

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, MARCH 8, 2024

REGISTRATION CONTROL CENTER

240320110

APPLICATION OF
ROANOKE GAS COMPANY

2024 MAR -8 P 2:44
CASE NO. PUR-2024-00006

For a general increase in rates

ORDER FOR NOTICE AND HEARING

On February 13, 2024, Roanoke Gas Company ("Roanoke Gas" or "Company") completed the filing with the State Corporation Commission ("Commission") of an application pursuant to Chapter 10 of Title 56 of the Code of Virginia ("Code")¹ and the Commission's Rules Governing Rate Applications and Annual Informational Filings of Investor-Owned Gas Utilities,² requesting authority to increase its rates and charges, and to revise other terms and conditions applicable to its gas service ("Application").³

Roanoke Gas seeks an increase in its base rates to provide an additional approximately \$4.33 million in annual non-gas base rate revenue, an overall increase of 5.1%.⁴ The Company's proposed rate increase includes a return on common equity of 10.35%.⁵ The Application represents that this proposed base rate increase would raise the total monthly bill of a typical residential customer using 5.6 dekatherms per month by \$4.03.⁶ Roanoke Gas proposes to

¹ Code § 56-232 *et seq.*

² 20 VAC 5-205-10 ("Rate Case Rules").

³ Application at 1 and 6.

⁴ *Id.* at 2.

⁵ *Id.*

⁶ *Id.* at Schedule 43.

implement its revised rates, on an interim basis and subject to refund, effective for bills rendered on and after July 1, 2024, until the Commission issues its Final Order in this proceeding.

Roanoke Gas also proposes revisions to the Company's terms and conditions: (i) to revise the disconnection policy in its tariff to confirm its practices to not disconnect residential customers when temperatures are forecast to be below freezing or on Fridays or on days before Federal holidays; and (ii) to add a Meter Tampering Charge to its tariff.⁷

The Application also includes a proposal for a five-year pilot program under which the Company will offer a contribution payment to developers and builders to be used exclusively to help defray the cost of piping and venting for multifamily housing units to allow customers access to natural gas options for energy ("Multifamily Pilot Program").⁸ According to Roanoke Gas, the Multifamily Pilot Program, as proposed, will be capped at \$1 million over the five-year term and limited to 1,000 new units.⁹

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that Roanoke Gas 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 comments on the Company's Application or to participate in this proceeding as a respondent; and the Staff of the Commission ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. Further, we find that a

⁷ *Id.* at 3.

⁸ *See id.* at 3-4.

⁹ *Id.* at 3.

Hearing Examiner should be appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

We also find the Company may, but is not obligated to, implement the proposed rates, charges, and terms and conditions on an interim basis, subject to refund with interest, for service rendered on and after July 1, 2024. Pursuant to Code § 56-238, the Commission will direct the Company to provide a bond to insure prompt refund of any excess rates or charges.

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

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2024-00006.

(2) 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. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission directs that service on parties and Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and Staff are instructed to work together to agree upon the manner in which documents containing

such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or Staff is impeded from preparing its case.

(4) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedures before hearing examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),¹⁰ a Hearing Examiner is appointed 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. A copy of each filing made with the Commission's Clerk's office in this matter shall also be sent electronically to the Office of the Hearing Examiners.¹¹

(5) On or before May 31, 2024, Roanoke Gas shall file a bond with the Commission in the amount of \$4.33 million payable to the Commission and conditioned to ensure 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.

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

- a. The portion of the hearing for the receipt of testimony from public witnesses on the Application shall be convened telephonically at 10 a.m., on November 7, 2024.
- b. To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- c. On or before October 31, 2024, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at

¹⁰ 5 VAC 5-20-10 *et seq.*

¹¹ Such electronic copies shall be sent to OHEParalegals@scc.virginia.gov.

scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141.

- d. Beginning at 10 a.m., on November 7, 2024, the assigned Hearing Examiner will telephone sequentially each person who has signed up to testify as provided above
- e. The public witness portion of the hearing will be webcast at scc.virginia.gov/pages/Webcasting.

(7) The evidentiary portion of the hearing on the Application shall be convened at 10 a.m. on November 7, 2024, or at the conclusion of the public witness portion of the hearing, whichever is later, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony and evidence from the Company, any respondents, and Staff.

(8) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company: Timothy E. Biller, Esquire, Hunton Andrews Kurth LLP, 951 East Byrd Street, Richmond, Virginia 23219; tbiller@HuntonAK.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(9) On or before April 11, 2024, Roanoke Gas shall cause the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's Virginia service territory:

NOTICE TO THE PUBLIC OF AN
APPLICATION OF ROANOKE GAS COMPANY
FOR A GENERAL INCREASE IN RATES
CASE NO. PUR-2024-00006

On February 13, 2024, Roanoke Gas Company ("Roanoke Gas" or "Company") completed the filing with the State Corporation Commission ("Commission") of an application pursuant to Chapter 10 of Title 56 of the Code of Virginia and the Commission's Rules Governing Rate Applications and Annual Informational Filings of Investor-Owned Gas Utilities, requesting authority to increase its rates and charges, and to revise other terms and conditions applicable to its gas service ("Application").

