(38,703)
Telecommunications Companies	8,456,431	8,254,906	(201,525)
Virginia Pilots Association	46,382	40,034	(6,348)
Water Corporations	2,363,004	2,529,720	166,716
TOTAL	$117,995,987	$115,800,520	($2,195,467)

Railroad Companies assessed at eighteen-hundredths of one percent and all other companies at sixteen-hundredths of one percent for Tax Years 2019 and 2020.

ASSESSED VALUE OF PROPERTY OF PUBLIC SERVICE COMPANIES FOR LOCAL TAXATION BY CITIES TAX YEARS 2019 AND 2020

Cities	2019	2020	Increase or (Decrease)
Alexandria	$488,291,223	$499,862,481	$11,571,258
Bristol	16,194,423	15,404,564	(789,859)
Buena Vista	20,149,919	19,895,191	(254,728)
Charlottesville	135,219,817	143,203,332	7,983,515
Chesapeake	942,380,282	983,254,993	40,874,711
Colonial Heights	36,024,298	36,555,127	530,829
Covington	237,119,326	265,994,486	28,875,160
Danville	45,916,643	48,137,756	2,221,113
Emporia	19,640,804	19,335,667	(305,137)
Fairfax	118,837,034	116,742,932	(2,094,102)
Falls Church	29,708,906	29,612,087	(96,819)
Franklin	6,220,131	6,400,887	180,756
Fredericksburg	103,096,753	106,191,344	3,094,591
Galax	15,615,523	15,987,318	371,795
Hampton	391,575,740	373,486,179	(18,089,561)
Harrisonburg	48,885,871	49,362,437	476,566
Hopewell	387,632,418	362,786,066	(24,846,352)
Lexington	19,488,544	19,781,066	292,522
Lynchburg	210,282,498	221,088,722	10,806,224
Manassas	91,311,328	115,765,866	24,454,538
Manassas Park	28,597,290	29,509,598	912,308
Martinsville	25,982,962	25,832,248	(150,714)
Newport News	515,087,787	521,447,213	6,359,426
Norfolk	668,857,749	713,499,443	44,641,694
Norton	21,229,878	23,478,849	2,248,971
Petersburg	157,723,031	159,715,848	1,992,817
Poquoson	20,628,724	21,361,594	732,870
Portsmouth	372,116,447	367,673,563	(4,442,884)
Radford	18,091,379	19,245,696	1,154,317
Richmond	895,702,427	836,394,132	(59,308,295)
Roanoke	323,959,013	346,781,352	22,822,339
Salem	46,425,208	49,535,315	3,110,107
Staunton	98,610,695	95,716,849	(2,893,846)
Suffolk	372,998,436	390,541,000	17,542,564
Virginia Beach	1,045,441,107	1,110,259,453	64,818,346
Waynesboro	108,781,124	106,692,341	(2,088,783)
Williamsburg	50,899,240	52,886,186	1,986,946
Winchester	84,347,719	80,454,164	(3,893,555)
Total Cities	$8,219,071,697	$8,399,873,345	$180,801,648

ASSESSED VALUE OF PROPERTY OF PUBLIC SERVICE CORPORATIONS FOR LOCAL TAXATION BY COUNTIES TAX YEARS 2019 AND 2020

Counties	2019	2020	Increase or (Decrease)
Accomack	$461,901,757	$462,646,577	$744,820
Albemarle	427,024,893	486,082,198	59,057,305
Alleghany	157,880,604	146,952,018	(10,928,586)
Amelia	52,137,601	49,220,275	(2,917,326)
Amherst	90,023,634	97,200,313	7,176,679
Appomattox	61,719,301	68,239,516	6,520,215
Arlington	901,016,449	917,279,520	16,263,071
Augusta	436,543,679	440,550,093	4,006,414
Bath	1,385,296,427	1,375,505,464	(9,790,963)
Bedford	282,958,666	282,178,499	(780,167)
Bland	99,215,069	100,564,820	1,349,751
Botetourt	394,237,249	463,084,395	68,847,146

Brunswick	$996,672,884	996,852,882	179,998
Buchanan	116,650,506	118,324,405	1,673,899
Buckingham	563,317,090	589,187,232	25,870,142
Campbell	367,997,099	376,183,073	8,185,974
Caroline	392,105,104	385,947,573	(6,157,531)
Carroll	120,266,401	123,698,231	3,431,830
Charles City	153,564,045	132,983,974	(20,580,071)
Charlotte	59,092,917	67,521,030	8,428,113
Chesterfield	1,721,040,624	1,731,180,877	10,140,253
Clarke	59,277,057	59,210,321	(66,736)
Craig	20,678,193	20,455,651	(222,542)
Culpeper	241,866,932	240,870,689	(996,243)
Cumberland	62,351,744	74,827,142	12,475,398
Dickenson	67,347,877	72,377,741	5,029,864
Dinwiddie	211,310,081	246,916,291	35,606,210
Essex	44,243,426	46,306,662	2,063,236
Fairfax	3,940,432,072	4,026,978,708	86,546,636
Fauquier	681,026,080	693,623,987	12,597,907
Floyd	59,917,499	69,950,158	10,032,659
Fluvanna	520,827,950	440,487,655	(80,340,295)
Franklin	167,404,568	184,749,602	17,345,034
Frederick	422,688,353	402,949,570	(19,738,783)
Giles	79,969,757	81,672,857	1,703,100
Gloucester	147,537,741	150,900,067	3,362,326
Goochland	120,857,148	128,246,133	7,388,985
Grayson	54,863,799	53,723,582	(1,140,217)
Greene	39,137,689	39,257,449	119,760
Greensville	936,441,903	1,030,907,342	94,465,439
Halifax	1,032,495,241	1,059,458,114	26,962,873
Hanover	748,416,917	762,913,878	14,496,961
Henrico	1,120,037,354	1,147,925,297	27,887,943
Henry	173,627,710	187,649,825	14,022,115
Highland	24,062,731	24,610,927	548,196
Isle of Wight	154,442,091	170,882,396	16,440,305
James City	364,350,640	527,444,274	163,093,634
King and Queen	32,038,265	34,308,578	2,270,313
King George	255,363,384	151,043,842	(104,319,542)
King William	50,030,652	55,996,143	5,965,491
Lancaster	67,710,661	78,250,287	10,539,626
Lee	57,454,350	59,346,157	1,891,807
Loudoun	2,988,479,344	3,048,594,204	60,114,860
Louisa	2,261,262,510	2,306,680,314	45,417,804
Lunenburg	73,734,778	73,900,844	166,066
Madison	49,404,721	49,961,803	557,082
Mathews	24,587,836	24,248,498	(339,338)
Mecklenburg	335,391,518	280,911,738	(54,479,780)
Middlesex	54,234,590	55,098,470	863,880
Montgomery	225,609,783	230,966,714	5,356,931
Nelson	94,559,482	106,020,233	11,460,751
New Kent	139,981,592	167,272,269	27,290,677
Northampton	56,636,303	59,628,880	2,992,577
Northumberland	53,515,841	54,223,039	707,198
Nottoway	83,853,558	73,818,169	(10,035,389)
Orange	113,851,310	151,451,877	37,600,567
Page	78,238,302	78,324,497	86,195
Patrick	65,421,344	64,635,026	(786,318)
Pittsylvania	321,706,899	248,532,146	(73,174,753)
Powhatan	100,269,307	107,507,967	7,238,660
Prince Edward	93,741,968	95,022,542	1,280,574
Prince George	163,039,312	181,747,397	18,708,085
Prince William	1,797,578,265	1,794,507,995	(3,070,270)
Pulaski	112,974,519	121,649,322	8,674,803
Rappahannock	56,829,491	58,581,558	1,752,067
Richmond	70,649,023	77,172,219	6,523,196
Roanoke	298,213,998	303,780,289	5,566,291
Rockbridge	214,693,917	244,437,072	29,743,155
Rockingham	314,896,097	322,181,093	7,284,996
Russell	291,491,279	279,185,633	(12,305,646)

Scott	$78,197,507	$77,869,350	$(328,157)
Shenandoah	220,910,677	219,397,106	(1,513,571)
Smyth	133,296,522	161,487,746	28,191,224
Southampton	216,762,405	216,535,876	(226,529)
Spotsylvania	401,159,974	442,052,426	40,892,452
Stafford	420,174,668	457,272,126	37,097,458
Surry	1,931,338,788	2,001,274,708	69,935,920
Sussex	93,382,605	92,404,338	(978,267)
Tazewell	201,206,396	212,888,321	11,681,925
Warren	1,023,486,796	964,846,741	(58,640,055)
Washington	216,480,090	227,049,734	10,569,644
Westmoreland	71,939,952	76,435,141	4,495,189
Wise	1,329,835,823	1,380,904,462	51,068,639
Wythe	299,301,635	306,314,059	7,012,424
York	432,313,117	410,744,898	(21,568,219)
Total Counties	$38,803,505,706	$39,643,143,130	$839,637,424
Total Cities & Counties	$47,022,577,403	$48,043,016,475	$1,020,439,072

COMPARISON OF FEES COLLECTED BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING FOR THE YEARS ENDING DECEMBER 31 , 2019 AND DECEMBER 31, 2020

	2019	2020	Increase or (Decrease)
Securities Act	$13,389,541.00	$13,657,674.04	$268,133.04
Retail Franchising Act	$575,700.00	$533,750.00	($41,950.00)
Trademarks-Service Marks	$27,780.00	$27,510.00	($270.00)
Penalties	$171,356.00	$208,335.22	$36,979.22
Cost of Investigations	$90,900.00	$63,800.00	($22,100.00)
Total	$14,255,277.00	$14,491,069.26	$240,792.26

PROCEEDINGS AND ACTIVITIES BY DIVISIONS DURING THE YEAR 2020

DIVISION OF UTILITY ACCOUNTING AND FINANCE

The Division of Utility Accounting and Finance (Division) assists the Commission with its review and analysis of accounting and financial information in utility regulatory matters. The Division conducts audits and prepares testimony and reports in rate proceedings, as well as in applications involving performance based reviews, rate adjustment clauses, affiliate transactions, mergers and acquisitions, financing plans, and certificates of public convenience and necessity. The Division also conducts audits of electric utility fuel costs and analyzes depreciation studies of electric, electric cooperatives, gas, and water and sewer utilities.

Below is a listing of analyses conducted and reports/testimony filed in rate proceedings, certificate cases and financial review filings analyzed by the Division during 2020.

General Rate Cases/Biennial Reviews	
Electric Companies	2
Electric Cooperatives	3
Gas Companies	3
Water Companies	2
Other	0
Total General Rate Cases/Biennial Reviews	10
Certificates of Public Convenience and Necessity	2
Rate Adjustment Clauses	
Electric Companies	30
Water and Wastewater Infrastructure Service Charge (WWISC)	
Water Companies	2
Steps to Advance Virginia's Energy (SAVE) Plans/CARE Plans	
Gas Companies	7
Annual Informational Filings/Earnings Tests	
Electric Companies	0
Gas Companies	8
Water Companies	2
Total Annual Informational Filings/Earnings Tests	10
Fuel Factor Cases - Electric Companies	2
Depreciation Studies	
Electric Companies	2
Electric Cooperatives	1
Natural Gas Companies	3
Water Companies	1
Total Depreciation Studies	7
Prudency Reviews	1
Other Reviews and Studies	16

During 2020 the Division submitted reports recommending action in applications filed pursuant to Chapter 3 (Issuances of Stocks, Bonds, etc.), Chapter 4 (Affiliates Act), and Chapter 5 (Utility Transfers Act) of Title 56 of the Code of Virginia, and CSP Licensure cases as follows:

Issuance of Stocks, Bonds, etc.	28
Affiliates Act Cases	
Service Agreements	18
Other Transactions	4
Total	22
Utility Transfers Act Cases	
Transfers of Control	13
Transfers of Assets	4
Total	17
Total Chapter 3, 4 and 5 Cases	67
CSP Licensure Cases	42

DIVISION OF PUBLIC UTILITY REGULATION

The Division of Public Utility Regulation assists the Commission in fulfilling its statutory responsibilities and duties pursuant to Title 56, Chapter 10 of the Code of Virginia. Activities include: (i) reviewing investor-owned electric, natural gas and water/sewer utilities' cost of service studies; (ii) reviewing cost allocation methodology and rate design philosophies; (iii) reviewing long term utility resource plans; (iv) overseeing implementation of competition in landline local communications services; (v) certifying competitive local exchange and interexchange carriers; (vi) maintenance of telecommunications interconnection agreements; (vii) regulation of small incumbent local exchange carriers; and, (viii) providing expert testimony in these matters.

The Division provides expert testimony in certificate cases for service/exchange areas and major facility construction of public utilities and independent power producers. After such certificates are granted, the Division is responsible for maintaining the official certificates and associated maps. The Division monitors the collection of gas costs by gas utilities, the incurrence of wholesale purchased power expenses by electric cooperatives, the recovery of fuel expenses by investor-owned electric utilities, the construction and operation of major facilities of the investor-owned utilities, and the implementation of competition in the telecommunications market. It reviews extraordinary costs and policies related to nuclear power, including decommissioning of nuclear power plants and the storage of spent nuclear fuel.

The Division investigates and resolves informal consumer complaints/inquiries relative to electric, natural gas, water/sewer and the telecommunications industries. The Division also participates in, as appropriate, formal complaints filed with the Commission. Finally, the Division develops annual energy related financial forecasts and provides the Commission with technical expertise pertaining to mergers, acquisitions, and regulatory policy relative to these industries.

At the end of 2020, there were subject to the regulatory oversight of the Division:

14	Incumbent Local Exchange Telephone Companies
167	Competitive Local Exchange Telephone Companies
119	Intrastate Long Distance Telephone Companies
25	Payphone Service Providers
10	Operator Service Providers
3	Investor-Owned Electric Companies
13	Electric Cooperatives
7	Natural Gas Companies
34	Water/Sewer Companies

SUMMARY OF 2020 ACTIVITIES

Consumer Complaints and Inquiries Received	2,619
Written Public Comments Relative to Commission Cases Received	3,845
Testimony and Reports Filed by Staff	68
Affiliates Applications	18
Certificates of Convenience and Necessity Granted, Transferred, or Revised	38
Meters Tests Witnessed	1
Community Meetings and Presentations	1

BUREAU OF FINANCIAL INSTITUTIONS

The Bureau of Financial Institutions is responsible under Title 6.2 of the Code of Virginia for the regulation and supervision of the following types of institutions: state chartered banks, independent trust companies, state chartered savings institutions, state chartered credit unions, industrial loan associations, consumer finance licensees, money transmitter licensees, mortgage lenders and brokers, mortgage loan originators, credit counseling agencies, check cashers, motor vehicle title lenders, and payday lenders. Financial institutions domiciled outside of Virginia that have deposit taking subsidiaries within the Commonwealth are also subject to the Bureau regulatory authority, as are out-of-state deposit taking subsidiaries of financial holding companies domiciled in Virginia.

During the calendar year, the Bureau of Financial Institutions received, investigated, and processed applications for various certificates of authority as shown below:

APPLICATIONS RECEIVED AND ACTED UPON BY THE BUREAU OF FINANCIAL INSTITUTIONS IN 2020

	Received	Acted Upon
New Banks	2	1
Bank Branches	17	20
Bank Main Office Relocations	1	1
Bank Branch Office Relocations	5	5
Establish a Branch (Out-of-State Bank)	3	4
Out-of-State Branch Move (Bank)	2	2
Bank Acquisitions Pursuant to § 6.2-704A	5	5
Bank Acquisitions Pursuant to § 6.2-704C	1	0
Bank Mergers	2	2
Notice of Intent to Acquire Bank Outside Virginia	1	1
Conversions from National Bank to State Bank	1	1
Credit Union Mergers	3	3
Credit Union Service Facilities	4	4
Out-of-State Credit Union to Conduct Business in Virginia	1	1
Out-of-State Trust Branches	1	1
New Consumer Finance	12	8
Consumer Finance Offices	35	21
Consumer Finance Other Business	13	8
Consumer Finance Office Relocations	2	2
New Mortgage Lenders and/or Brokers	245	223
Acquisitions of Mortgage Lenders/Brokers	27	23
Mortgage Additional Offices	928	928
Exempt Mortgage Company Registrations	6	2
Mortgage Loan Originator Licensees	8468	8020
Bona Fide Non-Profit Designations	1	1
New Motor Vehicle Title Lenders	1	1
Motor Vehicle Title Lender Office Relocations	1	0
Motor Vehicle Title Lender Other Business	1	2
New Money Order Sellers/Money Transmitters	26	20
Acquisitions of Money Order Sellers/Money Transmitters	3	4
Credit Counseling Agency Additional Offices	2	2
Credit Counseling Office Relocations	2	3
New Credit Counseling Agencies	1	1
Payday Lender Additional Offices	1	1
New Payday Lenders	2	0

At the end of 2020, there were under the supervision of the Bureau 51 banks with 1,052 branches, 44 Virginia bank holding companies, 3 non-Virginia bank holding companies with a subsidiary Virginia bank, 2 subsidiary trust companies, 1 savings institution, 24 credit unions, 2 industrial loan associations, 14 consumer finance companies with 234 Virginia offices, 110 money transmitters, 33 credit counseling agencies, 356 check cashers, 181 mortgage lenders with 803 offices, 479 mortgage brokers with 593 offices, 292 mortgage lender/brokers with 2,395 offices, 22,770 mortgage loan originators, 5 private trust companies, 11 motor vehicle title lenders with 170 offices, and 7 payday lenders with 31 offices.

BUREAU OF INSURANCE REGULATION
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2020

The regulation of insurance was transferred to the State Corporation Commission from the Auditor of Public Accounts in 1906. The Bureau of Insurance (Bureau) has licensed and examined the affairs of insurance companies since that time. Here in the Commonwealth of Virginia, the functions of the Bureau have increased with the complexity and importance of insurance in our daily lives. In keeping with the Commission's mission, Bureau staff strives to balance the interests of insurance consumers with its duty to regulate Virginia's business responsibly.

The Bureau is divided into the following five divisions: The Financial Regulation Division licenses, analyzes, and examines insurance companies and, if necessary, takes steps to resolve financial problems before a company becomes unable to meet its obligations; the Life and Health Market Regulation Division regulates the activities of life insurers, accident and sickness insurers, health service plans, and health maintenance organizations; the Property and Casualty Market Regulation Division regulates the activities of property and casualty insurers (automobile and homeowners); the Agent Regulation Division licenses and regulates the activities of licensed insurance agents, agencies and public adjusters; and the Policy, Compliance and Administration Division monitors state and federal legislation impacting insurance regulation, prepares reports and studies for the Bureau, collects various special taxes and assessments on insurance companies, and supports the other Bureau divisions in an auxiliary role in performing their respective regulatory functions.

