One Hundred Nineteenth Annual Report

of the

State Corporation Commission

of

Virginia

For the Year Ending December 31, 2021

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GENERAL REPORT

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Letter of Transmittal

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

RICHMOND, VIRGINIA, *December 31, 2021*

To the Honorable Glenn A. Youngkin

Governor of Virginia

Sir:

In accordance with § 12.1-4 of the Code of Virginia, we have the honor to transmit herewith the one hundred nineteenth Annual Report of the State Corporation Commission as of December 31 of the preceding year, 2021.

Respectfully submitted,

Judith Williams Jagdmann, Chairman

Jehmal T. Hudson, Commissioner

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State Corporation Commission

COMMISSIONERS

Judith Williams Jagdmann	Chairman
Mark C. Christie[1]	Commissioner
Jehmal T. Hudson	Commissioner
Angela L. Navarro[2]	Commissioner

Bernard J. Logan

Clerk of the Commission

[1] Retired as Commissioner effective January 4, 2021
[2] Term began February 5, 2021

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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	1
Mark C. Christie	February 1, 2004 to January 4, 2021	17
Judith Williams Jagdmann	February 1, 2006 to	
Jehmal T. Hudson	July 6, 2020 to	
Angela L. Navarro	February 5, 2021 to	

From 1903 through 2021 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	16	West	1	Hudson	2
Navarro	1				

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. The SCC also is charged with establishing and administering the Virginia Health Benefit Exchange. In addition, the SCC 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

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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.

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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

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LEADING MATTERS DISPOSED OF BY FORMAL ORDERS

BUREAU OF FINANCIAL INSTITUTIONS

CASE NO. BAN20200099
JANUARY 22, 2021

APPLICATION OF
CASH ON TITLE, LLC

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

ORDER GRANTING A LICENSE

Cash On Title, 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: (1) 4710 Columbia Pike, Arlington, Virginia 22204 and (2) 7611-C Richmond Highway, Alexandria, Virginia 22306. 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 for the issuance of a license.

Accordingly, IT IS ORDERED THAT the application is APPROVED provided that the Applicant begins business within one (1) year 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. BAN20200128
FEBRUARY 23, 2021

APPLICATION OF
ATLAS CREDIT COMPANY OF VIRGINIA LLC D/B/A ATLAS CREDIT

For a license to engage in business as a short-term lender

ORDER GRANTING A LICENSE

Atlas Credit Company of Virginia LLC d/b/a Atlas Credit ("Applicant"), a Virginia limited liability company, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-1803 of the Code of Virginia, for a license to engage in the business of making short-term loans at ten (10) locations (see attachment). 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 Chapter 18 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.

ATTACHMENT

ATLAS CREDIT COMPANY OF VIRGINIA LLC D/B/A ATLAS CREDIT
BAN20200128

1. 1913 Plank Road, Fredericksburg, Virginia 22401
2. 3352 Riverside Drive, Suite 130, Danville, Virginia 24541
3. 4012 Wards Road, Suite 2, Lynchburg, Virginia 24502
4. 2026 S. Sycamore Street, Petersburg, Virginia 23805
5. 5100 Leesburg Pike, Suite 102, Falls Church, Virginia 22302
6. 5301 Midlothian Turnpike, Richmond, Virginia 23225
7. 12638 Jefferson Avenue, Suite 24, Newport News, Virginia 23602
8. 1721 Peters Creek Road, Roanoke, Virginia 24017
9. 2886-B Airline Boulevard, Portsmouth, Virginia 23701
10. 4020 Virginia Beach Boulevard, Unit 22, Virginia Beach, Virginia 23452

CASE NO. BAN20200139
MARCH 31, 2021

APPLICATION OF
INTEGRITY BANK FOR BUSINESS

For a certificate of authority to begin business as a bank at 2901 S. Lynnhaven Road, Suite 100, City of Virginia Beach, Virginia

ORDER GRANTING AUTHORITY

Integrity Bank for Business, 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 begin business as a bank at 2901 S. Lynnhaven Road, Suite 100, City of Virginia Beach, Virginia. 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 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 Integrity Bank for Business to conduct a banking business at the specified location is GRANTED, provided that the following conditions are met before the bank opens for business:

(1) Capital funds totaling at least $21,000,000 are paid in to the bank, of which at least $2,100,000 shall be allocated to capital stock and at least $18,900,000 shall be allocated to surplus;

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

(3) The Commissioner approves the bank's appointment of a chief executive officer; and

(4) The bank notifies the Commissioner of the date that it will open for business. If the preceding conditions are not met within one (1) year from the date of this Order, then the authority granted herein shall expire unless extended by Commission order prior to the expiration date.

CASE NO. BAN20200157
JANUARY 11, 2021

APPLICATION OF
FAST CASH TITLE LOANS LLC

For approval to relocate an office

ORDER APPROVING RELOCATION OF AN OFFICE

Fast Cash Title Loans LLC, a licensed motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to Chapter 22 of Title 6.2 of the Code of Virginia, for authority to relocate an office from 6526 Arlington Boulevard, Falls Church, Virginia 22042 to 7927 Jones Branch Drive, McLean, Virginia 22102. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau"). The Commissioner of Financial Institutions ("Commissioner") has recommended that the application be approved.

