

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JUNE 11, 2024

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STATE CORPORATION COMMISSION

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APPLICATION OF

APPALACHIAN POWER COMPANY

CASE NO. PUR-2024-00079

For approval of a rate adjustment clause
under Va. Code § 56-585.1 A 4

ORDER FOR NOTICE AND HEARING

On June 3, 2024, Appalachian Power Company ("APCo" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-585.1 A 4 of the Code of Virginia ("Code") for approval to implement factors to recover a decrease to its revenue requirement through its transmission rate adjustment clause ("T-RAC").¹ Pursuant to Code § 56-585.1 A 7, the Commission must issue a final order in this matter not more than three months after the date of filing.

In its Application, APCo requests permission to recover a proposed total revenue requirement of \$380.1 million through the T-RAC for the October 1, 2024 through September 30, 2025 rate year ("Rate Year").² The Company states that its proposed revenue requirement consists of the following: (1) a forecasted Virginia jurisdictional current-period formula rate (current) revenue requirement of \$369.8 million for the Rate Year, based on Federal Energy Regulatory Commission-approved PJM³ rates for transmission service that went into effect on January 1, 2024; (2) a cumulative Virginia jurisdictional actual under-recovery formula

¹ Application at 1.

² Direct Testimony of Chad E. Notestone at 2.

³ PJM Interconnection LLC ("PJM").

rate balance, through March 2024 (true-up) of \$7.1 million; (3) a forecasted Virginia jurisdictional under-recovery amount of \$0.6 million for the period April 2024 – September 2024 (update); and (4) a forecasted Virginia jurisdictional revenue requirement of \$2.6 million associated with the Business Park Program.⁴

APCo states that its proposed revenue requirement is a decrease of approximately \$33.1 million from the annual T-RAC revenue requirement approved by the Commission in 2023.⁵ The Company indicates that its proposed T-RAC rates would decrease the monthly bill for a residential customer using 1,000 kilowatt hours per month by \$2.12.⁶

With its Application, APCo also filed a Motion for Protective Ruling ("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.* ("Rules of Practice").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company should provide public notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Application; interested persons should have an opportunity to file comments on the Application or to participate as respondents in this proceeding; and Commission Staff ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. We further find that a Hearing Examiner should be appointed to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Company's

⁴ Application at 3-4.

⁵ *Id.* at 4.

⁶ *Id.*

Motion and filing a final report containing the Hearing Examiner's findings and recommendations.

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-2024-00079.

(2) All pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the 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 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 5 VAC 5-20-120, *Procedure 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, including ruling on the Company's Motion and filing 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.⁷

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

- (a) A hearing for the receipt of testimony from public witnesses shall be convened telephonically at 10 a.m. on July 17, 2024.
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before July 10, 2024, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141.
- (d) Beginning at 10 a.m. on July 17, 2024, the assigned Hearing Examiner will telephone sequentially each person who has signed up to testify as provided above.
- (e) This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

⁷ Such electronic copies shall be sent to: OHEParalegals@scc.virginia.gov.

(6) A public evidentiary hearing on the Application shall be convened at 10:00 a.m. on July 17, 2024, or at the conclusion of the public witness portion of the hearing, whichever is later, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony and evidence offered by the Company, respondents, and the Staff on the Application.

(7) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company: James G. Ritter, Esquire, American Electric Power Service Corporation, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, or jritter@aep.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(8) On or before June 28, 2024, the Company shall cause the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory in Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
APPALACHIAN POWER COMPANY,
FOR APPROVAL OF A RATE ADJUSTMENT CLAUSE
PURSUANT TO VA. CODE § 56-585.1 A 4
CASE NO. PUR-2024-00079

On June 3, 2024, Appalachian Power Company ("APCo" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-585.1 A 4 of the Code of Virginia ("Code") for approval to implement factors to recover a decrease to its revenue requirement through its transmission rate adjustment clause ("T-RAC"). Pursuant to Code § 56-585.1 A 7, the Commission must issue a final order in this matter not more than three months after the date of filing.