The regulatory functions of the Bureau include: (1) monitoring the activities of insurance agents, agencies and public adjusters to ensure their actions comply with state law; (2) answering questions and assisting consumers with problems concerning insurance companies or agents by investigating consumer complaints; (3) conducting on-site field examinations of insurance company practices in Virginia to ensure compliance with state law and to verify whether claims are paid on a timely basis, underwriting decisions are not unfairly discriminatory, and that marketing materials are not misleading; (4) promoting and protecting the interests of covered persons under managed care health insurance plans (MCHIP) and assisting consumers in understanding and exercising their rights of appeal of adverse decisions made by MCHIPs; and (5) evaluating insurance policies and rates to ensure compliance with state law, that policies are written in understandable language, and that premiums charged are reasonable and not unfairly discriminatory.

SUMMARY OF FISCAL YEAR 2020 ACTIVITIES

New insurance companies licensed to do business in Virginia	24
Insurance company financial statements analyzed	682
Financial examinations of insurance companies conducted	19
Property and Casualty insurance rules, rates and form submissions	3,788
Life and Health insurance policy forms and rates submissions	2,575
Property and Casualty insurance complaints received	1,783
Life and Health insurance complaints received	1,459
Market conduct examinations completed by the Life and Health Division	3
Market Regulation Continuum Actions completed by the Life and Health Division	16
Market conduct examinations completed by the Property and Casualty Division	6
Market Regulation Continuum Actions completed by the Property and Casualty Division	44
Insurance agents and agencies licensed	302,235
Assessment audits	1,625
Ombudsman Office inquiries received	445
Individuals assisted by Ombudsman Office in appealing MCHIP denials	171

EXTERNAL REVIEW FISCAL YEAR 2020

Number of External Review (ER) Requests Reviewed	642
Eligible (ER) Requests	155
Ineligible ER Requests	487
Final Adverse Decision Upheld by Reviewer	93
Final Adverse Decision Overturned by Reviewer	60
Final Adverse Decision Modified or Partially Overturned	0
Health Carrier Reversed Itself	1
Terminated or Withdrawn	1

NOTICE OF INSURANCE-RELATED ENTITIES IN RECEIVERSHIP

Pursuant to Virginia Code § 38.2-1517, please TAKE NOTICE that the following insurance-related entities are in receivership under authority of various provisions of Title 38.2 of the Code of Virginia:

HOW Insurance Company, a Risk Retention Group, Home Owners Warranty Corporation and Home Warranty Corporation (the HOW Companies). Date of receivership: October 7, 1994. The company will not resume the transaction of the business of insurance. For more information/updates you can e-mail www.howcorp.com.

The Commission is the Receiver, and Commissioner of Insurance Scott A. White is the Deputy receiver, of HOW. Any inquiries concerning the conduct of the receivership of HOW may be directed to their Special Deputy Receiver, Patrick H. Cantilo, Esquire, Cantilo & Bennett, LLP, Suite 300, 11401 Century Oaks Terrace, Austin, Texas 78758.

Reciprocal of America (ROA) and The Reciprocal Group (TRG). Date of receivership: January 29, 2003. An Order of Liquidation with a Finding of Insolvency and Directing the Cancellation of Direct Insurance Policies was entered on June 20, 2003, and on October 28, 2003, the proposed plan of liquidation was approved by entry of an Order Setting Final Bar Date and Granting the Deputy Receiver Continuing Authority to Liquidate Companies.

The Commission is the Receiver, and the Commissioner of Insurance, Scott A. White, is the Deputy Receiver of ROA and TRG. Any inquiries concerning the conduct of the receivership of ROA and TRG may be directed to Donald C. Beatty, at the Bureau of Insurance or by e-mail at www.reciprocalgroup.com.

Southern Title Insurance Corporation (STIC). Date of receivership: December 20, 2011. The State Corporation Commission was named receiver for STIC by the Circuit Court of the City of Richmond. An Order of Liquidation with a Finding of Insolvency was entered on July 28, 2014.

The Commission is the Receiver, and the Commissioner of Insurance, Scott A. White, is the Deputy Receiver of STIC. Any inquiries concerning the conduct of the receivership of STIC may be directed to Donald C. Beatty, at the Bureau of Insurance or via www.southerntitlesdr.com.

HEALTH BENEFIT EXCHANGE
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2020

On April 9, 2020, Governor Ralph Northam signed legislation creating the Virginia Health Benefit Exchange (Exchange) within the State Corporation Commission (Commission). The new law took effect on July 1, 2020, and is designed to facilitate the purchase and sale of qualified health plans and qualified dental plans to support the continuity of coverage and reduce the number of uninsured Virginians.

The shift to a State-based Exchange began in 2020. Virginia has now transitioned from its previous status as a Federally-facilitated Exchange to a State-based Exchange on the Federal Platform (SBE-FP) for Plan Year 2021. The Exchange will ultimately transition to a full State-based Exchange (SBE) in coming years. Prior to the transition to an SBE, Virginia consumers will continue to use www.HealthCare.gov to shop and enroll in Affordable Care Act health plans and access available financial assistance. Small business health insurance will also continue to be available.

The goals of the Health Benefit Exchange include: (1) reducing the number of uninsured; (2) supporting the continuity of care; (3) promoting a transparent and competitive marketplace; (4) promoting consumer choice and education; (5) assisting individuals with access to programs, policies, and procedures related to obtaining health insurance coverage; and (6) assisting individuals with premium tax credits and cost-sharing reductions.

The state budget includes $8.22 million and $13.25 million, respectively, to fund Exchange functions for FYs 2021 and 2022. For those same years, the state budget appropriates $103,671 to fund existing plan management functions. The state budget authorizes the Secretary of Finance to approve a Working Capital Advance of up to $40 million over ten years to fund Exchange start-up and other implementation costs -- $6 million of which was approved on June 5, 2020 and drawn down by the Commission on July 1, 2020. Anticipated drawdowns are expected to be $32 million over four years.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

The Division of Securities and Retail Franchising of the State Corporation Commission is charged with the administration of the following laws:

Virginia Securities Act (known as the "Blue Sky" Law), Virginia Code Sections 13.1-501 through 13.1-527.3.
Virginia Trademark and Service Mark Act, Virginia Code Sections 59.1-92.1 through 59.1-92.21.
Virginia Retail Franchising Act, Virginia Code Sections 13.1-557 through 13.1-574.

Summary of 2020 Activities

UNDER THE VIRGINIA SECURITIES ACT:

3	agent of issuer registrations and renewals denied, withdrawn, or terminated
282	investment company notice filings originals and renewals denied, withdrawn, or terminated
14	securities registrations approved
244,634	broker-dealer agent registrations and renewals approved
31,436	broker-dealer agent registrations and renewals denied, withdrawn, or terminated
7	securities registrations denied, withdrawn, or terminated
2	exemption notice filings for federal-covered securities denied, withdrawn, or terminated
2,891	investment company notice filings originals and renewals accepted
129	exemptions from registration approved or accepted
1,950	broker-dealer registrations and renewals approved
3719	exemption notice filings for federal covered securities accepted
147	broker-dealer registrations and renewals denied, withdrawn, or terminated
22	investment advisor eras approved
206	investment advisor other amendments approved
68	investment advisor other amendments denied, withdrawn, or terminated
3,956	investment advisor registrations, renewals, and amendments approved
373	investment advisor registrations, renewals, and amendments denied, withdrawn, or terminated
1	investment advisor revocations denied, withdrawn, or terminated
178	investment advisor audits completed
1,018	audit violation deficiencies resolved
17,388	investment advisor representative registrations and renewals approved
2,130	investment advisor representative registrations and renewals denied, withdrawn, or terminated
54	agent of issuer registrations and renewals approved
111	investigations completed

UNDER THE VIRGINIA TRADEMARK AND SERVICE MARK ACT:

722	trademarks and/or service marks approved, renewed, or assigned
486	trademarks and/or service marks denied, abandoned, expired, or withdrawn

UNDER THE VIRGINIA RETAIL FRANCHISING ACT:

1,977	franchise registrations, renewals, or post-effective amendments approved
453	franchise registrations, renewals, or post-effective amendments denied, withdrawn, non-renewed, or terminated
25	investigations completed

ORDERS, JUDGMENTS AND SETTLEMENTS:

9	orders granting exemptions and/or official interpretations
0	orders filing and/or canceling surety bonds
38	orders for subpoena of records by banks, corporations, and individuals
0	orders of show cause
24	judgments of compromise and settlement
18	final orders and/or judgments
0	temporary injunctions
0	special supervision

TELEPHONE CALLS, E-MAILS AND COMPLAINTS:

2	investigation general inquiry calls/e-mails
853	calls/e-mails regarding pending investigations
118	enforcement general inquiry calls/e-mails
695	calls/e-mails regarding pending enforcements
835	calls/e-mails regarding pending registrations
10,423	registration general inquiry calls/e-mails
1,020	calls/e-mails regarding pending audits
33	audit general inquiry calls/e-mails
4,700	examination general inquiry calls/e-mails
183	calls/e-mails regarding pending examinations
127	complaints resulting in investigations
51	complaints referred
27	complaints with no authority to investigate
2	complaints with no violation of Securities or Franchise Acts

UNIFORM COMMERCIAL CODE

The Clerk's Office is the central filing office in the Commonwealth for financing statements, amendments, assignments and terminations filed under the Uniform Commercial Code – Secured Transactions. The Clerk's Office is the filing office in the Commonwealth for notices and certificates applicable to the personal property of corporations and partnerships filed under the Uniform Federal Lien Registration Act.

SUMMARY OF CALENDAR YEAR ACTIVITIES

	12/31/19	12/31/20
Financing/Subsequent Statements Filed	84,955	127,715
Federal Tax Liens/Subsequent Liens Filed	2,696	2,069
Reels of Microfilmed Documents Sold	375	69

DIVISION OF UTILITY AND RAILROAD SAFETY

The Division of Utility and Railroad Safety ("Division") assists the Commission in administering three safety programs: Gas and Hazardous Liquid Pipeline Safety, Railroad Safety and Underground Utility Damage Prevention.

The Pipeline Safety Section of the Division helps ensure the safe operation of gas and hazardous liquid pipeline facilities, through various types of inspections. These inspections include; comprehensive reviews of required programs, procedures, and plans, the inspection of pipeline facilities, review of operator records, and the performance of risked-based field inspections of pipeline activities including construction and repairs. The Division also responds to and investigates reported pipeline Incidents[1] and Accidents[2] as reported to the Division's 24-hour, 365 day staffed on-call emergency number. The Division also investigates certain other pipeline emergencies that may be of significant impact to the Commonwealth but have not yet risen to reporting criteria at the time of discovery.

In 2020, the Division's pipeline safety activities encompassed the inspection of intrastate gas distribution and transmission pipelines, intrastate hazardous liquid pipelines, and certain interstate gas and liquid pipelines.

The Virginia natural gas distribution systems are comprised of seven private natural distributions gas companies and three municipal owned distributions systems who collectively operate a total of 21,972 miles of main piping and 19,526 miles of service pipeline. These 41,498 miles of natural gas distribution pipeline provide service to 1,307,894 Virginia customers based on 2019 federal reporting data (at the time of this report 2020 data is not yet submitted).

Pipeline safety activities also include inspections of intrastate transmission lines. These pipelines are operated by the seven private distribution companies, five intrastate gas transmission lines. These transmission pipeline companies operate over 500 miles of intrastate transmission pipelines in the Commonwealth. Additionally, there are five gathering line companies who operate 35 miles of gathering line piping, one liquefied natural gas plant, 40 master-metered distribution systems, and 10 propane companies who operate jurisdictional distribution systems (two of which also operate private natural gas distribution systems).

The Division acts as an interstate agent for the US Department of Transportation, Pipeline and Hazardous Materials Safety Administration ("PHMSA") and inspects three interstate hazardous liquid pipeline companies along with the inspection of Virginia's sole intrastate hazardous liquid company. These four hazardous liquid pipeline companies operate 1,145 miles of hazardous liquid pipelines in Virginia.

Since 2017, the Division has entered into a temporary agreement with PHMSA to inspect construction of the Mountain Valley Pipeline and Atlantic Coast Pipeline interstate gas transmission pipelines in response to §56-555.2 of the Code of Virginia. The Atlantic Coast Pipeline was canceled during 2020.

Summary of Calendar Year 2020 Activities

Gas safety inspection days conducted	1,273
Interstate gas safety inspection days conducted	12
Hazardous liquid safety inspection days conducted	94
Number of probable violations found during 2020	1
Number of probable violations submitted to PHMSA	23
Number of compliance actions taken	45
Pipeline Incidents[3] or Accidents[4] investigated	7
Number of citizen complaints investigated	14

The Rail Safety Section of the Division in coordination with the Federal Railroad Administration, helps ensure the safe operation of jurisdictional railroads by conducting inspections of tracks, signals, highway rail grade crossings, railroad operations, shipment of hazardous materials by rail, motive power and equipment and investigations of certain accidents and citizen complaints. The Division's inspections involve more than 3,800 miles of track, over 4,100 highway and private grade crossings, thousands of rolling stock, which also include tank cars, and intermodal containers and 69 yard facilities.

[1] Incident as defined by §191.3.
[2] Accident as defined by §195.50.
[3] Incident as defined by §191.3.
[4] Accident as defined by §195.50.

Summary of 2020 Activities

Number of Hazmat Units[5] Inspected	9,494
Number of Track Units[6] Inspected	10,581
Number of Locomotive and Car Units[7] Inspected	24,486
Number of Operating Practice Units[8] Inspected	941
Number of Signal/Grade Crossing[9] Units Inspected	1,143
Number of Defects Noted	5,356
Number of Violations Cited	43
Number of Accidents/NRC Incidents Investigated	39
Number of Complaints Investigated	23

The Damage Prevention Section of the Division investigates all reports of "probable violations" of the Underground Utility Damage Prevention Act ("Act") and on a monthly basis presents its findings and recommendations to an Advisory Committee appointed by the Commission in accordance with the Act. This Committee then makes enforcement recommendations to the Commission. The Division provides free training relative to the Act and safe digging practices to excavators, utilities and others, disseminates damage prevention educational material and promotes partnership among the stakeholders to further underground utility damage prevention in Virginia.

Summary of 2020 Activities

Underground Utility Damage Reports Investigated	1,137
Number of Individuals Having Received Damage Prevention Training	1,118
Number of Damage Prevention Educational Material Disseminated	151,676
Number of Damage Prevention Field Audits Conducted	1,180

[5] Each hazmat record review along with each visual inspection of a tank car, bulk/non-bulk package and/or freight container is considered a hazmat unit.
[6] Each mile of track, record, crossing at grade, among other things, is considered a track unit.
[7] Each locomotive, car, motive power equipment record, among other things, is considered a unit.
[8] Each location where operations are or may occur such as switchyards, field offices, yard offices, trains, yard crew locations and dispatching are considered an operating practice unit.
[9] Each signal/switch/grade crossing record review along with each visual inspection of a signal/grade crossing component is considered a signal/grade crossing unit.

INDEX OF LEADING MATTERS DISPOSED OF BY FORMAL ORDERS

-5-

-A-

-B-

-C-

-D-

N-

-P-

-S-

T-

W-

Z-

LIST OF CASES ESTABLISHED IN 2020

BAN/BFI	BUREAU OF FINANCIAL INSTITUTIONS
BAN20200001	Dominion Energy Credit Union - To merge into East Ohio Gas Cleveland Operating Employees Federal Credit Union
BAN20200002	United Bankshares, Inc. - To acquire CresCom Bank
BAN20200003	United Bank - To merge into it CresCom Bank
BAN20200004	North State Acceptance, L.L.C. - To conduct consumer finance business where collateral insurance will also be sold
BAN20200005	North State Acceptance, L.L.C. - To conduct consumer finance business where sales finance business will also be conducted
BAN20200006	Towne Bank - To open a branch at 150 Providence Road, Charlotte, NC
BAN20200007	Axcess Financial Credit Inc. - To open a consumer finance office
BAN20200008	Axcess Financial Credit Inc. - To open a consumer finance office at 645 Oakley Avenue Suite B, City of Lynchburg, VA
BAN20200009	Axcess Financial Credit Inc. - To open a consumer finance office at 6845 Forest Hill Avenue, City of Richmond, VA
BAN20200010	Axcess Financial Credit Inc. - To open a consumer finance office at 658-B J. Clyde Morris Boulevard, City of Newport News, VA
BAN20200011	Axcess Financial Credit Inc. - To open a consumer finance office at 2192 John Wayland Highway, City of Harrisonburg, VA
BAN20200012	Axcess Financial Credit Inc. - To open a consumer finance office at 3822 Jefferson Davis Highway, City of Fredericksburg, VA
BAN20200013	Axcess Financial Credit Inc. - To open a consumer finance office at 115 Weems Lane, City of Winchester, VA
BAN20200014	Axcess Financial Credit Inc. - To open a consumer finance office at 7717 Sudley Road, City of Manassas, VA
BAN20200015	Axcess Financial Credit Inc. - To open a consumer finance office at 838 Greenville Avenue, City of Staunton, VA
BAN20200016	Axcess Financial Credit Inc. - To open a consumer finance office at 2312-12B Hungary Road, Henrico County, VA
BAN20200017	Axcess Financial Credit Inc. - To open a consumer finance office at 1136-A Emmet Street, City of Charlottesville, VA
BAN20200018	Axcess Financial Credit Inc. - To open a consumer finance office at 1838 Tappahannock Boulevard Ste 8-A, Tappahannock, Essex County, VA
BAN20200019	Axcess Financial Credit Inc. - To open a consumer finance office at 870 Tanyard Road Suite 8, Rocky Mount, Franklin County, VA
BAN20200020	Axcess Financial Credit Inc. - To open a consumer finance office at 2886-B Airline Boulevard, City of Portsmouth, VA
BAN20200021	Axcess Financial Credit Inc. - To open a consumer finance office at 5108 Nine Mile Road Suite 400, Henrico County, VA
BAN20200022	Axcess Financial Credit Inc. - To open a consumer finance office at 1930 N. Armistead Avenue Unit A, City of Hampton, VA
BAN20200023	Axcess Financial Credit Inc. - To open a consumer finance office at 6300 Mechanicsville Turnpike Suite K, Mechanicsville, VA
BAN20200024	Axcess Financial Credit Inc. - To open a consumer finance office at 8855 Richmond Highway, City of Alexandria, VA
BAN20200025	Axcess Financial Credit Inc. - To open a consumer finance office at 5802 E Virginia Beach Boulevard Ste 146, City of Norfolk, VA
BAN20200026	Axcess Financial Credit Inc. - To open a consumer finance office at 4721 Walmsley Boulevard, City of Richmond, VA
BAN20200027	National Energy Improvement Fund, LLC - To open a consumer finance office
BAN20200028	Central Valley Habitat for Humanity Application for Determination of a Bona Fide Non-Profit Status Pursuant to §6.2-1701.1 of the Code of Virginia
BAN20200029	Debt Management Credit Counseling Corp. - To relocate a credit counseling office from 3310 N. Federal Highway, Lighthouse Point, FL to 1100 S. Powerline Road, Suite 101, Deerfield Beach, FL
BAN20200030	First Bank and Trust Company, The - To open a branch at 1101 Hisey Avenue, Woodstock, Shenandoah County, VA
BAN20200031	Atlantic Union Bank - To open a branch at 7100 Columbia Gateway Drive, Suite 130, Columbia, MD
BAN20200032	Fas Pik HS Incorporated - To open a check casher at 511-C East Atlantic Street, Emporia, VA
BAN20200033	BNGL Parent, L.L.C. - To acquire 25 percent or more of Reverse Mortgage Funding LLC
BAN20200034	Select Bank - To open a branch at 1111 Greenville Avenue, City of Staunton, VA
BAN20200035	Virginia Credit Union, Inc. - To merge into Chesterfield Federal Credit Union
BAN20200036	United Bank - To open a branch at 8323 Sudley Road, Prince William County, VA
BAN20200037	Benchmark Community Bank - To relocate office from 1775 Graham Avenue, Suite 105, Henderson, NC to 1750 Graham Avenue, Henderson, NC
BAN20200038	VKJ LLC - To open a check casher at 1082 Elden Street, Herndon, VA
BAN20200039	Legacy Bank - To convert to state bank
BAN20200040	Blue Eagle Credit Union - To open a credit union service office at 2809 West Main Street, Salem, VA
BAN20200041	FNBPA, Inc. (Used in VA by: First National Bank of Pennsylvania) - To open a branch at 1497 Cornerside Boulevard, Fairfax County, VA
BAN20200042	Bank of Botetourt - To open a branch at 410 S. Pollard Street, Vinton, Roanoke County, VA
BAN20200043	Beacon Credit Union, Incorporated - To open a credit union service office at 1629 Forest Road, Bedford, VA
BAN20200044	Freedom Bank of Virginia, The - To open a branch at 10611 Balls Ford Road, Suite 110, Prince William County, VA
BAN20200045	Axcess Financial Credit Inc. - To conduct consumer finance business where line of credit lending will also be conducted
BAN20200046	CenterState Bank, National Association - To merge into South State Bank
BAN20200047	New Peoples Bank, Inc. - To open a branch at 1999 East Stone Drive, Kingsport, TN
BAN20200048	Kenneth R Lehman - To acquire Freedom Bank of Virginia