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 § 6.2-2207 B of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the application is APPROVED.

CASE NO. BAN20200173
OCTOBER 8, 2021

APPLICATION OF
FIG LOANS TEXAS LLC D/B/A FIG LOANS

For a license to engage in business as a short-term lender

ORDER GRANTING A LICENSE

Fig Loans Texas LLC d/b/a Fig Loans ("Applicant"), a Texas limited liability company, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-1803 of the Code of Virginia, for a license to engage in the business of making short-term loans at 2245 Texas Drive, Suite 300, Sugar Land, Texas 77479. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau"). The Commissioner of Financial Institutions ("Commissioner") has provided the results of the Bureau's investigation to the Commission and recommended that the Commission enter an order approving the application.

NOW THE COMMISSION, having considered this matter, finds that the application meets the criteria in Chapter 18 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. BAN20200174
FEBRUARY 19, 2021

APPLICATION OF
VIRGINIA NATIONAL BANKSHARES CORPORATION

To acquire control of Fauquier Bankshares, Inc.

ORDER OF APPROVAL

Virginia National Bankshares Corporation, a Virginia financial institution holding company, has filed with the State Corporation Commission ("Commission") the application required by § 6.2-704 A of the Code of Virginia to acquire control of Fauquier Bankshares, 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 proposed acquisition of Fauquier Bankshares, Inc. by Virginia National Bankshares Corporation 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) Virginia National Bankshares Corporation 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. BAN20210083
JUNE 25, 2021

APPLICATION OF
FIRST BANK

For a certificate of authority to conduct a banking and trust business following a merger with The Bank of Fincastle and for authority to operate the offices of the merging banks

ORDER GRANTING AUTHORITY

First Bank, 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 conduct a banking and trust business following a merger with The Bank of Fincastle, a Virginia state-chartered bank. First Bank proposes to be the surviving bank in the merger and seeks authority to operate all of the currently authorized offices of the merging banks. 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 The Bank of Fincastle into First Bank is APPROVED and a certificate of authority to conduct a banking and trust business is GRANTED to First Bank, 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 112 West King Street, Strasburg, Shenandoah County, Virginia, and is authorized to maintain and operate, in addition to its current offices and facilities, the offices of The Bank of Fincastle 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 Commission order prior to the expiration date.

ATTACHMENT A

OFFICES OF THE BANK OF FINCASTLE

1. 1245 Roanoke Road, Daleville, Botetourt County, Virginia

2. 17 South Roanoke Street, Fincastle, Botetourt County, Virginia

3. 200 The Glebe Boulevard, Daleville, Botetourt County, Virginia

4. 5192 Lee Highway South, Troutville, Botetourt County, Virginia

5. 614 Lee Highway, Cloverdale, Botetourt County, Virginia

6. 98 Blue Ridge Boulevard, Botetourt County, Virginia

CASE NO. BAN20210088
JUNE 25, 2021

APPLICATION OF
FIRST NATIONAL CORPORATION

To acquire control of The Bank of Fincastle

ORDER OF APPROVAL

First National Corporation, a Virginia financial institution holding company, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-704 A of the Code of Virginia, to acquire control of The Bank of Fincastle, a Virginia state-chartered bank. 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 proposed acquisition of The Bank of Fincastle by First National Corporation 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) First National Corporation 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. BAN20210090
JULY 13, 2021

APPLICATION OF
DEBT NEGOTIATION SERVICES CO. (USED IN VA BY: TOUCHSTONE PARTNERS, INC.)

For a license to engage in business as a debt settlement services provider

ORDER GRANTING A LICENSE

Debt Negotiation Services Co. (Used in VA by: Touchstone Partners, Inc.) ("Applicant"), a Florida corporation, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2028 of the Code of Virginia, for a license to engage in business as a debt settlement services provider at 2500 Quantum Lakes Drive, Suite 101, Boynton Beach, Florida 33426. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau"). The Commissioner of Financial Institutions ("Commissioner") has provided the results of the Bureau's investigation to the Commission and recommended that the Commission enter an order approving the application.

NOW THE COMMISSION, having considered this matter, finds that the application meets the criteria in Chapter 20.1 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 twenty (20) days thereafter.

CASE NO. BAN20210102
SEPTEMBER 24, 2021

APPLICATION OF
VCC SOCIAL ENTERPRISES

To acquire control of VCC Bank

ORDER OF APPROVAL

VCC Social Enterprises, a Virginia corporation, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-704 A of the Code of Virginia, to acquire control of VCC Bank, a Virginia state-chartered bank. 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 provided the results of the Bureau's investigation to the Commission and recommended that the Commission enter an order approving the application.

NOW THE COMMISSION, having considered this matter, finds that the application should be approved.