In its Application, APCo requests permission to recover a proposed total revenue requirement of \$380.1 million through the T-RAC for the October 1, 2024 through September 30, 2025 rate year ("Rate Year"). The Company states that its proposed revenue requirement consists of the following: (1) a forecasted Virginia

jurisdictional current-period formula rate (current) revenue requirement of \$369.8 million for the Rate Year, based on Federal Energy Regulatory Commission-approved PJM rates for transmission service that went into effect on January 1, 2024; (2) a cumulative Virginia jurisdictional actual under-recovery formula rate balance, through March 2024 (true-up) of \$7.1 million; (3) a forecasted Virginia jurisdictional under-recovery amount of \$0.6 million for the period April 2024 – September 2024 (update); and (4) a forecasted Virginia jurisdictional revenue requirement of \$2.6 million associated with the Business Park Program.

APCo states that its proposed revenue requirement is a decrease of approximately \$33.1 million from the annual T-RAC revenue requirement approved by the Commission in 2023. The Company indicates that its proposed T-RAC rates would decrease the monthly bill for a residential customer using 1,000 kilowatt hours per month by \$2.12.

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, scheduled public hearings on APCo's Application. On July 17, 2024, at 10 a.m., a Hearing Examiner appointed by the Commission will hold a telephonic hearing for the purpose of receiving the testimony of public witnesses. On or before July 10, 2024, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

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

On July 17, 2024, at 10 a.m., or the conclusion of the public witness portion of the hearing, whichever is later, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, a Hearing Examiner appointed by the Commission will convene a hearing to receive testimony and evidence offered by the Company, respondents, and the Staff on the Application.

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 require electronic service on parties to this proceeding.

An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company, James G. Ritter, Esquire, American Electric Power Service Corporation, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, or jritter@aep.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/pages/Case-Information.

On or before July 12, 2024, any interested person may submit comments on the Application by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments 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-2024-00079.

On or before July 3, 2024, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address above. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent shall send a copy of the notice of participation 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-2024-00079.

On or before July 3, 2024, each respondent may file with the Clerk of the Commission, at scc.virginia.gov/clk/efiling, any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address listed above. Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be sent to the Staff, the Company, and all other respondents. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified by the Commission's Order for Notice and Hearing, including 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2024-00079.

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

APPALACHIAN POWER COMPANY

(9) The Company shall serve each official listed in 20 VAC 5-204-10 J 1 as provided by 20 VAC 5-204-10 J 2.

(10) On or before July 12, 2024, the Company shall file proof of the notice and service required by Ordering Paragraphs (8) and (9) above, including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the State Corporation Commission by filing electronically at scc.virginia.gov/clk/efiling.

(11) On or before July 12, 2024, any interested person may submit comments on the Application by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00079.

(12) On or before July 3, 2024, any interested person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may submit such notice by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (11). Such notice of participation shall include the email addresses of such parties or their counsel, if available. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the 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-2024-00079.

(13) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of its Application and supporting materials on the respondent, unless these have already been provided to the respondent.

(14) On or before July 3, 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 in Ordering Paragraph (11). Each witness's testimony shall include a summary not to exceed one page. A copy of all testimony and exhibits shall be sent to the Company, Staff, and all other respondents. In all filings, the respondent 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-2024-00079.

(15) On or before July 3, 2024, the Staff shall investigate the Application and file with the Clerk of the Commission its testimony and exhibits concerning the Application. Each Staff witness's testimony shall include a summary not to exceed one page. A copy thereof shall be sent to counsel to the Company and all respondents.

(16) On or before July 12, 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 the Staff and all respondents.

(17) Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified herein, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the 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 four (4) 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.⁸ Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(19) This matter is continued.

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

⁸ The assigned Staff attorney is identified on the Commission's website: scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," and clicking "Search by Case Information," and entering the case number, PUR-2024-00079, in the appropriate box.