BAN20200049	Dominion Energy Credit Union - To merge into East Ohio Gas Youngstown Division Employees Federal Credit Union
BAN20200050	Barnard Family Trust - To acquire 25 percent or more of Loanpal, LLC
BAN20200051	Touchstone Bankshares, Inc. - To acquire Touchstone Bank
BAN20200052	Kondaur Parent, LLC - To acquire 25 percent or more of Kondaur Capital Corporation
BAN20200053	Sara B Oetken - To acquire 25 percent or more of Epic Funding Inc.
BAN20200054	APMC Financial Holding Corp. - To acquire 25 percent or more of American Pacific Mortgage Corporation
BAN20200055	La Fe Latino Market, LLC - To open a check casher at 5000 Nine Mile Road, Richmond, VA
BAN20200056	Lendmark Financial Services - To conduct consumer finance business where auto club memberships will also be sold
BAN20200057	Lendmark Financial Services, LLC - To conduct consumer finance business where sales finance business will also be conducted
BAN20200058	Lendmark Financial Services, LLC - To open a consumer finance office at 10370 Portsmouth Road, Prince William County, VA
BAN20200059	Towne Bank - To relocate office from 9761 Iron Bridge Road, Chesterfield County, VA to 9961 Iron Bridge Road, Chesterfield County, VA
BAN20200060	Van Richardson - To acquire 25 percent or more of Filo Mortgage, L.L.C.
BAN20200061	MBOCAL Corporation - To open a consumer finance office
BAN20200062	Equity Investment Group Inc. - To conduct consumer finance business where auto club memberships will also be sold
BAN20200064	Romero B Market LLC - To open a check casher at 7206 Hull Street Road, Suite 107, North Chesterfield, VA
BAN20200063	Equity Investment Group Inc - To open a consumer finance office
BAN20200065	Truist Bank - To relocate office from 452 Wythe Creek Road, City of Poquoson, VA to 476 Wythe Creek Road Suite 476-C, Poquoson, VA
BAN20200066	Lendmark Financial Services, LLC - To open a consumer finance office at 225 Connor Drive, Albemarle County, VA
BAN20200067	Martin S. Medve - To acquire 25 percent or more of MMW Holdings, LLC
BAN20200068	Lendmark Financial Services - To conduct consumer finance business where auto club memberships will also be sold
BAN20200069	Lendmark Financial Services, LLC - To conduct consumer finance business where sales finance business will also be conducted
BAN20200070	Athan & Candy LLC - To open a check casher at 6947 Hull Street Road, North Chesterfield, VA
BAN20200071	BMG Money, Inc. - To open a consumer finance office
BAN20200072	K & H Petro Inc d/b/a Tysons Corner Exxon - To open a check casher at 8021 Leesburg Pike, Vienna, VA
BAN20200073	SHM Midco, Inc. - To acquire 25 percent or more of Strong Home Mortgage, LLC
BAN20200074	Pinnacle Bankshares Corporation - To acquire Virginia Bank Bankshares, Inc.
BAN20200075	United Bank - To open a branch at 1100 Connecticut Avenue, N.W., Washington, DC
BAN20200076	Shellpoint Partners LLC - To acquire 25 percent or more of NewRez Community Lending LLC
BAN20200077	MG Mortgage Holdings LLC - To acquire 25 percent or more of NewRez Community Lending LLC
BAN20200078	Carter Bank & Trust - To open a branch at 30 Franklin Road Suite 400, City of Roanoke, VA
BAN20200079	Carter Bank & Trust - To open a branch at 1330 Parham Circle, Albemarle County, VA
BAN20200080	Carter Bank & Trust - To open a branch at 1201 Battleground Avenue, Greensboro, NC
BAN20200081	Carter Bank & Trust - To open a branch at 3305 Battleground Avenue, Greensboro, NC
BAN20200082	Yoli's Variedades LLC - To open a check casher at 6947 Hull Street Road, North Chesterfield, VA
BAN20200083	Grow24 LLC - To open a check casher at 2253 Huntington Avenue, Alexandria, VA
BAN20200084	Emmanuel Investment, LLC - To open a check casher at 295 Industrial Drive, Suite A, Christiansburg, VA
BAN20200085	Jireh Express LLC - To open a check casher at 8346 Shopper Square, Manassas, VA
BAN20200086	First Bank and Trust Company, The - To relocate an office from 711 West Main Street, Abingdon, VA to 667 West Main Street, Abingdon, VA
BAN20200087	Garden State Consumer Credit Counseling, Inc. d/b/a Navicore Solutions - To open an additional credit counseling office at 212 Bellevue Avenue 2nd. Floor Ste. B, Hammonton, NJ
BAN20200088	Baxter Credit Union - Out of state credit union to open an in-state office
BAN20200089	Baxter Credit Union - To open a credit union service facility at 1345 Perimeter Parkway, Virginia Beach, VA
BAN20200090	Consumer Credit Counseling Service of Maryland and Delaware, Inc. d/b/a Guidewell Financial Solutions - To open an additional credit counseling office at 110 Wagner Road, Petersburg, VA
BAN20200091	2020 Maxitransfers Trust - To acquire 25 percent or more of Maxitransfers Corporation
BAN20200092	Republic Finance, LLC - To open a consumer finance office
BAN20200093	LaBendicion International Market Incorporated d/b/a LaBendicion International Market - To open a check casher at 1903 S. Main Street, Harrisonburg, VA
BAN20200094	Marshall O'Neil Lowery, II - To acquire 25 percent or more of Lowery Financial LLC
BAN20200095	First Carolina Bank - To open a branch at 1864 Laskin Road, City of Virginia Beach, VA
BAN20200096	Church Hill North Market, LLC d/b/a The Market @ 25th - To open a check casher at 1330 N. 25th. Street Richmond, VA
BAN20200097	LSF VI International 2 L.P. - To acquire 25 percent or more of Caliber Home Loans, Inc.
BAN20200098	Cash on Title LLC - To conduct motor vehicle title lending where check cashing will also take place
BAN20200099	Cash on Title, LLC - For a license to engage in business as a motor vehicle title lender
BAN20200100	Towne Bank - To open a branch at 13900 Conlan Circle, Charlotte, NC
BAN20200101	Virginia Finance, LLC - To open a consumer finance office at 2774 Greensboro Road, Henry County, VA
BAN20200102	Philip Cheng-Kuo Hu - To acquire 25 percent or more of Transglobal Lending, Inc.
BAN20200103	Truist Bank - To relocate office from 1 Ellsworth Street, City of Martinsville, VA to 238 E. Church Street, City of Martinsville, VA
BAN20200104	Cambridge Credit Counseling Corp. - To open a credit counseling office
BAN20200105	Castellon Ochoa, LLC d/b/a Tienda Xpress - To open a check casher at 21120 Timberlake Road, Suite A, Lynchburg, VA

BAN20200106	Interfirst Holdings, LLC - To acquire 25 percent or more of LenderLive Network, LLC
BAN20200107	Westbon Inc - To open a consumer finance office
BAN20200108	Argent Trust Company - To open a new independent trust company branch at 7400 Beaufont Springs Drive, Suite 300, Richmond, VA
BAN20200109	Casa Hispana LLC - To open a check casher at 9052 Occohannock Neck Road, Exmore, VA
BAN20200110	Virginia Partners Bank - To open a branch at 7415 Laughlin Bouelvard, Spotsylvania Courthouse, Spotsylvania County, VA
BAN20200111	CBT Merger Sub, Inc. - For a certificate of authority to begin business as a bank at 4 East Commonwealth Boulevard, City of Martinsville, VA
BAN20200112	Carter Bank & Trust - To merge into CBT Merger Sub, Inc.
BAN20200113	Carter Bankshares, Inc. - To acquire Carter Bank & Trust, VA
BAN20200114	Sevier County Bank - To open a branch at 4421 Cox Road, Henrico County, VA
BAN20200115	Village Bank - To open a branch at 3117 West Marshall Street, City of Richmond, VA
BAN20200116	Lomita Store LLC - To open a check casher at 215 East Culpeper Street, Culpeper, VA
BAN20200117	Republic Finance, LLC- To conduct consumer finance business where auto club memberships will also be sold
BAN20200118	Shri Maruti Inc. d/b/a Beaver Dam Market - To open a check casher at 1505 Richmond Road B, Troy, VA
BAN20200119	Halo Merger Sub II, LLC - To acquire 25 percent or more of Credit Karma Mortgage, Inc.
BAN20200120	BlincLoans, LLC - To open a consumer finance office
BAN20200121	Francis B. Simkins, III - To acquire 25 percent or more of OVM Financial, Inc.
BAN20200122	Renee Malek - To acquire 25 percent or more of Go Direct Lenders, Inc.
BAN20200123	OneMain Financial Group, LLC - To relocate a consumer finance office from 1324 Front Street, Richlands, VA to 113 Short Street, Suite 6, Pounding Mill, VA
BAN20200124	Joey S. Abro - To acquire 25 percent or more of eMortgage Funding LLC
BAN20200125	AmeriHome, Inc. - To acquire 25 percent or more of AmeriHome Mortgage Company, LLC
BAN20200126	James C McMahan - To acquire 25 percent or more of Ark-La-Tex Financial Services, LLC
BAN20200127	Danielas Latino Market LLC d/b/a Danielas Latino Market - To open a check casher at 6517 Iron Bridge Place, North Chesterfield, VA
BAN20200128	Atlas Credit Company of Virginia LLC - For a license to engage in business as a payday lender
BAN20200129	LRI Holdco, LLC - To acquire 25 percent or more of Tilia Inc.
BAN20200130	Aura Financial LLC - To open a consumer finance office
BAN20200131	Garden State Consumer Credit Counseling, Inc. d/b/a Navicore Solutions - To relocate a credit counseling office from 3530 Camino del Rio North, Suite 110, San Diego, CA to 1111 6th. Avenue, Suite 206, San Diego, CA
BAN20200132	Trustar Bank - To relocate its main office from 774 A Walker Road, Suite 220, Great Falls, Fairfax County, VA to 9883 Georgetown Pike, Great Falls, Fairfax County, VA
BAN20200133	Burke & Herbert Bank & Trust Company - To relocate office from 302 Maple Avenue West, Vienna, VA to 332 Maple Avenue East, Vienna, VA
BAN20200134	Blue Ridge Bankshares, Inc. - To acquire Bay Banks of Virginia, Inc.
BAN20200135	Total Auto Financing LLC d/b/a Total Auto Finance - To open a consumer finance office
BAN20200136	Bello Amanecer Latino Market Inc d/b/a Bello Amanecer Latino Market - To open a check casher at 7225 Hull Street Road, North Chesterfield, VA
BAN20200137	First Bank and Trust Company, The - To open a branch at 13221 Hanover Courthouse Road, Hanover County, VA
BAN20200138	Payne's Check Cashing Service, LLC - To open a check casher at 816 Cherry Avenue, Charlottesville, VA
BAN20200139	Integrity Bank for Business - To open a bank at 2901 S. Lynnhaven Road, Suite 100, City of Virginia Beach, VA
BAN20200140	Cairo Mart, LLC d/b/a Cairo Mart - To open a check casher at 1002 Walnut Avenue, Vinton, VA
BAN20200141	Wong Pineda by Bansy LLC - To open a check casher at 6502 Jefferson Davis Highway, North Chesterfield, VA
BAN20200142	White Eagle Enterprise, LLC d/b/a Mi Familia Deli & Tienda - To open a check casher at 428 South Sterling Court, Sterling, VA
BAN20200143	Access Loans LLC - To open a consumer finance office
BAN20200144	Omar Sheikh Mohamed - To acquire 25 percent or more of SafariPay Corp.
BAN20200145	Calculated Risk Analytics, LLC - To acquire 25 percent or more of Castle Mortgage Corporation
BAN20200146	Oscar Busch - To acquire 25 percent or more of Advice Home Loans Company
BAN20200147	JSA-VA LLC - To open a check casher at 10480 Lee Highway, Fairfax, VA
BAN20200148	Anykind Check Cashing, LC d/b/a Check City - To establish an additional payday lending office at 2729-B W Broad Street, Richmond, VA
BAN20200149	OneMain Financial Group, LLC - To relocate consumer finance office from 12513 Jefferson Davis Highway, Chester, Chesterfield County, VA to 263 East Hundred Road, Chester, Chesterfield County, VA
BAN20200150	Replay Acquisition LLC - To acquire 25 percent or more of Finance of America Mortgage LLC
BAN20200151	Replay Acquisition LLC - To acquire 25 percent or more of Finance of America Reverse LLC
BAN20200152	Andrew Porter Smith - To acquire 25 percent or more of Hartford Funding LTD
BAN20200153	LemonBrew Technologies Corp. - To acquire 25 percent or more of LemonBrew Lending Corp.
BAN20200154	7 Sunrise LLC d/b/a Stop and Shop - To open a check casher at 601 Berryville Avenue, Winchester, VA
BAN20200155	R&S ENTERPRISES GROUP INC. - To open a check casher at 395 Maple Avenue East, Vienna, VA
BAN20200156	Martinsville Du Pont Employees Credit Union, Incorporated d/b/a ValleyStar Credit Union - To open a credit union service office at 25 Meyers Corner Drive, Staunton, VA
BAN20200157	Fast Cash Title Loans LLC - To relocate a motor vehicle title lending office from 6526 Arlington Boulevard, Falls Church, VA to 7927 Jones Branch Drive, McLean, VA
BAN20200158	OneMain Financial Group, LLC - To conduct consumer finance business where the silver safeguard plan will also be sold
BAN20200159	OneMain Financial Group, LLC - To open a consumer finance office at 4920 S. Wendler Drive, Suite 202, Tempe, AZ