Accordingly, IT IS ORDERED THAT the proposed acquisition of VCC Bank by VCC Social Enterprises 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) VCC Social Enterprises 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. BAN20210103
AUGUST 25, 2021

APPLICATION OF
PROGRESSIVE DEBT RELIEF LLC

For a license to engage in business as a debt settlement services provider

ORDER GRANTING A LICENSE

Progressive Debt Relief LLC ("Applicant"), a Florida limited liability company, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2028 of the Code of Virginia, for a license to engage in business as a debt settlement services provider at 260 S. Osceola Avenue, Unit 101, Orlando, Florida 32801. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau"). The Commissioner of Financial Institutions ("Commissioner") has provided the results of the Bureau's investigation to the Commission and recommended that the Commission enter an order approving the application.

NOW THE COMMISSION, having considered this matter, finds that the application meets the criteria in Chapter 20.1 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 twenty (20) days thereafter.

CASE NO. BAN20210115
DECEMBER 9, 2021

APPLICATION OF
AMERICAN DEBT RELIEF, LLC

For a license to engage in business as a debt settlement services provider

ORDER GRANTING A LICENSE

American Debt Relief, LLC ("Applicant"), a Wyoming limited liability company, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-2028 of the Code of Virginia ("Code"), for a license to engage in business as a debt settlement services provider at 6860 North Dallas Parkway, Suite 200, Plano, Texas 75024. The Application was investigated by the Commission's Bureau of Financial Institutions ("Bureau"). The Commissioner of Financial Institutions (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 20.1 of Title 6.2 of the Code ("Chapter 20.1") for the issuance of a debt settlement services provider license; and (iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application meets the criteria in Chapter 20.1 and should be approved.

Accordingly, IT IS ORDERED THAT the Application is APPROVED provided that: (i) the Applicant begins business within one (1) year from the date of this Order; and (ii) within twenty (20) days of beginning business, the Applicant gives written notice to the Bureau stating the date it began such business.

CASE NO. BAN20210123
NOVEMBER 3, 2021

APPLICATION OF
OAK VIEW BANKSHARES, INC.

To acquire control of Oak View National Bank

ORDER OF APPROVAL

Oak View Bankshares, Inc., a Virginia corporation, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-704 A of the Code of Virginia ("Code"), to acquire control of Oak View National Bank, a Virginia financial institution. The Commissioner of Financial Institutions has recommended that the Commission enter an order approving the application.

NOW THE COMMISSION, having considered this matter, finds that the application meets the requirements in Chapter 7 of Title 6.2 of the Code and should be approved.

Accordingly, IT IS ORDERED THAT the proposed acquisition of Oak View National Bank by Oak View 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) Oak View Bankshares, Inc. notifies the Bureau of Financial Institutions 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. BAN20210124
SEPTEMBER 7, 2021

APPLICATION OF
UNITED BANKSHARES, INC.

To acquire control of Community Bankers Trust Corporation

ORDER OF APPROVAL

United Bankshares, Inc., a West Virginia bank holding company, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-704 C of the Code of Virginia, to acquire control of Community Bankers Trust Corporation, a Virginia bank 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 provided the results of the Bureau's investigation to the Commission and recommended that the Commission enter an order approving the application.

NOW THE COMMISSION, having considered this matter, finds that the application should be approved.

Accordingly, IT IS ORDERED THAT the proposed acquisition of Community Bankers Trust Corporation 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 Commission order 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. This approval is subject to the applicant obtaining all required federal approvals. The Commission shall retain jurisdiction over this matter pending consummation of the transaction.

CASE NO. BAN20210125
DECEMBER 17, 2021

APPLICATION OF
ACE CUSTOMER SERVICES, LLC D/B/A SIGNATURE SERVICING

For a license to engage in business as a debt settlement services provider

ORDER GRANTING A LICENSE

Ace Customer Services, LLC d/b/a Signature Servicing ("Applicant"), a Nevada limited liability company, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-2028 of the Code of Virginia ("Code"), for a license to engage in business as a debt settlement services provider at 675 West Indiantown Road, Suite 103, Jupiter, Florida 33458. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application. The Commissioner of Financial Institutions ("Commissioner"): (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 20.1 of Title 6.2 of the Code ("Chapter 20.1") for the issuance of a debt settlement services provider license; and (iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application meets the criteria in Chapter 20.1 and should be approved.

Accordingly, IT IS ORDERED THAT the Application is APPROVED provided that: (i) the Applicant begins business within one (1) year from the date of this Order; and (ii) within twenty (20) days of beginning business, the Applicant gives written notice to the Bureau stating the date it began such business.

CASE NO. BAN20210129
SEPTEMBER 7, 2021

APPLICATION OF
UNITED BANK

For a certificate of authority to conduct a banking and trust business following a merger with Essex Bank and for authority to operate the offices of the merging banks

ORDER GRANTING AUTHORITY

United Bank, 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 conduct a banking and trust business following a merger with Essex Bank, a Virginia state-chartered bank. United Bank proposes to be the surviving bank in the merger and seeks authority to operate all of the currently authorized offices of the merging banks. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau"). The Commissioner of Financial Institutions ("Commissioner") has provided the results of the Bureau's investigation to the Commission and recommended that the Commission enter an order approving the proposed merger and granting a certificate of authority.