Roanoke Gas seeks an increase in its base rates to provide an additional approximately \$4.33 million in annual non-gas base rate revenue, an overall increase of 5.1%. The Company's proposed rate increase includes a return on common equity of 10.35%. The Application represents that this proposed base rate increase would raise the total monthly bill of a typical residential customer using 5.6 dekatherms per month by \$4.03. Roanoke Gas proposes to implement its revised rates, on an interim basis and subject to refund, effective for bills rendered on and after July 1, 2024, until the Commission issues its Final Order in this proceeding.

Roanoke Gas also proposes revisions to the Company's terms and conditions: i) to revise the disconnection policy in its tariff to confirm its practices to not disconnect residential customers when temperatures are forecast to be below freezing or on Fridays or on days before Federal holidays; and ii) to add a Meter Tampering Charge to its tariff.

The Application also includes a proposal for a five-year pilot program under which the Company will offer a contribution payment to developers and builders to be used exclusively to help defray the cost of piping and venting for multifamily housing units to allow customers access to natural gas options for energy ("Multifamily Pilot Program"). According to Roanoke Gas, the Multifamily Pilot Program, as proposed, will be capped at \$1 million over the five-year term and limited to 1,000 new units.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals.

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

The Commission entered an Order for Notice and Hearing that, among other things, permits the Company to place its proposed rates into effect on an interim basis, subject to refund, effective for service rendered on and after July 1, 2024.

Additionally, the Order for Notice and Hearing sets the public hearing on the Company's Application. On November 7, 2024, at 10 a.m., the Hearing Examiner assigned to this case will hold a telephonic hearing for the purpose of receiving the testimony of public witnesses. On or before October 31, 2024, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or by calling (804) 371-9141. This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

On November 7, 2024, at 10 a.m., or at the conclusion of the public witness portion of the hearing, whichever is later, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, the Hearing Examiner will convene a hearing to receive testimony and evidence related to the Application from the Company, any respondents, and the Commission's Staff.

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

An electronic copy of Company's Application may be obtained by submitting a written request to counsel for the Company: Timothy E. Biller, Esquire, Hunton Andrews Kurth LLP, 951 East Byrd Street, Richmond, Virginia 23219;

tbiller@HuntonAK.com. Interested persons also may download unofficial copies of the Application and other documents filed in this case from the Commission's website: scc.virginia.gov/Case-Information.

On or before October 31, 2024, any interested person may submit comments on the Application by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All such comments shall refer to Case No. PUR-2024-00006.

On or before July 26, 2024, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. A copy of the notice of participation as a respondent also must be sent to counsel for the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2024-00006. 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 August 23, 2024, each respondent may file with the Clerk of the Commission, at scc.virginia.gov/clk/efiling, any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address listed above. Each witness's testimony shall include a summary not to exceed one page. A copy of all testimony and exhibits shall be sent to Staff, the Company, and all other respondents. In all filings, respondents shall comply with the Rules of Practice, as modified

herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2024-00006.

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

The Company'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.

ROANOKE GAS COMPANY

(10) The Company shall serve each official listed in 20 VAC 5-205-10 J of the Commission's Rate Case Rules in the manner provided therein.

(11) On or before May 9, 2024, Roanoke Gas shall file proof of the notice and service required by Ordering Paragraphs (9) and (10), including the name, title, address and electronic mail address (if applicable) of each official served, with the Clerk of the Commission at scc.virginia.gov/clk/efiling.

(12) On or before October 31, 2024, any interested person may submit written comments on the Application by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00006.

(13) On or before July 26, 2024, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation

electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (12). Such notice of participation shall include the email addresses of such parties or their counsel, if available. A copy of the notice of participation shall be sent to counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20 30, *Counsel, of the Rules of Practice*. All filings shall refer to Case No. PUR-2024-00006.

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

(15) On or before August 23, 2024, each respondent may file with the Clerk of the Commission, at scc.virginia.gov/clk/efiling, any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (12). Each witness's testimony shall include a summary not to exceed one page. A copy of all testimony and exhibits shall be sent to Staff, the Company, and all other respondents. In all filings, the respondent shall comply with the Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2024-00006.

(16) Staff shall investigate the Application. On or before September 20, 2024, Staff shall 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 sent to counsel to the Company and all respondents.

(17) On or before October 18, 2024, the Company shall file with the Clerk of the Commission any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page. The Company shall send a copy of its rebuttal testimony and exhibits to Staff and all respondents.

(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, except as modified herein, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(19) 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, or by facsimile, 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.¹² 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) The Company may, but is not obligated to, implement the proposed rates, charges, and terms and conditions on an interim basis, subject to refund with interest, for service rendered on and after July 1, 2024.

(21) This matter is continued.

Commissioner James C. Dimitri participated in this matter.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

¹² The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," then "Search Cases," and entering the case number, PUR-2024-00006, in the appropriate box.