BAN20200160	OneMain Financial Group, LLC - To open a consumer finance office at 100 International Drive, 16th Floor, Baltimore, MD
BAN20200161	OneMain Financial Group, LLC - To open a consumer finance office at725 Industrial Boulevard, London, KY
BAN20200162	OneMain Financial Group, LLC - To open a consumer finance office at 601 NW Second Street, Evansville, IN
BAN20200163	OneMain Financial Group, LLC - To open a consumer finance office at 2124 Volunteer Parkway, Suite 6, Bristol, TN
BAN20200164	OneMain Financial Group, LLC - To open a consumer finance office at 600 N. State of Franklin Road, Suite 6, Johnson City, TN
BAN20200165	OneMain Financial Group, LLC - To open a consumer finance office at 1408 Freeway Drive, Reidsville, NC
BAN20200166	OneMain Financial Group, LLC - To open a consumer finance office at 2003 N. Eastman Road, Suite 30, Kingsport, TN
BAN20200167	OneMain Financial Group, LLC - To open a consumer finance office at Blue Ridge Plaza, 247 Mt. Jefferson Street Park Road, Suite 4, West Jefferson, NC
BAN20200168	OneMain Financial Group, LLC - To open a consumer finance office at Mayodan Shopping Center, 131 Commerce Lane, Suite K, Mayodan, NC
BAN20200169	OneMain Financial Group, LLC - To open a consumer finance office at New Market Cross Shopping Center, 633 W. Independence Boulevard, Mount Airy, NC
BAN20200170	OneMain Financial Group, LLC - To open a consumer finance office at 605 Munn Road, Suite 301, Fort Mill, SC
BAN20200171	OneMain Financial Group, LLC - To conduct consumer finance business where the silver safeguard plan will also be sold
BAN20200172	Scott L Dostal - To acquire 25 percent or more of Atlantic Prime Mortgage, LLC
BAN20200173	Fig Loans Texas LLC - For a license to engage in business as a payday lender
BAN20200174	Virginia National Bankshares Corporation - To acquire Fauquier Bankshares, Inc.
BAN20200175	Lendmark Financial Services, LLC - To open a consumer finance office at 750 N. Lee Highway, Rockbridge County, VA
BAN20200176	EFECTIVO SVC LLC - To open a check casher at 690 Elden Street, Herndon, VA
BAN20200177	Atlantic Union Bank - To relocate office from 102 S Main Street, Culpeper, Culpeper County, VA to 231 Southgate Shopping Center, Culpeper, Culpeper County, VA
BAN20200178	Lendmark Financial Services, LLC - To conduct consumer finance business where sales finance business will also be conducted
BAN20200179	Lendmark Financial Services, LLC - To conduct consumer finance business where auto club memberships will also be sold
BFI-2019-00056	Assessment of annual fees Payday Lending licensees pursuant to VA Code §§ 6.2-1814 A, *et al.* for 2019
BFI-2019-00057	Assessment of annual fees Motor Vehicle Title Lending licensees pursuant to VA Code §§ 6.2-2213 A, *et al.* for 2019
BFI-2019-00059	T & H, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00060	Cash Services, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00062	Jeffrey Doughty d/b/a Doughty's Mkt - Alleged Violation of VA Code § 6.2-2103
BFI-2019-00063	Ehab Corp. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00064	Zarafshan, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00065	Palma Family, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00066	Jordan Brothers, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00067	Fast Break CITGO Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00068	Olde Towne, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00069	Deana Foods Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00071	IBO K. Y., Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00072	Reynco Associates, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00074	DPE, Inc. d/b/a Tu Tienda and Gifts - Alleged violation of VA Code § 6.2-2103
BFI-2019-00075	P. R. A. G. Enterprises Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00082	MG Multiservicios Latinos, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00083	NAH Partners, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00088	Issa Enterprises, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00089	Casa Hispana LLC - Alleged violation of VA Code § 6.2-2103
BFI-2019-00090	M Fahad LLC - Alleged violation of VA Code § 6.2-2103
BFI-2019-00091	Ma Hollins, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00094	Platinum 786, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00095	Tysons Corner Mart Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00096	DC Distributors LLC - Alleged violation of VA Code § 6.2-2103
BFI-2019-00098	Red Barn Convenience Stores, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00099	Safe S.T.E.M. Institute LLC - Alleged violation of VA Code § 6.2-2103
BFI-2019-00100	FSR & ESN Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00101	Dhruhi Enterprise Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00102	Nx Gen Retail Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00104	Sara Ventures VA Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2019-00106	MPD Incorporated - Alleged violation of VA Code § 6.2-2103
BFI-2019-00108	OM Shri Hari Inc - Alleged violation of VA Code § 6.2-2103
BFI-2019-00112	Retention Advocacy Legal Group a/k/a Retention Advocacy Group - Alleged violation of VA Code § 6.2-1622
BFI-2020-00002	Credit Union Annual Assessment pursuant to VA Code § 6.2-1310
BFI-2020-00003	State Street Home Loans - Alleged violation of VA Code § 6.2-1622
BFI-2020-00004	Apex Lending, Inc. - Alleged violation of VA Code §§ 6.2-1610, *et al.*
BFI-2020-00006	Ex Parte: Certification of Critical Infrastructure Industry Workers - Financial Services

BFI-2020-00010	Assessment of Credit Counseling Agencies pursuant to VA Code §§ 6.2-2012, *et al.*
BFI-2020-00012	In re: annual assessment of banks and savings institutions under Chapters 8 and 11 of Title 6.2 of the Code of Virginia
BFI-2020-00013	In re: annual assessment of industrial loan associations under Chapter 14 of Title 6.2 of the Code of Virginia
BFI-2020-00014	Crystal VL Rivers - Petition for Complaint of the SCC and Commissioner E. Joseph Face, Jr., and Request for Commissioners Resignation, Pursuant to Rule 5 VAC 5-20-70; & for Formal Proceedings, Pursuant to Rule 5 VAC 5-20-100B
BFI-2020-00015	St. Michael Mortgage, LLC - Petition to Reverse the Denial of License to Engage in Business as a Mortgage Broker
BFI-2020-00016	AU Card, LLC - Alleged violation of VA Code § 6.2-1914
BFI-2020-00028	SBBnet, Inc. d/b/a Loanbright - Alleged violation of VA Code §§ 6.2-1610, *et al.*
BFI-2020-00029	The Mortgage Gallery, Inc. - Alleged violation of VA Code §§ 6.2-1610, *et al.*
BFI-2020-00032	Order Assessing Annual Fees - Pursuant to § 6.2-1905 B of the Code of Virginia and 10 VAC 5-120-50 of the State Corporation Commission's rules governing Money Order Sellers and Money Transmitters, 10 VAC 5-120-10 *et seq.*
BFI-2020-00033	Cadmus Credit Union Inc. - Incorporated merger into Chartway Federal Credit Union
BFI-2020-00035	First Colonial Mortgage - Alleged violation of VA Code § 6.2-1601
BFI-2020-00042	Vernam Mortgage Professionals LLC - Alleged violation of VA Code § 6.2-1612
BFI-2020-00043	Payday Lending Assessment for 2020 Pursuant to VA Code §§ 6.2-1814 A, *et al.*
BFI-2020-00044	Motor Vehicle Title Lending Assessment for 2020 pursuant to VA Code §§ 6.2-2213 A, *et al.*
BFI-2020-00055	Ex Parte: In the matter of Adopting Revisions to the Rules Governing Consumer Finance Companies
BFI-2020-00109	In RE: Adopting Revisions to the Regulations Governing Licensees under Chapter 18 of Title 6.2 of the Code of Virginia
BFI-2020-00110	Nationstar Mortgage LLC - For approval of a multi-state Settlement Agreement and Consent Order

CLK	**CLERK'S OFFICE**
CLK-2020-00001	Election of Chairman pursuant to VA Code § 12.1-17
CLK-2020-00002	Administrative Order designating supervision of divisions to the members of the Commission as provided
CLK-2020-00003	Peninsula ASC LLC - Petition to void a Certificate of Assumed Name
CLK-2020-00004	In re: Electronic Service of Commission Orders
CLK-2020-00005	In Re: Order Regarding the State Corporation Commission’s Revised Operating Procedures During COVID-19 Emergency
CLK-2020-00007	In re: Electronic Service Among Parties during COVID-19 Emergency
CLK-2020-00008	Xtenfer Consulting, Inc. - Petition to Vacate Certificate of Incorporation Surrender
CLK-2020-00010	Election of Jehmal T. Hudson to the State Corporation Commission
CLK-2020-00011	KBP LLC & Kevin Baker - Petition to vacate and expunge cancellation of KBP LLC & for other related relief
CLK-2020-00013	Mark C. Christie FERC Ceremony

HBE	**HEALTH BENEFIT EXCHANGE**
HBE-2020-00001	In the matter of a temporary certification of Exchange navigators and certified application counselors, and a temporary designation of certified application counselor designated organizations
HBE-2020-00002	In the matter of Adopting New Rules Governing the Certified Application Counselor Program INS

BOI	**BUREAU OF INSURANCE**
INS-2017-00027	Ray Bradley Price - Alleged violation of 5 VAC 5-20-250 C
INS-2017-00183	Mark Stephen Diamond - Alleged violation of VA Code §§ 38.2-1826 C, 38.2 - 1831(1), 38.2-1831(3), 38.2-1831(10)
INS-2018-00088	Virginia Real Estate Title Settlement & Solutions LLC - Alleged violation of VA Code § 55-525.24
INS-2018-00197	Joel Alberto Luna - Alleged violation of VA Code § 38.2-512
INS-2018-00212	Lockton Affinity, LLC and / or Lockton Companies, LLC - Documents Request Pursuant to § 38.2-1809
INS-2019-00023	Nayliet Josefina Martinez-Chavez and Henley Agency LLC - Alleged violation of VA Code §§ 38.2-1812.2, *et al.*
INS-2019-00050	Fernando Lee Adams - Alleged violation of VA Code § 38.2-1831 (10)
INS-2019-00060	Robert Antwan Slappy-Bey - Alleged violation of VA Code §§ 38.2-1826 C, *et al.*
INS-2019-00071	Tolliver Insurance Agency Inc. and Jamie Renee Tolliver - Alleged violation of VA Code §§ 38.2-1813, et al
INS-2019-00076	Wayne Tyrone Fleming - Alleged violation of VA Code § 38.2-1831 (1)
INS-2019-00114	Emmit Smith - Alleged violation of VA Code §§ 38.2 512 A, *et al.*
INS-2019-00122	James Christopher Packett - Alleged violation of VA Code § 38.2-512 B
INS-2019-00128	Carter Gill - Alleged violation of VA Code § 38.2-1831 (1)
INS-2019-00135	Joshua Blane Jerge & Smart Roof LLC - Alleged violation of VA Code § 38.2-1845.2
INS-2019-00144	Tammy Dawn Sumner - Alleged violation of VA Code §§ 38.2-1809 A, 38.2-1813 A
INS-2019-00148	Sybil Teresse Richardson - Alleged violation of VA Code § 38.2-1831 (1)
INS-2019-00155	Arthur Wang - Alleged violation of VA Code § 38.2-512 A
INS-2019-00158	Robin D. Walden - Alleged violation of VA Code §§ 38.2-1831 (2) (10), *et al.*
INS-2019-00159	Denzel Eley Williams - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2019-00160	Stephanie Thomas - Alleged violation of VA Code § 38.2-1831 (1) (9)
INS-2019-00161	Robert Mark Schwab - Alleged violation of VA Code §§ 38.2-502 (1), 38.2-1809
INS-2019-00162	Global Liberty Insurance Company of New York - Alleged violation of VA Code §§ 38.2 - 1-28, *et al.*
INS-2019-00167	Shamikka Ferguson - Alleged violation of VA Code § 38.2-514.1
INS-2019-00168	Renas S. Haji - Alleged violation of VA Code § 38.2-1826
INS-2019-00169	Jared B. Robb - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2019-00170	Sam Shurot - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2019-00171	David Stafford, Jr. - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2019-00173	U.S. Law Shield of Virginia, Inc. - Alleged violation of VA Code § 38.2-1301

INS-2019-00175	Cliffon Bullock - Alleged violation of VA Code § 38.2-1813 A
INS-2019-00181	Access Insurance, Capital Shield Insurance Agency, Hometown Insurance Agency Inc., Sell the Deck, Inc. & Tailored Consulting, Inc. - Alleged violation of VA Code §§ 38.2-1820, *et al.*
INS-2019-00182	Jefferson National Life Insurance Company - Alleged violation of VA Code §§ 38.2-604, *et al.*
INS-2019-00185	Charles Raymond Coomes, Jr. & Old Town Insurance & Financial Services Inc. - Alleged violation of VA Code §§ 38.2-1809, *et al.*
INS-2019-00188	Michael F Flaker - Alleged violation of VA Code § 38.2-1826
INS-2019-00190	Cokilya Keith - Alleged violation of VA Code § 38.2-1831 (1)
INS-2019-00194	Trustgard Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2019-00196	Recommendation that the Commission suspend defendants's license to transact the business of insurance in VA, in accordance with VA Code §§ 38.2-1028, 38.2-1040
INS-2019-00198	Applied Underwriters, Inc. and Applied Underwriters Captive Risk Assurance Company, Inc. - Alleged violation of VA Code §§ 38.2-124, *et al.*
INS-2019-00199	Group Hospitalization and Medical Services, Inc. - Alleged violation of VA Code §§ 38.2-510 A 6, *et al.*
INS-2019-00200	CareFirst BlueChoice, Inc. - Alleged violation of VA Code §§ 38.2-510 A 1, *et al.*
INS-2019-00202	Nenita B. Causing - Alleged violation of VA Code §§ 38.2-1826 C, *et al.*
INS-2019-00204	Billy E. Jones, Sr. - Alleged violation of VA Code §§ 38.2-1826 C, *et al.*
INS-2019-00205	National Link LP - Alleged violation of VA Code §§ 38.2-1833 (1), *et al.*
INS-2019-00206	Jasmine Mandisa Rackley - Alleged violation of VA Code § 38.2-1831(1)
INS-2019-00211	Xpress Title Services, LLC - Alleged violation of VA Code §§ 55.1-1004, *et al.*
INS-2019-00212	Candace Hunt Zamperini - Alleged violation of VA Code §§ 38.2-1804, *et al.*
INS-2019-00213	Grange Insurance Company f/k/a/ Grange Mutual Casualty Company and Trustgard Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2019-00214	Grange Insurance Company f/k/a/ Grange Mutual Casualty Company and Trustgard Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2019-00215	Grange Insurance Company f/k/a Grange Mutual Casualty Company and Trustgard Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2020-00001	Northern Neck Insurance Company - Alleged violation of 14 VAC 5-400-70 D
INS-2020-00002	Brian Karas - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2020-00004	Edgar Garcia - Alleged violation of VA Code § 38.2-1826
INS-2020-00005	John Lord - Alleged violation of VA Code § 38.2-1826
INS-2020-00006	John Danial Timm - Alleged violation of VA Code § 38.2-1826
INS-2020-00007	Christopher Blake Parnell - Alleged violation of VA Code §§ 38.2-1826 B, *et al.*
INS-2020-00008	Charles Blanchard - Alleged violation of VA Code § 38.2-1826
INS-2020-00009	Richard Michael Feary - Alleged violation of VA Code § 38.2-1826
INS-2020-00010	Bristol West Casualty Insurance Company and Bristol West Insurance Company - Alleged violation of VA Code §§ 38.2-2201 D, *et al.*
INS-2020-00011	Rebecca Petersen - Alleged violation of VA Code § 38.2-1831 (1)
INS-2020-00012	Sentara Healthcare - Form A Statement Regarding the Acquisition of Control of Virginia Premier Health Plan, Inc. by Sentara Healthcare
INS-2020-00013	Ikechi Obinna Uzoma Dixon - Alleged violation of VA Code § 38.2-1826 C
INS-2020-00014	Jessica Lynne Kreider - Alleged violation of VA Code §§ 38.2-1809, *et al.*
INS-2020-00016	Ryan Burch - Alleged violation of VA Code § 38.2-1826
INS-2020-00017	Luis Duran - Alleged violation of VA Code § 38.2-1809
INS-2020-00020	Kristine Reed - Alleged violation of VA Code § 38.2-1826
INS-2020-00022	Reliance Title & Settlement LLC - Alleged violation of VA Code §§ 55.1-1008, *et al.*
INS-2020-00024	Leslie Diane Scofield-Hilliker - Alleged violation of VA Code §§ 38.2-502 (6), *et al.*
INS-2020-00025	Anthem Health Plans of Virginia, Inc. - Alleged violation of VA Code §§ 38.2-16318 C, *et al.*
INS-2020-00026	Aetna Life Insurance Company - Alleged violation of VA Code § 38.2-3405 B
INS-2020-00027	John Hancock Life Insurance Company - Alleged violation of VA Code §§ 38.2-502, *et al.*
INS-2020-00028	Bristol West Casualty Insurance Company and Bristol West Insurance Company - Alleged violation of 14 VAC 5-400-70 D
INS-2020-00029	Bristol West Casualty Insurance Company and Bristol West Insurance Company - Alleged violation of VA Code § 38.2-2201
INS-2020-00030	Northern Neck Insurance Company - Alleged violation of VA Code §§ 38.2-502.1, *et al.*
INS-2020-00031	Ronald Allen Schneider - Alleged violation of VA Code § 38.2-1831
INS-2020-00032	Dylan C. Burleson - Alleged violation of VA Code § 38.2-1831
INS-2020-00033	In the matter of Amending Rules Governing Long-Term Care Insurance
INS-2020-00034	James Baker, II - Alleged violation of VA Code § 38.2-518 F
INS-2020-00036	John Francis Baxter - Alleged violation of VA Code § 38.2-1826 B
INS-2020-00037	Besi Sagrario Meza Medina - Alleged violation of VA Code § 38.2-518 F
INS-2020-00038	Michelle R. Motley - Alleged violation of VA Code § 38.2-1831 (1)
INS-2020-00039	Joseph Edward Gargan - Alleged violation of VA Code §§ 38.2-512 A, *et al.*
INS-2020-00040	Drew Maddock - Alleged violation of VA Code §§ 38.2-1831, *et al.*
INS-2020-00041	Teon Sumpter - Alleged violation of VA Code § 38.2-1831
INS-2020-00042	Kerry Branch - Alleged violation of VA Code § 38.2-1826
INS-2020-00044	Terrence T. Moore - Alleged violation of VA Code § 38.2-512 A
INS-2020-00045	LifeShield National Insurance Company - Alleged violation of VA Code §§ 38.2-316 B, *et al.*
INS-2020-00046	HealthKeepers, Inc. - Alleged violation of VA Code §§ 38.2-510 A 3, *et al.*