NOW THE COMMISSION, having considered this matter, 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 Essex Bank into United Bank is APPROVED provided that 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. This approval is subject to the applicant obtaining all required federal approvals. The Commission shall retain jurisdiction over this matter pending consummation of the transaction. A certificate of authority to conduct a banking and trust business is GRANTED to United Bank, 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 11185 Fairfax Boulevard, City of Fairfax, Virginia, and is authorized to maintain and operate, in addition to its current offices and facilities, the offices of Essex Bank listed in Attachment A.

NOTE: A copy of the 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. BAN20210141
OCTOBER 1, 2021

APPLICATION OF
FREEDOM MERGER SUB, INC.

For a certificate of authority to begin business as a bank at 10555 Main Street, City of Fairfax, Virginia

ORDER GRANTING AUTHORITY

Freedom Merger Sub, Inc. ("Applicant"), a Virginia corporation, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-816 of the Code of Virginia, for a certificate of authority to begin business as a Virginia state-chartered bank at 10555 Main Street, City of Fairfax, Virginia. The application facilitates the merger of the Applicant into The Freedom Bank of Virginia, a Virginia state-chartered bank. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau"). The Commissioner of Financial Institutions ("Commissioner") has provided the results of the Bureau's investigation to the Commission and recommended that the Commission enter an order granting a certificate of authority.

NOW THE COMMISSION, having considered this matter, finds that the application should be approved.

Accordingly, IT IS ORDERED THAT a certificate of authority for Freedom 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 The Freedom Bank of Virginia, as approved by the Commission in Case No. BAN20210142. If the Applicant does not merge into The Freedom Bank of Virginia 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. BAN20210142
OCTOBER 1, 2021

APPLICATION OF
THE FREEDOM BANK OF VIRGINIA

For a certificate of authority to conduct a banking business following a merger with Freedom Merger Sub, Inc. and for authority to operate the offices of the merging banks

ORDER GRANTING AUTHORITY

The Freedom Bank of Virginia, a Virginia state-chartered bank, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-822 of the Code of Virginia, for a certificate of authority to conduct a banking business following a merger with Freedom Merger Sub, Inc., a Virginia state-chartered bank. The Freedom Bank of Virginia proposes to be the surviving bank in the merger and seeks authority to operate all of the currently authorized offices of the merging banks. The application facilitates an acquisition of The Freedom Bank of Virginia by Freedom Financial Holdings, Inc.

The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau"). The Commissioner of Financial Institutions ("Commissioner") has provided the results of the Bureau's investigation to the Commission and recommended that the Commission enter an order granting a certificate of authority.

NOW THE COMMISSION, having considered this matter, finds that the application should be approved.

Accordingly, IT IS ORDERED THAT the proposed merger of Freedom Merger Sub, Inc. into The Freedom Bank of Virginia is APPROVED and a certificate of authority to conduct a banking business is GRANTED to The Freedom Bank of Virginia, 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 10555 Main Street, City of Fairfax, Virginia, and is authorized to maintain and operate its current offices and facilities. 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. BAN20210143
OCTOBER 1, 2021

APPLICATION OF
FREEDOM FINANCIAL HOLDINGS, INC.

To acquire control of The Freedom Bank of Virginia

ORDER OF APPROVAL

Freedom Financial Holdings, Inc., a Virginia corporation, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-704 A of the Code of Virginia, to acquire control of The Freedom Bank of Virginia, a Virginia state-chartered bank. 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 provided the results of the Bureau's investigation to the Commission and recommended that the Commission enter an order approving the application.

NOW THE COMMISSION, having considered this matter, finds that the application should be approved.

Accordingly, IT IS ORDERED THAT the proposed acquisition of The Freedom Bank of Virginia by Freedom Financial Holdings, 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) Freedom Financial Holdings, 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. BAN20210165
NOVEMBER 19, 2021

APPLICATION OF
SOUTHERN BANCSHARES (N.C.), INC.

To acquire control of Old Point Financial Corporation

ORDER OF APPROVAL

Southern Bancshares (N.C.), Inc., a Delaware corporation, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-704 C of the Code of Virginia ("Code"), to acquire control of Old Point Financial Corporation, a Virginia financial institution holding company. The Commissioner of Financial Institutions has recommended that the Commission enter an order approving the application.

NOW THE COMMISSION, having considered this matter, finds that the application meets the requirements in Chapter 7 of Title 6.2 of the Code and should be approved.

Accordingly, IT IS ORDERED THAT the proposed acquisition of Old Point Financial Corporation by Southern Bancshares (N.C.), 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) Southern Bancshares (N.C.), Inc. notifies the Bureau of Financial Institutions 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. BFI-2020-00034
OCTOBER 8, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BARNARD FAMILY TRUST,
Defendant

SETTLEMENT ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Barnard Family Trust ("Defendant") acquired 25 percent or more of the ownership of Loanpal, LLC d/b/a Loanpal d/b/a Paramount Equity d/b/a Paramount Equity Mortgage, a licensed mortgage lender and broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"), before applying for and obtaining prior Commission approval in violation of § 6.2-1608 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) and abiding by the provisions of this Order, 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) The Defendant shall comply with Chapter 16 of Title 6.2 (§ 6.2-1600 *et seq.*) of the Code and the regulations adopted by the Commission pursuant thereto.