INS-2020-00047	Anthem Health Plans of Virginia, Inc. - Alleged violation of VA Code §§ 38.2-502, *et al.*
INS-2020-00052	Chetan Raj Singh - Alleged violation of VA Code §§ 38.2-512 A; 38.2-518 F; 38.2-1813 and 38.2-1831 (6) (8) (10)
INS-2020-00057	California Casualty Indemnity Exchange - Alleged violation of VA Administrative Code 14 VAC 5-400-70 D
INS-2020-00058	California Casualty Indemnity Exchange - Alleged violation of VA Code § 38.2-2201
INS-2020-00059	The Travelers Indemnity Company of America, TravCo Insurance Company and Travelers Personal Security Insurance Company - Alleged violations of VA Code §§ 38.2-231 C, *et al.*
INS-2020-00061	Tonya Michelle Pettit - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 (1)
INS-2020-00062	Scott Randolf - Alleged violation of VA Code § 38.2-1831 (1)
INS-2020-00063	Yoon Za Kim - Alleged violation of VA Code §§ 38.2-1831 (10), *et al.*
INS-2020-00064	Steven D. Zitomer - Alleged violation of VA Code §§ 38.2-1831 (10), *et al.*
INS-2020-00065	Leonard Battle Little - Alleged violation of VA Code §§ 38.2-502 (1), 38.2-1831 (10)
INS-2020-00066	Michael Gentry Semones - Alleged violation of VA Code § 38.2-502 (6), 4 VAC 5-170-180 B 1, 2
INS-2020-00067	Vithya Ajavananda, Jr. - Alleged violation of VA Code § 38.2-1831 (1)
INS-2020-00069	Kiara Janae Armstrong - Alleged violation of VA Code §§ 38.2-1809, *et al.*
INS-2020-00070	David Lee Evans - Alleged violation of VA Code §§ 38.2-512 A, *et al.*
INS-2020-00071	Robert Wayne Harvey - Alleged violation of VA Code §§ 38.2-502 (1), *et al.*
INS-2020-00072	Heffernan Insurance Brokers - Alleged violation of VA Code §§ 38.2-1809, *et al.*
INS-2020-00073	Mitchell Brian Walk - Alleged violation of VA Code § 38.2-1831(1)
INS-2020-00074	In the matter of Adopting Revisions to the Rules Governing Credit for Reinsurance
INS-2020-00075	Central Mutual Insurance Company - Alleged violation of VA Code § 38.2-317 H
INS-2020-00076	Jose A. Aguirre, Jr. - Alleged violation of VA Code § 38.2-1826
INS-2020-00077	Kathrine Buckley-Stoffel - Alleged violation of VA Code § 38.2-1826
INS-2020-00081	Sharon Yvette Robinson - Alleged violation of VA Code § 38.2-1826
INS-2020-00083	Jacquan Marshay Waites-Ray - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2020-00085	Church Mutual Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2020-00086	Javier Emilio Rodriguez - Alleged violation of VA Code § 38.2-1831 (1)
INS-2020-00087	American Casualty Company of Reading Pennsylvania, et a. - Alleged violation of VA Code §§ 38.2-317 and 38.2-1906 D
INS-2020-00088	Lori A. Suhr - Alleged violation of VA Code § 38.2-1831 (1)
INS-2020-00090	In the matter of presentations of premium rates in connection with health insurance coverage issued in the individual and small group markets
INS-2020-00091	Metromile Insurance Company - Alleged violation of 14 VAC 5-400-70 D
INS-2020-00092	Monica Manriquez - Alleged violation of VA Code §§ 38.2-1809, *et al.*
INS-2020-00094	Ashley Nichol Wagoner - Alleged violation of VA Code §§ 38.2-1813, *et al.*
INS-2020-00096	Todd Allen Davis - Alleged violation of VA Code §§ 38.2-512 A, *et al.*
INS-2020-00097	Samuel Richard Acquah - Alleged violation of VA Code § 38.2-1819 A
INS-2020-00098	Annalisa Nicoda Burrell - Alleged violation of VA Code § 38.2-1819 A
INS-2020-00099	Ronald Nathaniel Bush - Alleged violation of VA Code § 38.2-1819 A
INS-2020-00100	James W Lavoie- Alleged violation of VA Code § 38.2-1819 A
INS-2020-00101	Tanyea Thomas - Alleged violation of VA Code § 38.2-1819 A
INS-2020-00102	Allied Property & Casualty Insurance Company, *et al.* - Alleged violation of VA Code § 38.2-2201 D
INS-2020-00104	Tyrell Lewis - Alleged violation of VA Code §§ 38.2-1809, *et al.*
INS-2020-00105	Bobbi-Jo Fleming - Alleged violation of VA Code § 38.2-1831(1)
INS-2020-00107	Metromile Insurance Company - Alleged violation of VA Code §§ 38.2-228, *et al.*
INS-2020-00108	Max D. Monroe - Alleged violation of VA Code § 38.2-1831 (1)
INS-2020-00109	Mario Santana - Alleged violation of VA Code § 38.2-1826 C
INS-2020-00111	Dairyland Insurance Company and Peak Property and Casualty Insurance Corporation - Alleged violation of VA Code §§ 38.2-305 A, *et al.*
INS-2020-00112	Molina Healthcare, Inc. - Application for Acquisition of Control of Magellan Complete Care of Virginia, LLC
INS-2020-00113	National Council on Compensation Insurance, Inc. - For revisions of advisory loss costs and assigned risk workers' compensation insurance rates 2020
INS-2020-00118	In re: Assessment on health carriers offering individual health or dental plans through the Virginia Health Benefit Exchange on the Federal Platform for the calendar year 2021
INS-2020-00123	James Brainard -- Alleged violation of VA Code § 38.2-1831 (1)
INS-2020-00128	In the matter of Amending Rules Governing Minimum Standards for Medicare Supplement Policies
INS-2020-00131	Devonta Moore - Alleged violation of VA Code § 38.2-1826
INS-2020-00136	In the matter of Adopting New Rules Governing Balance Billing for Out-of-Network Health Care Services
INS-2020-00137	American Casualty Company of Reading, Pennsylvania, Continental Casualty Company, National Fire Insurance Company of Hartford, Transportation Insurance Company and Valley Forge Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2020-00138	Acadia Insurance Company, Continental Western Insurance Company, Firemen's Insurance Company of Washington, D.C., Tri-State Insurance Company of Minnesota and Union Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2020-00139	Acadia Insurance Company, Continental Western Insurance Company, Firemen's Insurance Company of Washington, D.C., Tri-State Insurance Company of Minnesota and Union Insurance Company - Alleged violation of VA Code § 38.2-1906 D

INS-2020-00140	Acadia Insurance Company, Continental Western Insurance Company, Firemen's Insurance Company of Washington, D.C., Tri-State Insurance Company of Minnesota and Union Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2020-00142	Carrie Renee Miller - Alleged violation of VA Code § 38.2-1819 A
INS-2020-00143	Zasharyline Jesyl Morales Leon - Alleged violation of VA Code § 38.2-1819 A
INS-2020-00146	Yolanda Daniel - Alleged violation of VA Code § 38.2-1826
INS-2020-00147	Allstate Vehicle and Property Insurance Company - Alleged violation of VA Code § 38.2-317
INS-2020-00148	William Anton Preston - Alleged violation of VA Code § 38.2-1809
INS-2020-00150	American Health Holdings, LLC - Application for Acquisition of Control of Spartan Plan VA, Inc.
INS-2020-00151	Atlantic Specialty Insurance Company - Alleged violation of VA Code § 38.2-317
INS-2020-00152	National Crop Insurance Services, Inc. - Adopt the 2019 multi-state market conduct examination report of the National Crop Insurance Services, Inc. (Report), encompassing the period from January 1, 2014 through December 31, 2018
INS-2020-00153	AssuranceAmerica Insurance Company - Alleged violation of VA Code § 38.2-2201 D
INS-2020-00154	AssuranceAmerica Insurance - Alleged violation of VA Code §§ 38.2-510 A 10, *et al.*
INS-2020-00155	The Travelers Indemnity Company of America and Travelers Personal Security Insurance Company - Alleged violation of VA Code § 38.2-2201 D
INS-2020-00165	Approval of a Multi-State Regulatory Settlement Agreement between Principal Life Ins. Co., Principal National Life Ins. Co., Principal Life Ins. Co. of Iowa & the CA Depart. of Ins., FL Office Regulation, NH Ins. Depart., ND Ins. Depart. & PA Ins. Depart.
INS-2020-00166	Nex Land Transfer Co - Alleged violation of VA Code § 38.2-1801 (A); 14 VAC 5-395-75 (7)
INS-2020-00167	Chesapeake Holding Company, Estate Life Insurance Agency LLC, Ironshore Insurance Services LLC, Millenium Insurance Agency Inc, NexGenFinancial LLC, *et al* - Alleged violation of VA Code §§ 38.2-1820, 38.2-1826 E
INS-2020-00168	In the matter of Adopting Regulations to Implement the Requirements of the Insurance Data Security Act
INS-2020-00176	Stacey Groome Price - Alleged violation of VA Code § 38.2-1822
INS-2020-00179	Safe Auto Insurance Company - Alleged violation of VA Code §§ 38.2-305 A, *et al.*
INS-2020-00181	In Re: Approval of a Multi-State Regulatory Settlement Agreement between Madison National Life Insurance Company & DC Depart. Ins., DE Depart. Ins., KS Ins. Depart., WI Commissioner of Ins. and SD Div. of Insurance
INS-2020-00182	In Re: Approval of Multi-State Regulatory Settlement Agreement between Standard Security Life Insurance Co. of New York & DC Depart. Ins. DE Depart. Ins. KS Ins. Depart. WI Commissioner Ins. & SD Div. of Insurance
INS-2020-00183	In Re: Approval of a Multi-State Regulatory Settlement Agreement between Independence American Insurance Company & DC Depart. Ins. DE Depart. Ins., KS Ins. Depart., WI Commissioner of Ins. and SD Div. of Insurance
INS-2020-00185	Axis Insurance Company - Alleged violation of VA Code §§ 38.2 316 B, *et al.*
INS-2020-00187	Allied Property & Casualty Company, AMCO Ins. Co., Crestbrook Ins. Co., Nationwide General Ins. Co., Nationwide Ins. Co. of America, Nationwide Mutual Ins. Co. & Nationwide Property and Casualty Ins. Co. - Alleged violation of 14 VAC 5-540-70 D
INS-2020-00189	Kreider Recruitment & Consulting LLC - Alleged violation of VA Code §§ 38.2-1813 and 38.2-1831 (2) (6) (10)
INS-2020-00191	Saud Qureshi - Alleged violation of VA Code § 38.2-512
INS-2020-00197	Life Insurance Company of the Southwest - Alleged violation of VA Code §§ 38.2-610 A 1, *et al.*
INS-2020-00199	Dairyland Insurance Company & Peak Property and Casualty Corporation - Alleged violation of 14 VAC 5-400-40 A, *et al.*
INS-2020-00200	For approval of an assumption agreement between Time Insurance Company and National Health Insurance Company pursuant to VA Code § 38.2-136 C
INS-2020-00201	Safe Auto Insurance Company - Alleged violation of 14 VAC 5-400-70 D
INS-2020-00202	Dairyland Insurance Company and Peak Property and Casualty Corporation - Alleged violation of 14 VAC 5-400-70 D
INS-2020-00208	Omni Indemnity Company - Alleged violation of VA Code § 38.2-1906 A
INS-2020-00210	Ex Parte, in re: Assessment upon certain companies and surplus lines brokers to pay the expense of the Bureau of Insurance for the calendar year 2021
INS-2020-00211	Berkley National Insurance Company - Alleged violation of VA Code § 38.2-317
INS-2020-00212	American Income Life Insurance Company - Alleged violation of 14 VAC 5-41-40 C, *et al.*
INS-2020-00215	Occidental Fire and Casualty Company of North Carolina - Alleged violation of VA Code § 38.2-1906 D
INS-2020-00216	Lincoln National Life Insurance - Alleged violation of VA Code §§ 38.2 508 1, *et al.*
INS-2020-00223	Erie Insurance Company and Erie Insurance Exchange - Alleged violation of VA Code § 38.2-1905
INS-2020-00226	Elephant Insurance Company - Request for exemption from a Form A filing regarding the proposed change in control for Elephant Insurance Company

PST	**PUBLIC SERVICE TAXATION**
PST-2020-00001	Appalachian Power Company - Supplemental Assessment for Tax Year 2019
PST-2020-00002	Appalachian Power Company - Supplemental Assessment for Tax Years 2017, 2018, and 2019
PST-2020-00003	Appalachian Power Company - Supplemental assessment for Tax Year 2019
PST-2020-00004	Rappahannock Electric Cooperative - Supplemental Assessment for Tax Year 2019
PST-2020-00005	Aqua Virginia, Inc. - Supplemental assessment order for Tax Years 2017, 2018, and 2019
PST-2020-00006	Citizens Telephone Cooperative - Supplemental Assessment for Tax Years 2017, 2018, and 2019
PST-2020-00007	Northern Virginia Electric Cooperative - Supplemental Assessment for Tax Years 2017, 2018, and 2019
PST-2020-00008	Appalachian Power Company - Supplemental Assessment for Tax Year 2019
PST-2020-00009	Virginia Electric and Power Company - Supplemental Assessment for Tax Year 2019
PST-2020-00010	Kentucky Utilities Company - Supplemental Assessment for Tax Year 2019
PST-2020-00011	The Assessment of the Special Regulatory Revenue Tax on Motor Vehicle Carriers and Virginia Pilots' Association for the Tax Year 2020
PST-2020-00012	The Assessment of the Special Regulatory Revenue Tax on Telecommunications Companies for the Tax Year 2020

PST-2020-00013	The Assessment of the Special Regulatory Revenue Tax and the State License Tax on Water Companies for the Tax Year 2020
PST-2020-00014	The Assessment of the Special Regulatory Revenue Tax on Railroad Companies for the Tax Year 2020
PST-2020-00015	The Assessment of the Gross Receipts Subject to the Minimum Tax on Telecommunications Companies and Certain Electric Suppliers for the Tax Year 2020
PST-2020-00016	The Assessment of the Rolling Stock on Motor Carriers for the Tax Year 2020
PST-2020-00017	Virginia Natural Gas, Inc. - Supplemental assessment for Tax Years 2016, 2017, 2018, and 2019
PST-2020-00018	The Assessment of Water, Heat, Light, and Power Corporations; Electric Suppliers; Pipeline Distribution Companies; and Telecommunications Companies for the 2020 Tax Year
PST-2020-00019	Appalachian Power Company - Supplemental Assessment for Tax Year 2020
PST-2020-00020	Northern Virginia Electric Cooperative - Supplemental Assessment for Tax Year 2020
PST-2020-00021	Virginia Electric and Power Company - Supplemental Assessment for Tax Year 2020
PST-2020-00022	Virginia Electric and Power Company - Supplemental Assessment for Tax Year 2019
PST-2020-00023	Virginia Natural Gas, Inc. - Supplemental Assessment for Tax Years 2019 and 2020
PST-2020-00024	Virginia Natural Gas, Inc. - Supplemental Assessment for Tax Years 2017, 2018, and 2019
PST-2020-00025	Public Service Companies within Prince William County - Supplemental assessment for taxation of public service company property located within Bull Run Mountain, Lake Jackson, Occoquan Forest Sanitary Districts for the Tax Year 2020
PST-2020-00026	Virginia Electric and Power Company - Supplemental assessment for Tax Years 2018, 2019, and 2020

PUR **PUBLIC UTILITY REGULATION**

PUR-2018-00111	Laura A. Lantzy - Informal complaint for a Waiver of utility Water Normalization Adjustment supplemental charges
PUR-2019-00073	Skipjack Solar Center LLC, *et al.* - Joint Application for Certificates of Public Convenience and Necessity for solar generating facilities totaling up to 320 MWac in Charles City County, Virginia
PUR-2019-00213	James Hardie Building Products Inc. and Appalachian Power Company - For a declaratory judgment, or, in the alternative, for an exemption pursuant to § 56-577 A 3 c of the Code of Virginia
PUR-2019-00223	Essential Utilities, Inc. f/k/a Aqua Virginia, Inc. - For Authority to Issue Debt Securities Pursuant to the Provisions of Chapter 3 of Title 56 of the Code of Virginia
PUR-2019-00224	Lingo Communications LLC, Lingo Communications of Virginia, Inc., Matrix Telecom of Virginia, LLC, & Garrison LM LLC - Joint Application for approval of Proposed Changes in Control of Lingo Communications of VA Inc. & Matrix Telecom of VA, LLC to Garrison
PUR-2019-00225	Reflective Energy Solutions LLC - Application to conduct business as an electricity aggregator
PUR-2019-00227	Shenandoah Valley Electric Cooperative - Application for Approval of Competitive Service Provider Tariff
PUR-2020-00001	Rappahannock Electric Cooperative - For approval of a Smart EV Charging Rider Pilot Program
PUR-2020-00003	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider E, for the recovery of costs incurred to comply with state and federal environmental regulations pursuant to VA Code § 56-585.1 A 5
PUR-2020-00004	Virginia Electric and Power Company and Shenandoah Valley Electric Cooperative - For revision of service territory boundary lines - Map K39
PUR-2020-00005	United Telephone Southeast LLC d/b/a CenturyLink and Central Telephone Company of Virginia d/b/a CenturyLink and CSC Wireless dba Altice Mobile - Interconnection Agreement
PUR-2020-00007	Eisenbach Consulting LLC - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00008	JMI Consultants LLC - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00009	Data Stream of Virginia, Inc. - Application for Certificate of Public Convenience and Necessity as a Competitive Local Exchange Carrier
PUR-2020-00010	Achieve Energy Solutions, LLC - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00011	Atmos Energy Corporation - Annual Informational Filing for 2019
PUR-2020-00012	Talk America Services LLC - For authority to discontinue Local Exchange Services
PUR-2020-00013	Direct Energy LLC - Complaint and Petition for Declaratory Judgment.
PUR-2020-00014	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: Chesterfield-Tyler 230 kV Transmission Lines # 205 and #2003 Partial Rebuild Project
PUR-2020-00015	Appalachian Power Company - For triennial rate review
PUR-2020-00016	GTT Communications Inc., GTT Americas, LLC, GC Pivotal, LLC d/b/a Global Capacity & The Spruce House Partnership LP - Joint Petition for Approval of Spruce House Partnership LP to Acquire a 25 Percent or Greater Indirect Ownership Interest in GC Pivotal
PUR-2020-00017	Rappahannock Electric Cooperative - A/C switch program Triennial Report
PUR-2020-00018	West Safety Communications of Virginia, Inc. - For Amended Certificates of Public Convenience and Necessity to Reflect Name Change
PUR-2020-00019	Appalachian Power Company - For approval to transfer utility assets pursuant to Chapter 5 of Title 56 of the Code of Virginia
PUR-2020-00020	TMGES, INC. - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00021	Logan Parent LLC, LogMeIn, Inc. and GetGo Communications Virginia LLC - Joint Petition for Approval of the Transfer of Control of GetGo Communications Virginia LLC to Logan Parent LLC
PUR-2020-00022	In Re: Rules governing utility rate applications by investor-owned electric utilities
PUR-2020-00023	Virginia, Maryland & Delaware Association of Electric Cooperatives - Application to Initiate a Rulemaking to Amend the Commission's Streamlined Rate Case Rules for Electric Cooperatives
PUR-2020-00024	Budderfly, Inc. - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00025	Washington Gas Light Company - Petition for a partial waiver of the filing requirements for the twelve-month period ended December 31, 2019