(3) This case is dismissed.

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

NOTE: A copy of the Admission and Consent 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-2020-00042
OCTOBER 6, 2021

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

VACATING ORDER

On October 1, 2020, the State Corporation Commission ("Commission") entered an Order Revoking a License ("Revocation Order") in this case, which revoked the license granted to Vernam Mortgage Professionals LLC ("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: (i) pay the annual fee due May 25, 2020, in violation of § 6.2-1612 of the Code; and (ii) 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*.

On October 9, 2020, the Defendant petitioned the Commission to reconsider this matter and reinstate its mortgage broker license ("Petition"). On October 14, 2020, the Commission entered an Order Granting Reconsideration solely for the purpose of continuing jurisdiction over this matter and considering the Petition. Thereafter, the Commissioner of Financial Institutions ("Commissioner") reported to the Commission that: (i) the Defendant failed to renew its mortgage broker license prior to December 31, 2020, as required by § 6.2-1607 E of the Code; (ii) pursuant to this statute, the Defendant's license automatically expired on December 31, 2020; and (iii) since the Defendant's license expired by operation of law on December 31, 2020, the Revocation Order and Petition are now moot. Accordingly, the Commissioner has recommended that the Revocation Order be vacated and that this case be dismissed.

NOW THE COMMISSION, having considered this matter and based on the specific facts of this case, finds that the Revocation Order should be vacated and that this case should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) The Revocation Order that was entered on October 1, 2020 is hereby vacated effective on that date.

(2) This case is dismissed.

CASE NO. BFI-2020-00055
MARCH 4, 2021

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

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

ORDER ADOPTING REGULATIONS

On September 18, 2020, the State Corporation Commission ("Commission") entered an Order to Take Notice of a proposal by the Bureau of Financial Institutions ("Bureau") to amend the Commission's regulations governing consumer finance companies, which are set forth in Chapter 60 of Title 10 of the Virginia Administrative Code ("Chapter 60").

The Bureau's proposed amendments implement and clarify numerous aspects of Chapters 1215 and 1258 of the 2020 Virginia Acts of Assembly, which made extensive changes to Chapter 15 (§ 6.2-1500 *et seq.*) of Title 6.2 of the Code of Virginia ("Code") that became effective on January 1, 2021. In addition, the proposed amendments 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. A detailed summary of these proposed amendments was set forth in the Order to Take Notice.

The Order to Take Notice and proposed regulations were published in the *Virginia Register of Regulations* on October 12, 2020, posted on the Commission's website, and sent to all licensed consumer finance companies ("licensees") and other interested parties. Licensees and other interested parties were afforded the opportunity to file written comments or request a hearing on or before October 23, 2020. Comments on the proposed regulations were timely filed[1] by Jeff D. Smith, III on behalf of the Virginia Financial Services Association; Dan Sanford on behalf of Aura Financial LLC; Nick Bourke on behalf of The Pew Charitable Trusts; Lauren Hunt on behalf of Hudson Cook, LLP; Dana Wiggins on behalf of the Virginia Partnership to Encourage Responsible Lending; and James W. Speer on behalf of the Virginia Poverty Law Center. The Commission did not receive any requests for a hearing.

The Bureau considered the comments filed and responded to them in its Statement of Position in Response to Comments ("Statement of Position"), which the Bureau filed with the Clerk of the Commission on January 22, 2021. In its Statement of Position, the Bureau addressed the comment letters and recommended that various sections of the proposed regulations be amended.

NOW THE COMMISSION, having considered the proposed regulations, the comments filed, the Bureau's Statement of Position, the record herein, and applicable law, concludes that the proposed regulations should be modified to incorporate the Bureau's recommendations. The Commission further concludes that the proposed regulations, as modified, should be adopted with an effective date of April 15, 2021.

Accordingly, IT IS ORDERED THAT:

(1) The proposed regulations, as modified herein and attached hereto, are adopted effective April 15, 2021.

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

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

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

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.

[1] A comment letter was received from John Euwema on behalf of the Consumer Credit Industry Association, but it was not filed timely. The Commission has given this comment letter the consideration that it was due.

CASE NO. BFI-2020-00068
JANUARY 7, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CALIVER BEACH MORTGAGE, LLC,
Defendant

SETTLEMENT ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Caliver Beach Mortgage, LLC ("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 of Virginia ("Code"); that the Commission's Bureau of Financial Institutions ("Bureau") conducted an examination ("Examination") of the Defendant; that the Bureau alleged that the Examination revealed that the Defendant committed violations of 10 VAC 5-160-60 of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq.*, ("Rules") related to advertising; and that the Defendant offered to settle this case by paying a civil penalty 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) The Defendant shall comply with Chapter 16 of Title 6.2 of the Code and the Commission's Rules.

(3) This case is dismissed.

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

NOTE: A copy of the Admission and Consent 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-2020-00072
MAY 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
G & J GROCERY, INC.,
Defendant

ORDER REVOKING REGISTRATION

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that G & J Grocery, Inc. ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendant failed to pay its 2020 annual registration fee, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by letter dated February 23, 2021, (1) of his intention to recommend revocation of its registration for failure to pay its annual registration fee, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 23, 2021.

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 registration to engage in business as a check casher.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual registration fee as required by law.

Accordingly, IT IS ORDERED THAT the Defendant's registration to engage in business as a check casher is hereby revoked.

CASE NO. BFI-2020-00080
MAY 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AMERICANA GROCERY ROUTE 1, INC.,
Defendant

ORDER REVOKING REGISTRATION

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Americana Grocery Route 1, Inc. ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendant failed to pay its 2020 annual registration fee, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by letter dated February 23, 2021, (1) of his intention to recommend revocation of its registration for failure to pay its annual registration fee, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 23, 2021.

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 registration to engage in business as a check casher.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual registration fee as required by law.

Accordingly, IT IS ORDERED THAT the Defendant's registration to engage in business as a check casher is hereby revoked.

CASE NO. BFI-2020-00082
MAY 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
U. S. FINANCIAL OF VIRGINIA, INC.,
Defendant

ORDER REVOKING REGISTRATION

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that U. S. Financial of Virginia, Inc. ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendant failed to pay its 2020 annual registration fee, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by letter dated February 23, 2021, (1) of his intention to recommend revocation of its registration for failure to pay its annual registration fee, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 23, 2021.

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 registration to engage in business as a check casher.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual registration fee as required by law.

Accordingly, IT IS ORDERED THAT the Defendant's registration to engage in business as a check casher is hereby revoked.

CASE NO. BFI-2020-00086
MAY 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
N 20 LLC,
Defendant

ORDER REVOKING REGISTRATION

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that N 20 LLC ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendant failed to pay its 2020 annual registration fee, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by letter dated February 23, 2021, (1) of his intention to recommend revocation of its registration for failure to pay its annual registration fee, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 23, 2021.

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 registration to engage in business as a check casher.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual registration fee as required by law.

Accordingly, IT IS ORDERED THAT the Defendant's registration to engage in business as a check casher is hereby revoked.

CASE NO. BFI-2020-00088
MAY 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
HELIOS SERVICES LLC,
Defendant

ORDER REVOKING REGISTRATION

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Helios Services LLC ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendant failed to pay its 2020 annual registration fee, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by letter dated February 23, 2021, (1) of his intention to recommend revocation of its registration for failure to pay its annual registration fee, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 23, 2021.

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 registration to engage in business as a check casher.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual registration fee as required by law.

Accordingly, IT IS ORDERED THAT the Defendant's registration to engage in business as a check casher is hereby revoked.

CASE NO. BFI-2020-00090
MAY 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
NOVEDADES K & J, INC.,
Defendant

ORDER REVOKING REGISTRATION

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Novedades K & J, Inc. ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendant failed to pay its 2020 annual registration fee, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by letter dated February 23, 2021, (1) of his intention to recommend revocation of its registration for failure to pay its annual registration fee, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 23, 2021.

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 registration to engage in business as a check casher.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual registration fee as required by law.

Accordingly, IT IS ORDERED THAT the Defendant's registration to engage in business as a check casher is hereby revoked.

CASE NO. BFI-2020-00091
MAY 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BBB SUPERMARKET, INC,
Defendant

ORDER REVOKING REGISTRATION

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that BBB Supermarket, Inc ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendant failed to pay its 2020 annual registration fee, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by letter dated February 23, 2021, (1) of his intention to recommend revocation of its registration for failure to pay its annual registration fee, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 23, 2021.

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 registration to engage in business as a check casher.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual registration fee as required by law.

Accordingly, IT IS ORDERED THAT the Defendant's registration to engage in business as a check casher is hereby revoked.

CASE NO. BFI-2020-00092
MAY 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DAY & NIGHT CORPORATION,
Defendant

ORDER REVOKING REGISTRATION

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Day & Night Corporation ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendant failed to pay its 2020 annual registration fee, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by letter dated February 23, 2021, (1) of his intention to recommend revocation of its registration for failure to pay its annual registration fee, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 23, 2021.

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 registration to engage in business as a check casher.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual registration fee as required by law.

Accordingly IT IS ORDERED THAT the Defendant's registration to engage in business as a check casher is hereby revoked.

CASE NO. BFI-2020-00094
MAY 14, 2021

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

ORDER REVOKING REGISTRATION

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Palacios Corporation ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendant failed to pay its 2020 annual registration fee, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by letter dated February 23, 2021, (1) of his intention to recommend revocation of its registration for failure to pay its annual registration fee, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 23, 2021.