PUR-2020-00026	Sunwave USA Holdings Inc. - Application for a license to do business as a competitive service provider of electric supply service
PUR-2020-00027	Sunwave USA Holdings Inc. - Application for a license to do business as a competitive service provider of electricity and natural gas
PUR-2020-00028	AES Solutions Management, LLC - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00029	Kentucky Utilities Company d/b/a Old Dominion Power Company - Application to revise its fuel factor pursuant to § 56-249.6 of Title 56 of the Code of Virginia
PUR-2020-00030	Washington Gas Light Company - Application for approval of the proposed revised affiliate service agreement between the Company and SEMCO Energy, Inc.
PUR-2020-00031	Virginia Electric and Power Company - To revise its fuel factor pursuant to VA Code § 56-249.6
PUR-2020-00032	Dynamis Energy, LLC - Application for a license to conduct business as a natural gas and electricity aggregator
PUR-2020-00033	Central Virginia Electric Cooperative and Central Virginia Services, Inc. - Joint Application for Approval pursuant to Title 56, Chapter 3 & Chapter 4 of the Code of Virginia for additional authority and request for expedited consideration
PUR-2020-00034	Virginia Electric and Power Company and Shenandoah Valley Electric Cooperative - For revision of service territory boundary lines - Map I38
PUR-2020-00035	In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to VA Code §§ 56-597 *et seq.*
PUR-2020-00036	Virginia Natural Gas, Inc. - Application for approval of its 2020 annual update to Rate Schedule PT-1
PUR-2020-00037	Central Virginia Electric Cooperative and Rickly Hydrological Co., Inc. - Joint Petition for authority to transfer utility assets pursuant to the Utility Transfers Act, VA Code §§ 56-88 *et seq.*.
PUR-2020-00038	Fusion Connect, Inc., *et al.* - Joint Application for Consent to a Transaction that will result in a Material Change to the Ownership and Control of Fusion Connect LLC and Fusion Communications, LLC.
PUR-2020-00039	Massanutten Public Service Corporation - Expedited rate case
PUR-2020-00040	Charter Fiberlink VA-CCO, LLC and Scott County Telephone Cooperative - Local Traffic Exchange Agreement by & between Charter Fiberlink & Scott County
PUR-2020-00041	Virginia-American Water Company - Application for Approval to Issue Debt Securities Pursuant to Chapter 3 of Title 56 of the Code of Virginia with a $250 check for the filing fee
PUR-2020-00042	Kentucky Utilities Company d/b/a Old Dominion Power Company - Annual Informational Filing for calendar Year 2019
PUR-2020-00043	Virginia Electric and Power Company d/b/a Dominion Energy Virginia and Northern Virginia Electric Cooperative - For revision of service territory boundary lines und the utility facilities act - Map E 50
PUR-2020-00044	Direct Energy Business, LLC - Petition for Declaratory Judgment and Request for Expedited Action
PUR-2020-00045	Appalachian Power Company and American Electric Power Service Corporation - Application for approval of an affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of VA
PUR-2020-00046	Kinect Energy Inc. - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00047	Appalachian Power Company and AEP Credit Inc. - Application for approval of an affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUR-2020-00048	Ex Parte: Temporary Suspension of Tariff Requirements
PUR-2020-00049	Office of the Attorney General - For emergency order to suspend utility service disconnections during state of emergency
PUR-2020-00050	Atmos Energy Corporation - For Authority to Incur Long Term-Indebtedness
PUR-2020-00051	In re: Electrification of Motor Vehicles
PUR-2020-00052	In re: Certification of Critical Infrastructure Industry Workers
PUR-2020-00053	Western Virginia Water Authority and Striper's Landing Water Company and Blue Water Bay Association, Inc. - For approval of a transfer of a public utility pursuant to Chapter 5 of Title 56 of the Code of Virginia
PUR-2020-00054	Better Cost Energy LLC - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00055	Appalachian Natural Gas Distribution Company - For waiver of 2019 AIF
PUR-2020-00056	West Telecom Services, LLC - Application for Cancellation and Reissuance of Certificate of Public Convenience and Necessity to Reflect Company Name Change
PUR-2020-00057	Atmos Energy Corporation - Petition for a temporary waiver of tariff provisions
PUR-2020-00058	Washington Gas Light Company, *et al.* - Application for Approval of Service Agreements
PUR-2020-00059	Columbia Gas of Virginia, Inc. - Application for approval pursuant to the Utility Affiliates Act of an Amended and Restated Intercompany Income Tax Allocation Agreement
PUR-2020-00060	Columbia Gas of Virginia, Inc. - 2019 Annual Informational Filing
PUR-2020-00061	Virginia-American Water Company and American Water Resources, LLC - Application for authority to continue participation in an agreement for support services pursuant to VA Code §§ 56-77 *et seq.*
PUR-2020-00062	Grid Power Direct, LLC - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00063	Taurus Advisory Group LLC - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00064	Kentucky Utilities Company d/b/a Old Dominion Power Company - Application for an Order Authorizing the Issuance of Indebtedness
PUR-2020-00065	Roanoke Gas Company - Petition for a temporary waiver of tariff provisions
PUR-2020-00066	Kentucky Utilities Company d/b/a Old Dominion Power Company - Verified Application to Engage in Affiliate Transactions under Chapter 4 in Title 56 of the Code of Virginia in the above-referenced matter
PUR-2020-00067	Virginia Electric and Power Company d/b/a Dominion Energy Virginia & Shenandoah Valley Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2020-00068	Virginia Electric and Power Company d/b/a Dominion Energy Virginia & Shenandoah Valley Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2020-00069	BVU Authority - Request to Cancel Certificates of Public Convenience and Withdraw Tariffs
PUR-2020-00070	DCT Telecom Group, LLC - For amended certificate to reflect formal name change request
PUR-2020-00071	Prince George Electric Cooperative - Application for Authority to Issue Securities Electric Cooperative Financing Summary

PUR-2020-00072	Constellation New Energy, Inc. - Petition for Declaratory Judgment
PUR-2020-00074	Washington Gas Light Company - Approval to create a Regulatory Asset to record incremental prudently incurred costs and suspended late payment fees attributable to the COVID-9 pandemic
PUR-2020-00075	Northern Neck Electric Cooperative - For authority to Obtain Financing
PUR-2020-00076	Craig-Botetourt Electric Cooperative, Craig-Botetourt Energy and Home Services, LLC d/b/a Bee Online Advantage - For approval of an affiliate agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUR-2020-00077	US Energy Solutions Inc. - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00078	Appalachian Natural Gas Distribution Company - Application for approval to implement SAVE rates for each customer class for year 2 of its Save Plan
PUR-2020-00079	HealthTrust Purchasing Group, L.P. - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00080	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: Bristers-Chancellor Line #552 and Chancellor-Ladysmith Line #581 500 kV Transmission Line Rebuild and Related Projects
PUR-2020-00081	In re: Order Regarding Third Party Power Purchase Agreements Pilot Program
PUR-2020-00082	INTL FCStone Financial Inc. - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00083	Northern Neck Electric Cooperative - For a general increase in rates
PUR-2020-00084	Virginia Electric and Power - For approval of a rate adjustment clause pursuant to VA Code § 56-585.1 A 4
PUR-2020-00085	Selected Power Inc. - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00087	Novo Energy Services LLC - Application to conduct business as an electricity aggregator
PUR-2020-00088	BARC Electric Cooperative - Petition for Approval to Obtain Financing
PUR-2020-00089	Rappahannock Electric Cooperative & Shenandoah Valley Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2020-00090	Roanoke Gas Company - Application for modification to its SAVE Plan and Rider and to implement a 2021 SAVE Projected Factor Rate and True Up Factor Rate
PUR-2020-00091	Central Virginia Electric Cooperative - Application for approval to Obtain Financing and Request for Expedited Consideration
PUR-2020-00092	Microsoft Corporation - Petition of Microsoft Corporation
PUR-2020-00094	Virginia Electric and Power Company d/b/a Dominion Energy Virginia & Community Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2020-00095	Virginia Natural Gas, Inc. - For a general rate increase and for authority to revise the terms and conditions applicable to natural gas service
PUR-2020-00096	Virginia Electric and Power Company - For revision of a rate adjustment clause: Rider U, new underground distribution facilities, for the Rate Year Commencing April 1, 2021
PUR-2020-00097	Mecklenburg Electric Cooperative - For Approval of a Loan
PUR-2020-00098	Frontier Communications Corporation & Frontier Communications of Virginia - Joint Petition For approval of the transfer of control of Frontier Communications of Virginia, Inc.
PUR-2020-00099	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider B, Biomass Conversions of the Altavista, Hopewell, and Southampton Power Stations for the Rate Year Commencing April 1, 2021
PUR-2020-00100	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider GV, Greensville County Power Station for the Rate Year Commencing April 1, 2021
PUR-2020-00101	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider R, Bear Garden Generating Station for the Rate Year Commencing April 1, 2021
PUR-2020-00102	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center for the Rate Year Commencing April 1, 2021
PUR-2020-00103	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider W, Warren County Power Station for the Rate Year Commencing April 1, 2021
PUR-2020-00104	APPI Energy - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00105	Virginia Natural Gas, Inc. - For approval of its 2020 SAVE Rider update
PUR-2020-00106	Aqua Virginia, Inc. - For an Increase in Rates
PUR-2020-00107	Atmos Energy Corporation - Application for approval of a 2020 SAVE Rider Projected Factor
PUR-2020-00108	Shenandoah Valley Electric Cooperative - Petition to the for approval of long-term debt
PUR-2020-00109	In re: Establishing the rates, terms and conditions of a universal fee to be paid by the retail customers of the Virginia Electric and Power Company
PUR-2020-00110	Kentucky Utilities Company d/b/a Old Dominion Power Company - Application for Approval and Certification of Electric Transmission Facilities under VA Code § 56-46.1 & Utility Facilities Act, VA Code §§ 56-265.1 *et seq.*
PUR-2020-00111	Virginia Electric and Power d/b/a Dominion Energy and Southside Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2020-00112	AvidXchange, Inc. - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00113	Windstream Holdings, Inc. - Petition for Approval of the Transfer of Control of Windstream Holdings, Inc.'s Virginia Subsidiaries to Elliott Management Corporation, *et al.*
PUR-2020-00114	In re: Aggregation Pilot Program pursuant to 2020 Virginia Acts Chapter 796
PUR-2020-00115	MSI Utilities, Inc. - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00116	In the matter of adopting new rules of the State Corporation Commission governing water or wastewater utility applications seeking fair valuation of acquisitions of municipal water or wastewater systems
PUR-2020-00117	In re: Establishing the rates, terms and conditions of a universal fee to be paid by the retail customers of the Appalachian Power Company
PUR-2020-00118	IPI Partners, LLC, DFI&I Investors, L.P., DF&I Ashburn Holdings, LLC, & Dark Fiber & Infrastructure, LLC for approval of the transfer of control of Dark Fiber & Infrastructure, LLC
PUR-2020-00119	Rappahannock Electric Cooperative - Application for approval pursuant to Title 56, Chapter 3 of the Virginia Code

PUR-2020-00120	In the matter of establishing rules and regulations pursuant to § 56-585.5 E 5 of the Code of Virginia related to the deployment of energy storage
PUR-2020-00121	Park Power, LLC - Application for Competitive Service Provider for electricity and natural gas
PUR-2020-00122	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider US-3, Colonial Trail West and Spring Grove 1 Solar Projects, for the rate year commencing June 1, 2021
PUR-2020-00123	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider US-4, Sadler Solar Project, for the rate year commencing June 1, 2021
PUR-2020-00124	Ex Parte: In the matter of establishing regulations for a multi-family shared solar program pursuant to § 56-585.1:12 of the Code of Virginia
PUR-2020-00125	Ex Parte: In the matter of establishing regulations for a shared solar program pursuant to § 56-594.3 of the Code of Virginia
PUR-2020-00126	Mecklenburg Electric Cooperative - For Authority to Incur Debt
PUR-2020-00127	TDS Telecom & Comcast Phone of Virginia, LLC - Approval of interconnection agreement between TDS Telecom and Comcast Phone of Virginia, LLC
PUR-2020-00128	Suvon, LLC d/b/a FirstEnergy Advisors - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00129	Triton Networks, LLC - Application for Certificate of Public Convenience & Necessity to Offer Local Exchange & Exchange (Interexchange) Telecommunications Service as a Competitive Local Exchange Carrier Local Provider on a Resold Basis
PUR-2020-00130	Pilot Power Group, LLC - Application to conduct business as a competitive service provider and aggregator of electricity
PUR-2020-00131	Craig-Botetourt Electric Cooperative - For a general increase in rates
PUR-2020-00133	Virginia Natural Gas, Inc. and AGL Services Company - For approval of an amendment to an affiliate services agreement
PUR-2020-00134	In Re: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company
PUR-2020-00135	In Re: Establishing 2020 RPS Proceeding for Appalachian Power Company
PUR-2020-00136	Virginia Electric and Power Company d/b/a Dominion Energy Virginia and Southside Electric Cooperative - For revision of territory boundary lines under Utility Facilities Act
PUR-2020-00137	Maverick Virginia Infrastructure, LLC - Application for a Certificate of Public Convenience and Necessity
PUR-2020-00138	Columbia Gas of Virginia, Inc. - For approval to amend a SAVE Plan pursuant to VA Code § 56-604 & for approval to implement 2020 SAVE Plan Infrastructure Reliability & Replacement Adjustment in accordance with § 20 of its General Terms & Conditions
PUR-2020-00139	Central Virginia Electric Cooperative - Petition and Request for Expedited Consideration
PUR-2020-00140	TDS Telecom and Onvoy, LLC - Interconnection Agreement between TDS Telecom and Onvoy, LLC
PUR-2020-00141	Northern Neck Electric Cooperative - For authority to Obtain Financing
PUR-2020-00142	South Shore Trading and Distributors, Inc. - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00143	Sunset Digital Communications, LLC d/b/a Point Broadband Petition for Injunctive relief against Powell Valley Electric Cooperative
PUR-2020-00144	Virginia Electric and Power Company and South Carolina Generating Company, Inc. - For approval of Non-Inventory, Zero-Dollar transfer under Chapter 4 of Title 56 of the Code of Virginia and For Expedited Consideration
PUR-2020-00146	A&N Electric Cooperative - Application for Authority to Incur Debt
PUR-2020-00147	Northern Virginia Electric Cooperative - Application for Approval to Obtain Financing and Request for Expedited Consideration
PUR-2020-00148	Conterra Ultra Broadband, LLC & CUB Parent, Inc., *et al*. - Joint Petition for Approval of Transfer of Indirect Control of Conterra Ultra Broadband, LLC to Eaglecrest CUB GP Inc. and Draden Investors, LLC
PUR-2020-00149	Columbia Gas of Virginia - Approval of a system expansion plan pursuant to Chapter 28 of the Title 56 of the Code of Virginia
PUR-2020-00150	TruConnect Communications, Inc. - Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia and accompanying Exhibits
PUR-2020-00151	Q Link Wireless LLC. - Application for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia
PUR-2020-00152	Massanutten Public Service Corporation & Water Service Corporation - Application for approval of a revised services agreement under Chapter 4 of Title 56 of the Code of Virginia
PUR-2020-00153	Lingo Communications of Virginia, Inc. & Matrix telecom of Virginia, LLC, *et al.* - Petition Regarding Internal Reorganization of Lingo Communications of Virginia, Inc., *et al.* Approval for Transfer of Customers
PUR-2020-00154	Dogwood Solar, LLC - Petition for Injunctive Relief Against Shenandoah Valley Electric Cooperative
PUR-2020-00155	Freedom Logistics, LLC d/b/a Freedom Energy Logistics LLC - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00156	In Re: Base line determination, methodologies evaluation, measurement, & verification existing demand-side management programs, & the consideration of standardized presentation of summary data Virginia Electric & Power Company
PUR-2020-00157	Prince George Electric Cooperative and PGEC Enterprises, LLC d/b/a Ruralband - For approval of revised affiliate agreements and an affiliate arrangement
PUR-2020-00158	Edison Energy, LLC - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00159	Resource Energy Solutions, LLC - Application for license to do business as an electricity and natural gas aggregator
PUR-2020-00160	Shenandoah Valley Electric Cooperative - Application for initiation of a rulemaking proceeding to determine the costs of existing facilities properly attributable to small generation interconnection
PUR-2020-00161	J. W. Whiting Chisman, III and Virginia Pilots Association - Application for approval of revision of rates and charges for pilotage
PUR-2020-00162	Direct Energy Business, LL - Petition for a Declaratory Judgement Against Virginia Electric and Power Company d/b/a Dominion Energy Virginia

PUR-2020-00163	Appalachian Power Co - Fuel Factor Filing
PUR-2020-00164	In re: Allocating RPS costs to certain customers of Virginia Electric and Power Company
PUR-2020-00165	In re: Allocating RPS costs to certain customers of Appalachian Power Company
PUR-2020-00166	Western Virginia Water Authority & StarOverLake Water Company, Inc. - For approval of a transfer of a public utility pursuant to Chapter 5 of Title 56 of the Code of Virginia
PUR-2020-00167	Appalachian Natural Gas Distribution Company and ANGD, LLC, *et al.* - Application for authority under Chapters 3 and 4 of Title 56 of the Code of Virginia
PUR-2020-00168	Ameresco, Inc. - Application for a license to conduct business as a competitive service provider, including entities described in § 56-589 A 1 of the Code of Virginia
PUR-2020-00169	Virginia Electric and Power Company - For approval of rate adjustment clause, designated rider RGGI, under § 55-585.1 A 5 e of the Code of Virginia
PUR-2020-00170	Virginia Electric and Power Company - For approval of a rate adjustment clause, Rider RPS
PUR-2020-00171	Washington Gas Light Company - Application for approval of the SAVE Plan Rider for calendar year 2021
PUR-2020-00172	In the matter of adopting new rules of the State Corporation Commission governing exemptions for large general services customers under § 56-585-1 A 5 C of the Code of Virginia
PUR-2020-00173	Verizon Virginia LLC f/k/a Verizon Virginia Inc. & Broadwing Communications, LLC - Interconnection Agreement under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00174	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. and ATX Telecommunications Services of Virginia, LLC under § 202E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00175	Verizon Virginia LLC f/k/a Verizon Virginia Inc. and Broadview Networks of Virginia, Inc. under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00176	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. & BullsEye Telecom of Virginia, LLC - under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00177	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. and Business Telecom of Virginia Inc., under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00178	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. and Cavalier Telephone, LLC, under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00179	Verizon Virginia LLC f/k/a Verizon Virginia Inc. and CenturyLink Communications, LLC, under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00180	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. and Comcast Phone of Northern Virginia, Inc., under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00181	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. (Verizon) and CTC Communications of Virginia, Inc., under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00182	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. (Verizon) and Comcast Phone of Virginia LLC, under § 252E of the Telecommunications Act of 1996 the Act)
PUR-2020-00183	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. (Verizon) and Level 3 Communications LLC, under § 252E of the Telecommuncations Act of 1996 (the Act)
PUR-2020-00184	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. (Verizon) and Level Telecom of Virginia, LLC, under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00185	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. (Verizon) and IDT America of Virginia LLC, under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00186	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. (Verizon) and InfoHighway of Virginia Inc., under § 252E of the telecommunications Act of 1996 (the Act)
PUR-2020-00187	Verizon Virginia LLC f/k/a Verizon Virginia Inc. (Verizon) and New Edge Network Inc., under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00188	Verizon Virginia LLC, f/k/a Verizon Virginia LLC, f/k/a Verizon Inc. (Verizon) and PaeTec Communications of Virginia, Inc., under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00189	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. (Verizon) and Spectrotel of Virginia, LLC, under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00190	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. (Verizon) and Talk America of Virginia, Inc., under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00191	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. (Verizon) and Talk America Services, LLC., under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00192	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. (Verizon) and TelCove Operations, LLC, under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00193	Verizon Virginia LLC, f/k/a Verizon Virginia Inc., and Us LEC of Virginia LLC., under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2020-00194	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. (Verizon) and Windstream KDL-VA, Inc., under § 252E to the Telecommunications Act of 1996 (the Act)
PUR-2020-00195	In the matter of amending regulations governing net energy metering
PUR-2020-00196	Shenandoah Valley Electric Cooperative - Petition for approval of long-term debt
PUR-2020-00197	Virginia Electric and Power Company - For approval of broadband capacity pilot projects pursuant to § 56-585.1:9 of the Code of Virginia, and for approval of a rate adjustment clause, designated, Rider RBB under § 56-585.1 A 6 of the Code of Virginia
PUR-2020-00198	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: Partial Line #2010 230 kV Single Circuit Transmission Line Underground Pilot Project (Tysons-Future Spring Hill Substation)
PUR-2020-00199	Verizon South Inc. f/k/a GTE South Incorporated and Broadview Networks of Virginia, Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement