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 registration to engage in business as a check casher.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual registration fee as required by law.

Accordingly, IT IS ORDERED THAT the Defendant's registration to engage in business as a check casher is hereby revoked.

CASE NO. BFI-2020-00097
MAY 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SAS CONCEPTS INC.,
Defendant

ORDER REVOKING REGISTRATION

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that SAS Concepts Inc. ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendant failed to pay its 2020 annual registration fee, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by letter dated February 23, 2021, (1) of his intention to recommend revocation of its registration for failure to pay its annual registration fee, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 23, 2021.

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 registration to engage in business as a check casher.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual registration fee as required by law.

Accordingly, IT IS ORDERED THAT the Defendant's registration to engage in business as a check casher is hereby revoked.

CASE NO. BFI-2020-00098
MAY 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
VARIETY AMAYA, LLC,
Defendant

ORDER REVOKING REGISTRATION

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Variety Amaya, LLC ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendant failed to pay its 2020 annual registration fee, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by letter dated February 23, 2021, (1) of his intention to recommend revocation of its registration for failure to pay its annual registration fee, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 23, 2021.

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 registration to engage in business as a check casher.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual registration fee as required by law.

Accordingly, IT IS ORDERED THAT the Defendant's registration to engage in business as a check casher is hereby revoked.

CASE NO. BFI-2020-00099
MAY 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
HKSA VENTURES INC,
Defendant

ORDER REVOKING REGISTRATION

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that HKSA Ventures Inc ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendant failed to pay its 2020 annual registration fee, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by letter dated February 23, 2021, (1) of his intention to recommend revocation of its registration for failure to pay its annual registration fee, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 23, 2021.

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 registration to engage in business as a check casher.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual registration fee as required by law.

Accordingly, IT IS ORDERED THAT the Defendant's registration to engage in business as a check casher is hereby revoked.

CASE NO. BFI-2020-00100
MAY 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
FAMILY FOODS OF GATESVILLE, INC.,
Defendant

ORDER REVOKING REGISTRATION

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Family Foods of Gatesville, Inc. ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendant failed to pay its 2020 annual registration fee, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by letter dated February 23, 2021, (1) of his intention to recommend revocation of its registration for failure to pay its annual registration fee, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 23, 2021.

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 registration to engage in business as a check casher.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual registration fee as required by law.

Accordingly, IT IS ORDERED THAT the Defendant's registration to engage in business as a check casher is hereby revoked.

CASE NO. BFI-2020-00105
MAY 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
COMUNIDAD LATINA MULTISERVICES INC.,
Defendant

ORDER REVOKING REGISTRATION

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Comunidad Latina MultiServices Inc. ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendant failed to pay its 2020 annual registration fee, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by letter dated February 23, 2021, (1) of his intention to recommend revocation of its registration for failure to pay its annual registration fee, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 23, 2021.

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 registration to engage in business as a check casher.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual registration fee as required by law.

Accordingly, IT IS ORDERED THAT the Defendant's registration to engage in business as a check casher is hereby revoked.

CASE NO. BFI-2020-00106
MAY 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AIV FINANCIAL LLC,
Defendant

ORDER REVOKING REGISTRATION

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that AIV Financial LLC ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendant failed to pay its 2020 annual registration fee, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by letter dated February 23, 2021, (1) of his intention to recommend revocation of its registration for failure to pay its annual registration fee, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 23, 2021.

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 registration to engage in business as a check casher.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual registration fee as required by law.

Accordingly, IT IS ORDERED THAT the Defendant's registration to engage in business as a check casher is hereby revoked.

CASE NO. BFI-2020-00109
JULY 12, 2021

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

Ex Parte: In the matter of Adopting Revisions to the Regulations Governing Licensees under Chapter 18 of Title 6.2 of the Code of Virginia

ORDER ADOPTING REGULATIONS

On November 30, 2020, the State Corporation Commission ("Commission") entered an Order to Take Notice of a proposal by the Bureau of Financial Institutions ("Bureau") to amend the Commission's regulations governing licensees under Chapter 18 (§ 6.2-1800 *et seq.*) of Title 6.2 ("Chapter 18") of the Code of Virginia ("Code"), which are set forth in Chapter 200 of Title 10 of the Virginia Administrative Code ("Chapter 200"). The Bureau submitted the proposed amendments to the Commission because Chapters 1215 and 1258 of the 2020 Virginia Acts of Assembly ("Chapters 1215 and 1258") made extensive revisions to Chapter 18 that became effective on January 1, 2021. The proposed regulations sought to align Chapter 200 with the revisions effected by Chapters 1215 and 1258, eliminate obsolete provisions and references from Chapter 200, and clarify certain aspects of the legislation. The Bureau also proposed an assortment of other changes, which are summarized in the Commission's Order to Take Notice.

The Order to Take Notice and the proposed regulations were published in the *Virginia Register of Regulations* on December 21, 2020, posted on the Commission's website, and sent to all Chapter 18 licensees, Veritec Solutions, LLC ("Veritec"), and other interested persons. The Order to Take Notice invited all interested persons to participate and required that any comments or requests for a hearing on the proposed regulations be submitted in writing on or before January 5, 2021.