PUR-2020-00200	Verizon South Inc. f/k/a GTE South Incorporated and Broadwing Communications, LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00201	Verizon South Inc, f/k/a GTE South Incorporated and BullsEye Telecom of Virginia, Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00202	Verizon South Inc. f/k/a GTE South Incorporated and Business Telecom of Virginia, Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00203	Verizon South Inc, f/k/a GTE South Incorporated and Cavalier Telephone, LLC - UNE/RESALE Forbearance Amendment to the Interconnection Agreement
PUR-2020-00204	Verizon South Inc. f/k/a GTE South Incorporated and Comcast Phone of Virginia, LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00205	Verizon South Inc. f/k/a GTE South Incorporated and CTC Communications of Virginia, Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00206	Verizon South Inc. f/k/a GTE South Incorporated and Eureka Telecom of Virginia, Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00207	Verizon South Inc. f/k/a GTE South Incorporated and Global Crossing Telemanagement VA, LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00208	Verizon South Inc. f/k/a GTE South Incorporated and ICG Telecom Group of Virginia, Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00209	Red Fiber Parent LLC, Cincinnati Bell Inc., & CBTS Technology Solutions LLC - Joint Application for Approval of the Proposed Changes of Indirect Control of CBTS Technology Solutions LLC Pursuant to VA Code §§ 56-88 *et seq.*
PUR-2020-00210	Verizon South Inc. f/k/a GTE South Incorporated and IDT America of Virginia, LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00211	Verizon South Inc. f/k/a GTE South Incorporated and Level 3 Communications LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00212	Verizon South Inc. f/k/a GTE South Inc. and Level 3 Telecom of Virginia LLC - UNE/Resale Forbearance Amendment to the Interconnection
PUR-2020-00213	Verizon South Inc. f/k/a GTE South Incorporated and Looking Glass Networks of Virginia Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00214	Verizon South Inc. f/k/a GTE South Incorporated and New Edge Networks Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00215	Verizon South Inc. f/k/a GTE South Incorporated and Onvoy, LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00216	Verizon South Inc. f/k/a GTE South Incorporated and PaeTec Communications of Virginia Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00217	Verizon South Inc. f/k/a GTE South Incorporated and Progress Telecom, LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00218	Verizon South Inc. f/k/a GTE South Incorporated and CenturyLink Communications, LLC f/k/a Qwest Communications Corporation of Virginia - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00219	Verizon South Inc. f/k/a GTE South Incorporated and Spectrotel of Virginia, LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00220	Verizon South Inc. f/k/a GTE South Incorporated and Talk America Services, LLC - UNE/Resale Amendment to the Interconnection Agreement
PUR-2020-00221	Verizon South Inc. f/k/a GTE South Incorporated and TelCove Operations, LLC - UNE/Resale Amendment to the Interconnection Agreement
PUR-2020-00222	Verizon South Inc. f/k/a GTE South Incorporated and US LEC of Virginia LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00223	Verizon South Inc. f/k/a GTE South Incorporated and Windstream KDL-VA, Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00224	Washington Gas Light Company - Application for approval of a revised affiliate service agreement between Washington Gas and SEMCO Energy Inc.
PUR-2020-00225	Central Virginia Electric Cooperative and Central Virginia Services, Inc. - Application for approval to enter into an agreement Under Chapter 4, Title 56 of the Virginia Code
PUR-2020-00226	Summit Infrastructure Group, Inc., Summit Issuer, LLC and SummitIG, LLC - Joint Petition for approval of the transfer of control of SummitIG, LLC
PUR-2020-00227	Old Dominion Electric Cooperative - For approval and certification of electric facilities: Wallops-Chincoteague Line Nos. 6745 and 6746 69 kV Transmission Line Rebuild
PUR-2020-00228	Virginia Electric and Power Company and Dominion Energy Services, Inc. - For approval of a Revised Services Agreement under Chapter 4 of Title 56
PUR-2020-00229	Virginia Electric and Power Company, Dominion Generation, Inc., *et al.* - For approval of Revised Affiliate Services Agreements and future exemptions from the filing and prior approval requirements under Chapter 4 of Title 56 of the Code of Virginia
PUR-2020-00230	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider BW, Brunswick County Power Station, for the Rate Year Commencing September 1, 2021
PUR-2020-00231	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider US-2, Scott, Whitehouse, and Woodland Solar Power Stations, for the Rate Year Commencing September 1, 2021
PUR-2020-00232	Central Virginia Electric Cooperative - For Authority to Obtain Financing and Request for Expedited Consideration
PUR-2020-00233	Eric Klein and Adam Goldberg and Redwood Services Group, LLC - Joint Petition to Authorize the Transfer of Direct Control of Telco Experts, LLC
PUR-2020-00234	Peoples Telephone Company & Onvoy, LLC - Petition for Approval of an Interconnection Agreement between Peoples Telephone Company and Onvoy, LLC

PUR-2020-00235	Cavalier A Solar, LLC - Application for a 240 MWac Solar Facility in Surry and Isle of Wight Counties
PUR-2020-00236	Verizon South Inc., f/k/a GTE South Incorporated and GC Pivotal, LLC d/b/a Global Capacity under § 252E of the Telecommunications Act of 1996
PUR-2020-00237	Verizon Virginia LLC/k/a Verizon Virginia Inc. and GC Pivotal, LLC d/b/a Global Capacity under § 252E of the Telecommunications Act
PUR-2020-00238	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. and Onvoy, LLC under § 252E of the Telecommunications Act of 1996
PUR-2020-00239	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: Allied-Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project
PUR-2020-00240	Verizon Virginia LLC f/k/a Verizon Virginia Inc. and Data Stream Telecom of Virginia, Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00241	Verizon Virginia LLC f/k/a Verizon Virginia Inc. and Sprint Communications Company of Virginia, Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00242	Verizon Virginia LLC f/k/a Verizon Virginia Inc. and Starpower Communications, LLC d/b/a RCN - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00243	Verizon South Inc. f/k/a GTE South Incorporated and Sprint Communications Company of Virginia, Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2020-00244	Verizon South Inc. f/k/a GTE South Incorporated and Starpower Communications, LLC d/b/a RCN - UNE/Resale Amendment to the Interconnection Agreement
PUR-2020-00245	Virginia Electric and Power Company d/b/a Dominion Energy Virginia & Shenandoah Valley Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2020-00246	Folly Creek Corporation - Petition for A&N Electric Cooperative to Restore Service
PUR-2020-00247	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: Lanexa-Northern Neck 230 kV Line #224 Rebuild and New 230 kV Line #2208
PUR-2020-00248	Virginia-American Water Company - Application for Approval to Issue Short Term Debt Securities Pursuant to the Provisions of Chapter 3 of Title 56 of the Virginia Code
PUR-2020-00249	Virginia-American Water Company - Motion for Partial Waiver of Filing Requirements
PUR-2020-00250	CCA Industries, Inc.; Keswick Estate Utilities, Inc.; & Historic Hotels of Albemarle, LLC - Joint Petition for approval of an acquisition of control of a Public utility pursuant to the Utility Transfers Act VA Code §§ 56-88 *et seq.*
PUR-2020-00251	Appalachian Power Company - For approval to continue a Rate Adjustment Clause, Rider EE-RAC
PUR-2020-00252	Appalachian Power Company - For approval to continue a Rate Adjustment Clause, Rider DR-RAC
PUR-2020-00253	Atmos Energy Corporation - Application for Authority to Incur Short-Term Indebtedness Pursuant to Title 56, Chapter 3 of the Virginia Code
PUR-2020-00254	Virginia-American Water Company & America Water Capital Corp. - Application to extend authority for continued participation in a Financial Services Agreement pursuant to the Affiliates Act, VA Code 56-76 *et seq.*
PUR-2020-00255	Southwestern Virginia Gs Company - Application for Annual Information Filing
PUR-2020-00256	Kentucky Utilities Company d/b/a Old Dominion Power Company - Verified Application to Renew the Regulatory Approval of an Affiliate Transaction Agreement
PUR-2020-00257	Columbia Gas of Virginia Inc. - For Authority to Issue Long-Term Debt and to Participate in an Intrasystem Money Pool Arrangement with an Affiliate
PUR-2020-00258	Appalachian Power Company - For approval of an Environmental Rate Adjustment Clause, Rider E-RAC
PUR-2020-00260	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. & FiberNet of Virginia, Inc. - UNE/Sales Forbearance Amendment to Interconnection Agreement
PUR-2020-00261	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. and LOMK Communication LLC – UNE/Resale Forbearance Amendment
PUR-2020-00262	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. and Lumos Networks Inc. UNE/Resale Forbearance Amendment
PUR-2020-00263	Verizon South Inc., f/k/a GTE South Incorporated and FiberNet of Virginia Inc. - UNE/Resale Forbearance Amendment
PUR-2020-00264	Verizon South Inc., f/k/a GTE South Incorporated and LMK Communications, LLC – UNE/Resale Forbearance Amendment
PUR-2020-00265	Verizon South Inc., f/k/a GTE South Incorporated and Lumos Networks Inc. f/k/a NTELOS Network Inc. - UNE/Resale Forbearance Amendment
PUR-2020-00266	Atlas Commodities II Retail Energy, LLC d/b/a Atlas Retail Energy - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00267	Northern Virginia Electric Cooperative - Application for Approval to Obtain Financing and $250 check for filing fee
PUR-2020-00268	Virginia Electric and Power Company d/b/a Dominion Energy Virginia & Northern Neck Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2020-00269	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: Clubhouse-Dry Bread Line #2201 and Dry Bread-Lakeview Line #254 230 kV Virginia Rebuild Project
PUR-2020-00270	Virginia Natural Gas, Inc., Southern Company Gas, AGL Services Company, *et al.* - Application for Authority to Issue Short-Term Debt & Common Stock to an Affiliate under Chapter 3 & 4, Title 56 of the Code of Virginia
PUR-2020-00271	Virginia Electric and Power Company - For approval of an extension and modifications to special rates, terms and conditions pursuant to § 56-235.2 of the Code of Virginia
PUR-2020-00272	Virginia Electric and Power Company - Application for approval to modify rate schedules, designated Rate Schedule MBR, Rate Schedule MBR-GS-3, and Rate Schedule Rate Schedule MBR-GS-4, pursuant to § 56-234 B of the Code of Virginia
PUR-2020-00273	ExteNet Systems, LLC, *et al.* - Joint Application for Approval for JH Killington Communications, LLC to Acquire a 25 Percent or Greater Indirect ownership Interest in Mount Royal Holdings, LLC Pursuant to VA Code §§ 56-88 *et seq.*
PUR-2020-00274	Virginia Electric and Power Company - For approval of its 2020 DSM Update pursuant to VA Code § 56-585.1 A 5
PUR-2020-00275	Shenandoah Cable Television, LLC - Application for a designation as an eligible telecommunications carrier pursuant to 74 U.S.C. § 214 e

PUR-2020-00276	Atmos Energy Corporation - Petition for a temporary waiver of tariff provisions and request for expedited consideration
PUR-2020-00277	Gotham Energy Consulting Service LLC - Application for an electricity and natural gas aggregator license
PUR-2020-00278	Shentel Communications, LLC - For cancellation of its Certificate No. T-436a
PUR-2020-00279	Lingo Communications LLC, Lingo Communications of Virginia, Inc., Matrix Telecom of Virginia, LLC and B. Riley Principal Investments, LLC - Joint Application for Approval of Proposed Changes in Control of Lingo Communications of Virginia, Inc. and Matrix
PUR-2020-00280	Radiate Holdings, L.P., Starpower Communications, LLC d/b/a RCN & Stonepeak Associates IV LLC Transferee - Joint Petition for Approval of a Transfer of Control
PUR-2020-00281	PGEC Enterprises, LLC - Application for Expanded Designation as an Eligible Telecommunications Carrier
PUR-2020-00282	Hercules Energy, LLC - Application to conduct business as an electricity and natural gas aggregator
PUR-2020-00283	Virginia Natural Gas, Inc. - For approval and certification of natural gas facilities: the Virginia Natural Gas Interconnect and for approval of Rate Schedules and Terms and Conditions for Pipeline Transportation Service
PUR-2020-00284	GigaCom LLC - Application for Certificates of Public Convenience and Necessity to Provide Local Exchange and Interexchange Telecommunications Services in the Commonwealth of Virginia
PUR-2020-00285	Metro Fibernet, LLC d/b/a MetroNet - Application for Certificate of Public Convenience and Necessity to Provide Local Exchange telecommunications Service in the Commonwealth of Virginia
PUR-2020-00286	Triton Network LLC - Application for Certificate of Public Convenience and Necessity to Offer Local Exchange Telecommunications Service as a Competitive Local Exchange Carrier Local provider on a Resold Basis
PUR-2020-00287	GigaMonster Networks, LLC - Application for Certificate of Public Convenience and Necessity to Offer Local Exchange Telecommunications Services as a Competitive Local Exchange Carrier Local Provider on a Resold Basis
PUR-2020-00288	Shenandoah Telephone Company and Shenandoah Cable Television, LLC - Joint Petition for Approval of Affiliate Transaction Pursuant to Chapter 4 of Title 56 of the Code of Virginia

SEC **DIVISION OF SECURITIES AND RETAIL FRANCHISING**

SEC-2018-00002	Liberty Roe Capital, LLC - Alleged violation of VA Code § 13.1-507
SEC-2018-00044	David Pickei & Reye Partners Asset Management, LLC - Alleged violation of VA Code §§ 13.1-502, *et al.*
SEC-2018-00046	Wealthforge Securities, LLC - Alleged violation of VA Code §§ 13.1-507, *et al.*
SEC-2019-00005	Charles B. Brinkman Integrity Investing, Inc. - Alleged violation of VA Code §§ 13.1-502 (2), *et al.*
SEC-2019-00044	Stephen Leonard Hanscome, Jr. - Alleged violation of VA Code §§ 13.1-507, *et al.*
SEC-2019-00058	HealthSource Chiropractic, Inc. and Bernard Brozek - Alleged violation of VA Code § 13.1-563.2; 21 VAC 5-110-50
SEC-2019-00059	Capitol Securities Management, Inc. - Alleged violation of VA Code §§ 21 VAC 5-20-260 A, 21 VAC 5-20-260 B
SEC-2019-00060	Best Western International Inc. - Alleged violation of VA Code §§ 13.1-560, *et al.*
SEC-2019-00061	Douglas William Stopkey - Alleged violation of 21 VAC 5-20-280 B (6), *et al.*
SEC-2019-00062	Master Networks, LLC - Alleged violation of VA Code §§ 13.1-560, *et al.*
SEC-2019-00063	First Baptist Church C Spring Grove Inc. - For registration of Securities under VA Code § 13.1-510
SEC-2020-00002	Pal's & Chas Wilson - Alleged violation of VA Code §§ 13.1-560, *et al.*
SEC-2020-00003	Charles Atwill and AFCG, LLC - Alleged violation of VA Code §§ 13.1-504 A (ii), *et al.*
SEC-2020-00004	Scott Lane - Alleged violation of VA Code §§ 13.1-504 A, *et al.*
SEC-2020-00005	Catholic United Investment Trust - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2020-00006	Next Financial Group, Inc. - Alleged violation of 21 VAC 5-20-280 a 3, *et al.*
SEC-2020-00007	Local Initiatives Support Corporation - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2020-00008	My Choice Hair, LLC - Alleged violation of VA Code §§ 13.1-563 (4) (ii), *et al.*
SEC-2020-00012	SNC Capital Management Corporation d/b/a RCM Securities - Alleged violation of VA Code § 13.1-504 A (i)
SEC-2020-00013	Skrimp Shack, LLC - Alleged violation of VA Code §§ 13.1-563 (2), *et al.*
SEC-2020-00016	Michael James Thaler and John Burnham Robinson - Petition to Confirm Arbitration Award
SEC-2020-00017	In re: Extension of Franchise Renewal Deadlines
SEC-2020-00018	In re: Order Extending Trademark Renewal Deadlines
SEC-2020-00019	Mitco Asset Management - Alleged violation of VA Code § 13.1-504 A (ii)
SEC-2020-00020	Rory O'Dwyer, Kristie Lvasile and Debbie Harris - Alleged violation of VA Code § 13.1-563 (2); 21 VAC 5-110-95
SEC-2020-00021	Columbia Union Revolving Fund - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2020-00022	Promulgation of Securities Rules
SEC-2020-00023	Joseph M. Bonaccorsy & Core Advisory, LLC - Alleged violation of 21 VAC 5-80-100, *et al.*
SEC-2020-00024	Capital Impact Partners - Registration of Securities pursuant to § 13.1-510 of the Code of Virginia
SEC-2020-00025	The Solomon Foundation - For an order of exemption under VA Code § 13.1-514.1 B
SEC-2020-00026	National Covenant Properties - For an Order of Exemption under VA Code § 13.1-514.1 B
SEC-2020-00027	Sign Gypsie LLC - Alleged violation of VA Code § 13.1-560
SEC-2020-00028	Mission Investment Fund of the Evangelical Lutheran Church in America - For an Order of Exemption under VA Code § 13.1-514.1 B
SEC-2020-00031	Board of Church Extension of Disciples of Christ, Inc. - For an Order of Exemption under VA Code § 13.1-514.1 B
SEC-2020-00035	Thomas Clark Cleary - Alleged violation of 21 VAC 5-20-260 D, *et al.*
SEC-2020-00037	Michael James Thaler and Alan Joseph Dole - Petition to Confirm Arbitration Award
SEC-2020-00041	Lutheran Church Extension Fund - Missouri Synod - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2020-00044	Michael James Thaler and Alan Joseph Dole - Petition to Confirm Arbitration Award
SEC-2020-00045	James Tate & Tate Wealth Management, Inc. - Alleged violation of 21 VAC 5-80-160 A (1), *et al.*
SEC-2020-00047	Virginia Housing and Community Development Corporation - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2020-00049	Cornerstone Asset Management, Inc. - Alleged violation of 21VAC5-80-200. A 11 (b) and 21VAC5-80-200 A
SEC-2020-00054	Scott Lane - Alleged violation of VA Code § 13.1-502

URS	UTILITY AND RAILROAD SAFETY
URS-2018-00367	Always Prepared, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2019-00012	Huss Boring LLC - Alleged violation of VA Code §§ 56-265324 A, *et al.*
URS-2019-00089	Image Fencing, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00121	R & P Lucas Underground Utilities, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00166	Mark Painter d/b/a The Sheffield Company, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00188	Shamrock Construction Corporation - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00206	Taylor Construction - Alleged violation of VA Code § 56-265.24 B
URS-2019-00209	Virginia Cable Constructors, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2019-00214	Fiber Optic Construction, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2019-00217	Donald Handy, Individually and d/b/a Handy Contracting Services, LLC - Alleged violation of VA Code § 56-265.24 B
URS-2019-00224	Peters and White Construction - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-200
URS-2019-00226	Randall Correll Construction Services - Alleged violation of VA Code § 56-265.17 A
URS-2019-00232	Southwestern Virginia Gas Company - Alleged violation of 49 C. F. R. §§ 192.199 (e), *et al.*
URS-2019-00236	Nick Durbin and T/A RND Construction - Alleged violation of VA Code § 56-265.17 A
URS-2019-00260	Nguyen Construction - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2019-00262	EMT Asphalt, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00263	Solid Structures Decks and Fences LLC - Alleged violation of VA Code § 56-265.24 A
URS-2019-00270	R C Hawkins Construction Co., Inc - Alleged violation of VA Code § 56-265.17 A
URS-2019-00286	Dylan Biase d/b/a BC Irrigation - Alleged violation of VA Code § 56-265.17 A
URS-2019-00289	Columbia Gas of Virginia - Alleged violation of 49 C.F.R. §§ 192.199 e, *et al.*
URS-2019-00290	Robert Claveloux and Robert Claveloux d/b/a Claveloux Contracting - Alleged violation of VA Code § 56-265.24 A
URS-2019-00291	Varsity Landscaping & Grounds, L.L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00294	Sisson Excavating, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2019-00295	The Fishel Company - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2019-00299	Martinez Underground - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (8)
URS-2019-00309	P and M Landscaping, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00310	Precision Plumbing Co., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00318	Stable Technology Installations, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2019-00326	Thor Jr, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00327	Chuck Sharp, individually and d/b/a Sharps Backhoe Services - Alleged violation of VA Code § 56-265.24 B
URS-2019-00330	Hank Ray Chitwood d/b/a Shoreside Electric - Alleged violation of VA Code § 56-265.17 A
URS-2019-00331	D. A Foster Company - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2019-00339	Fencing Unlimited, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2019-00347	Lambers Cable Splicing Company, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2019-00348	Enviroscape, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2019-00350	Ala Ali, individually & d/b/a Elite Playground Equipment - Alleged violation of VA Code § 56-265.17 A
URS-2019-00357	Benchmark VA LLC Subsurface Utility Services - Alleged violation of VA Code § 56-265.19 A
URS-2019-00362	Cooper & Claiborne Construction, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00370	Arborscapes LLC - Alleged violation of VA Code § 56-265.17 A
URS-2019-00371	ADM Concrete Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00376	Unique Concepts LLC - Alleged violation of VA Code § 56-265.17 D
URS-2019-00379	Aspen Hill Landworks LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2019-00381	Home Modifications LLC - Alleged violation of VA Code § 56-265.17 A
URS-2019-00382	IES Commercial, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2019-00391	David Long, Individually and d/b/a Long's Concrete Construction Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2019-00392	LCS Site Services, LLC - Alleged violation of VA Code § 56-265.24 B
URS-2019-00393	English Construction Company, Incorporated - Alleged violation of VA Code § 56-265.24 A
URS-2019-00396	J. D. Watson & Associates, Inc. - Alleged violation of VA Code §§ 56-265.18, *et al.*
URS-2019-00397	Corinthian Contractors Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2019-00398	Hydro-Tech Irrigation, Co. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00399	Connor Bentley Incorporated - Alleged violation of VA Code § 56-265.17 A
URS-2019-00400	H. W. Blankenship & Sons, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2019-00401	George Eanes, individually, and d/b/a Clear View Excavation - Alleged violation of VA Code § 56-265.17 A
URS-2019-00402	Floyd Environmental, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2019-00403	Charles Albert Guard, III d/b/a Cag Masonry - Alleged violation of VA Code § 56-265.17 A
URS-2019-00404	Excel Paving Corporation - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00405	Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2019-00406	Distinctive Data Communications LLC - Alleged violation of VA Code § 56-265.17 B 1
URS-2019-00408	Oscar Oroonez, Individually and d/b/a Custom Masonry - Alleged violation of VA Code § 56-265.17 A
URS-2019-00409	Bondurant Realty Corporation - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2019-00410	Chesapeake Fence & Awning Co., Inc. - Alleged violation of VA Code § 56-265.17 B 1
URS-2019-00411	Atlantic Coastal Clearing & Grading, Inc. - Alleged violation of VA Code §§ 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2019-00412	C. A. Barrs Contractor, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2019-00413	Brett Stock, Individually and d/b/a BRS Landscape & Design Services - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2019-00414	Bill Adkins Construction Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2019-00415	A&K Concepts, LLC - Alleged violation of VA Code § 56-265.24 A

URS-2019-00416	T & A Underground, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00417	Brooks Equipment, L.L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00419	Virginia Casework Corp.- Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2019-00420	Tolson & Tolson Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00421	Tolson & Tolson Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00422	Thomas Builders of Virginia, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00423	Shoosmith Construction, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00424	Shield Contracting, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2019-00425	Princess Anne Paving Corporation - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00426	Mario Puande, Individually and d/b/a Pots and Plants - Alleged violation of VA Code § 56-265.17 A
URS-2019-00427	Pine Knoll Construction Co. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2019-00428	R. Wendell Presgrave, Inc. t/a My Plumber Heating & Cooling - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00430	Mechanicsville Backhoe, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00431	McKim Construction Company - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00432	Mason Company of Virginia, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2019-00433	Stake Center Locating, Inc. - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2019-00434	W. C. Spratt Incorporated - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00436	Primoris T&D Services, LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2019-00437	Virginia Natural Gas, Inc. - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2019-00438	Garcia Cable, Inc. - Alleged violation of VA Code §§ 56-265.24 C, *et al.*
URS-2019-00439	East West Construction, Inc. - Alleged violation of VA Code §§ 56-265.24 C, *et al.*
URS-2019-00440	TMR Underground Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00441	RNS Network Services, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2019-00443	P.E.C. Contracting, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2019-00446	Mannco Equipment Corp - Alleged violation of VA Code § 56-265.24 B
URS-2019-00447	Mackey Electrical Services, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00448	Wayne's World Tree Service, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2019-00449	Victor T. Allen, individually and d/b/a Victor T. Allen Hauling - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2019-00450	Valley Renovators, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00452	Jamie Lee Lambert, individually and d/b/a Lamberts Excavating and Paving - Alleged violation of VA Code § 56-265.17 A
URS-2019-00453	Jones & Sons Excavating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00454	Kanawha Stone Company, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2019-00455	K C Electric Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2019-00457	Jamison Electrical Company, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00458	J.C.L., Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00459	Hutton Electric Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00460	Gaston Brothers Utilities, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2019-00461	Freedom Electric, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00463	Fort Myer Construction Corporation - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00464	F. H. Furr Plumbing, Heating, Air Conditioning, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2019-00466	Smoot Landscapes, L.L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00470	Roanoke Gas Company - Alleged violation of VA Code § 56-265.19 A
URS-2019-00471	R & P Lucas Underground Utilities, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2019-00473	Prince William Pipeline Corporation - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00475	Perkinson Construction, L.L.C. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00476	Noah Construction Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2019-00477	MEB General Contractors Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00478	Mendon Pipeline, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2019-00479	The Kauffman Group, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2019-00480	Titan Erosion Control, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00482	TCS Leasing & Building, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2019-00483	Southeast Connections LLC - Alleged violation of VA Code § 56-265.24 A
URS-2019-00484	Underground Solutions, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2019-00485	W. E. Curling Pipeline, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00486	Utiliquest, LLC - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2019-00487	Mastec North America, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2019-00490	Washington Gas Light Company - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2019-00491	Hurricane Fence Co. - Alleged violation of VA Code §§ 56-265.24 C, *et al.*
URS-2019-00492	Benchmark VA LLC Subsurface Utility Services - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2019-00493	Village Concrete, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00001	Washington Gas Light Company - Alleged violation of VA Code 49CFR §§ 192, *et al.*
URS-2020-00003	Plumbright Plumbing, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00004	Layman Electric & Plumbing, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00005	Lewis Aquatech Pool Supply, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00006	M & F Concrete, Inc. - Alleged violation of VA Code § 56-265.18
URS-2020-00007	Metheny Contracting, Inc. - Alleged violation of VA Code § 56-265.18
URS-2020-00008	Metro Grounds Management, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00009	Quality Concrete Finishing, Inc. - Alleged violation of VA Code § 56-265.17 A

URS-2020-00010 JES Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00011 East West Construction, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2020-00012 Seminole Trail Management, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00013 T & A Contractors, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00014 J. Sandes Construction Co. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00015 Basic Construction Company, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00017 CMC Concrete Construction, Inc. - Alleged violation of VA Code § 56-265.17 B 1
URS-2020-00018 Custom Stonescaping, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00019 Infrasource Construction, LLC - Alleged violation of VA Code §§ 56-265.234 A, *et al.*
URS-2020-00020 Benchmark VA LLC Subsurface Utility Services - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00021 Washington Gas Light Company - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00022 Utiliquest, LLC - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00023 Cable Protection Services, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2020-00024 Mastec North America, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00028 Virginia Irrigation Company, Inc. d/b/a Gentle Rain Irrigation Company - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00029 Environmental Quality Resources, L.L.C. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00030 Stable Foundations, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00031 Solomons Builders, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00033 A.L. Ridge, LLC - Alleged violation of VA Code § 56-265.17 C
URS-2020-00034 A & M Concrete Corp.- Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00036 Becker American Corporation - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00037 Bowles Masonry, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00038 C.W. Wright Construction Company, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2020-00039 Shirley Contracting Company, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2020-00040 Sagres Construction Corporation - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00041 ProCon, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00045 Virginia Electric and Power Company - Alleged violation of VA Code § 56-265.24 C
URS-2020-00046 Stake Center Locating, Inc. - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00047 Primoris T&D Services, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00048 Virginia Natural Gas, Inc. - Alleged violation of 49 C.F.R. §§ 192.199(e), *et al.*
URS-2020-00049 Columbia Gas of Virginia - Alleged violation of 49 C.F.R. §§ 192.199(e), *et al.*
URS-2020-00051 Columbia Gas of Virginia, Inc. - Alleged violation of 49 C.F.R. §§ 192.199 (e), *et al.*
URS-2020-00053 Washington Gas Light Company - Alleged violation of 49 C.F.R. §§192.199(e), *et al.*
URS-2020-00054 Columbia Gas of Virginia, Inc. - Alleged violation of 49 C.F.R. §§ 192.199(e), *et al.*
URS-2020-00056 City of Covington - For waiver of Commission Rule
URS-2020-00057 Washington Gas Light Company - Alleged violation of 49 C.F.R. §§ 192.199 (e), *et al.*
URS-2020-00058 Earth Movers, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00059 Royal Foundations, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2020-00060 Dutch Way, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00061 The Kauffman Group, Inc. - Alleged violation of VA Code § 56-265.18
URS-2020-00062 Clarks Directional Boring, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00067 Craig Enterprises, Inc. d/b/a Craig Builders - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2020-00068 Central Plumbing & Heating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00069 Chesapeake Fence & Awning Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00070 Basic Construction Company, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2020-00073 Bolger Brothers, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00074 American Remodeling Enterprises Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00075 Amazing Outdoors, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00079 A.B.A. Well & Septic Service Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00080 Atlas Plumbing, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00082 Artisan Builders III, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00084 AKN Enterprises LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00086 Green Acres, L. L. C. - Alleged violation of VA Code § 56-265.24 B
URS-2020-00088 Garney Construction - Alleged violation of VA Code § 56-265.24 A
URS-2020-00090 Forty-Two Contracting Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00093 Faulconer Construction Company, Inc.- Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00095 FED Plumbing Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00096 Dwight Snead Landscaping & Paving Co. t/a Dwight Snead Construction Co. - Alleged violation of VA Code § 56-265.24 B
URS-2020-00101 Davis H. Elliot Construction Company, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00102 Peters and White Construction Company - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00103 Depcom Power, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00104 Phillip C. Clarke Electrical Contractor, Inc. - Alleged violation of VA Code § 56-265.18
URS-2020-00106 Paul Curry, Individually and d/b/a Curry Excavation - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2020-00111 Chesapeake Bay Contractors, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2020-00112 Bridgeman Underground, Inc. - Alleged violation of VA Code § 56-265.24 B

URS-2020-00113	Virginia Air Pro Heating & Air Conditioning, Inc. t/a Bud's Plumbing, Heating and Air Conditioning - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00114	Bryan P. Layman d/b/a Layman Irrigation & Trenching - Alleged violation of VA Code § 56-265.17 A
URS-2020-00117	G. J. Hopkins, Inc - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (2)
URS-2020-00119	Blakemore Construction Corporation - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00121	W. C. Spratt Incorporated - Alleged violation of VA Code § 56-265.24 A
URS-2020-00122	Star Concrete Construction Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00124	Smartech Communications, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (2)
URS-2020-00125	Super Concrete Co., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00126	Luxterra Electrical, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00130	Linco Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00131	Lamberts Cable Splicing Company, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00134	Jones Utilities Construction, Inc, - Alleged violation of VA Code §§ 56-265,24 A, *et al.*
URS-2020-00136	Secured Network Solutions, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (4), *et al.*
URS-2020-00137	Jeremiah Cameron, individually and d/b/a JLC Excavating - Alleged violation of VA Code § 56-265.17 A
URS-2020-00138	Talley & Armstrong, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00144	Nalie Mustafa, individually and d/b/a HMM Services - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2020-00146	HMI Utilities, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2020-00148	InfraMap Corp. - Alleged violation of VA Code § 56-265.24 C
URS-2020-00149	Integrity Landscaping Solutions, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00153	A & W Contractors, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2020-00156	Value Dry, LLC - Alleged violation of VA Code § 56-265.17 B. 1
URS-2020-00157	Advantage Environmental Consultants, LLC - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2020-00159	Plumbright Plumbing, Inc. - Alleged violation of VA Code §§ 56-265,24 A, *et al.*
URS-2020-00160	River Pools & Spas Inc. - Alleged violation of VA Code §§ 56-265,24 A, *et al.*
URS-2020-00167	Charles B. Smith individually and d/b/a New Home Media - Alleged violation of VA Code § 56-265.24 C
URS-2020-00168	Appalachian Power Company - Alleged violation of VA Code § 56-265.17 B 2
URS-2020-00169	M & F Concrete, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00170	Ardent Company, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00172	Mason Company of Virginia, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2020-00173	Mike Forgo - Alleged violation of VA Code § 56-265.17 A
URS-2020-00174	Ashburn Contracting Corporation - Alleged violation of VA Code § 56-265. 24 A; 20 VAC 5-309-140 (4)
URS-2020-00178	Atkins Excavating, Inc. - Alleged violation of VA Code § 56-265. 24 A; 20 VAC 5-309-140 (4)
URS-2020-00180	Waco, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00183	E. E. Levri Construction, LLC - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-90. A
URS-2020-00186	Smoot Landscapes, L.L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00189	The Fishel Company - Alleged violation of VA Code § 56-265.24 A
URS-2020-00192	Chesterfield Excavation Services, LLC d/b/a Benmor Construction - Alleged violation of VA Code § 56-265.17 A
URS-2020-00195	Tysons Service Corporation of Virginia - Alleged violation of VA Code § 56-265.24 B
URS-2020-00198	Mastec North America, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00203	Tidewater Utility Construction, Inc. - Alleged violation of VA Code §§ 56-265.24 C, *et al.*
URS-2020-00204	Roanoke Gas Company - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00205	Elite Comfort Mechanical & Contracting, LLC - Alleged violation of VA Code § 56-265,17 A
URS-2020-00206	Columbia Gas of Virginia, Inc. - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00215	Foundation Solutions, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00218	Gits Masonry, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00219	Great Falls Construction Company - Alleged violation of VA Code § 56-265.17 D
URS-2020-00221	H. W. Blankenship & Sons, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00225	Heath Consultants Incorporated - Alleged violation of VA Code § 56-265.19 A
URS-2020-00226	J&L Benson, LLC - Alleged violation of VA Code § 56-265.17 B. 1
URS-2020-00227	Shah Development LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00228	SMK Concrete, LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2020-00230	W.E. Curling Pipeline Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00238	Kent Excavating, Inc. - Alleged Violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00239	Miller Pipeline, LLC - Alleged violation of VA Code § 56-265.24 A, C; 20 VAC 5-309-140 (3)
URS-2020-00240	Benchmark VA LLC, Subsurface Utility Services - Alleged violation of VA Code § 56-265.19 A
URS-2020-00241	Bridgeman Civil, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4), *et al.*
URS-2020-00244	Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2020-00270	J.B. Moore Electrical Contractor, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00271	Maye Landscape Services, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00272	Maust Enterprises of Virginia, LLC - Alleged violation of VA Code §§ 56-265. 140.4, *et al.*
URS-2020-00273	Martin Contracting, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00274	Jackass Flats, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00276	KCW Contracting, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-200
URS-2020-00278	Lantz Construction of Winchester, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00279	LCS Site Services, LLC - Alleged violation of VA Code § 56-265.24 B
URS-2020-00280	Lee Highway Nursery, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00283	Seal-Tite Waterproofing Co. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-200
URS-2020-00288	Paramount Electric Company Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)

URS-2020-00289	Partners Excavating Co. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00290	Paving Plus, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00292	Pine Knoll Construction Co. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00298	Trident Civil Inc.- Alleged violation of VA Code § 56-265.24 A
URS-2020-00300	Copperhead Plumbing, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00301	J' Lynn Land Creations, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00378	In the matter of adopting new rules of the State Corporation Commission governing operator's responsibilities to redistribute topsoil under § 56-257.5 of the Code of Virginia
URS-2020-00379	Virginia Electric and Power Company - For a waiver of 20 VAC 5-309-150
URS-2020-00439	Reporting related to the Underground Utility Damage Prevention Act