Comments on the proposed regulations were timely filed by Senator Mamie E. Locke and Delegate Lamont Bagby; Delegate C. Todd Gilbert; the Office of the Attorney General; The Pew Charitable Trusts; the Virginia Poverty Law Center ("VPLC"); Anykind Check Cashing, LC ("Anykind"); Check City; EZ Loans of Virginia, Inc. ("EZ Loans"); Populus Financial Group, Inc. d/b/a ACE Cash Express ("ACE"); Possible Financial Inc. d/b/a Possible ("Possible"); and the Online Lenders Alliance. The Commission did not receive any requests for a hearing.

The Bureau considered the comments filed and responded to them in its Response to Comments ("Response"), which the Bureau filed with the Clerk of the Commission on April 12, 2021. In its Response, the Bureau recommended that the Commission further amend various sections of the proposed regulations.

NOW THE COMMISSION, having considered this matter, finds that the proposed regulations should be modified to incorporate the specific changes the Bureau recommended in its Response, as specified herein, and that the modified proposed regulations should be adopted effective August 1, 2021. The Commission expresses appreciation to those who submitted written comments for our consideration.

The Bureau initially proposed, among other things, including the actual amount of the database inquiry fee in 10 VAC 5-200-115, which reflected an increase based on a request from Veritec. The Commission received numerous comments expressing concern or objecting to Veritec's proposed fee increase in this proceeding.[1] In its Response, the Bureau recommended that the Commission bifurcate this proceeding to afford Veritec the opportunity to furnish the Commission with information pertaining to the cost of operating the Chapter 18 database along with any additional information that Veritec would like to proffer in support of its request.[2]

We will not amend 10 VAC 5-200-115 to specify the actual amount of the database inquiry fee, nor will we change the database inquiry fee in this proceeding. Accordingly, the fee shall remain at $1.98 per loan pursuant to the Commission's March 11, 2019 Order Modifying Database Inquiry Fee.[3] We adopt the Bureau's other proposed changes to 10 VAC 5-200-115, which shall be modified to state that the database inquiry fee will be "set by the Commission."

Accordingly, IT IS ORDERED THAT:

(1) The proposed regulations, as modified herein and attached hereto, are adopted effective August 1, 2021.

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

(3) The Commission's Division of Information Resources shall provide a copy of this Order and the regulations to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

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

NOTE: A copy of the attachment entitled "Short-Term Lending" 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] Senator Mamie E. Locke and Delegate Lamont Bagby, Delegate C. Todd Gilbert, The Pew Charitable Trusts, VPLC, Anykind, Check City, EZ Loans, ACE, and Possible all expressed concern with, or objected to, the database inquiry fee increase.

[2] Bureau's Response at 12-16.

[3] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In re: database inquiry fee*. Case No. BFI-2019-00007, 2019 S.C.C. Ann. Rept. 27, Order Modifying Database Inquiry Fee (March 11, 2019).

CASE NO. BFI-2020-00115
FEBRUARY 25, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CORNERSTONE HOME MORTGAGE, LLC,
Defendant

SETTLEMENT ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Cornerstone Home Mortgage, LLC ("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 of Virginia ("Code"); that the Commission's Bureau of Financial Institutions ("Bureau") received a consumer complaint against the Defendant; that, based upon its investigation of the consumer complaint, the Bureau alleged that the Defendant committed violations of 10 VAC 5-160-20 (1) of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq.*, ("Rules") by providing information to a prospective borrower that is false, misleading or deceptive; and that upon being informed that the Commissioner intended to recommend the imposition of a civil penalty, the Defendant offered to settle this case by paying a civil penalty 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) The Defendant shall comply with Chapter 16 of Title 6.2 of the Code and the Commission's Rules.

(3) This case is dismissed.

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

CASE NO. BFI-2020-00117
FEBRUARY 25, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MORTGAGE ASSETS MANAGEMENT, LLC,
Defendant

SETTLEMENT ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Mortgage Assets Management, LLC ("Defendant") acquired 25 percent or more of the voting shares of Reverse Mortgage Solutions, Inc. d/b/a Security 1 Lending, a licensed mortgage lender under Chapter 16 of Title 6.2 (§ 6.2-1600 *et seq.*) of the Code of Virginia ("Code"), without prior Commission approval in violation of § 6.2-1608 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) The Defendant shall comply with Chapter 16 of Title 6.2 of the Code and the regulations adopted by the Commission pursuant thereto.

(3) This case is dismissed.

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

NOTE: A copy of the Admission and Consent 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-2021-00001
AUGUST 24, 2021

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

Ex Parte: In the matter of Adopting Revisions to the Regulations Governing Motor Vehicle Title Lending

ORDER ADOPTING REGULATIONS

On January 11, 2021, the State Corporation Commission ("Commission") entered an Order to Take Notice of a proposal by the Bureau of Financial Institutions ("Bureau") to amend the Commission's regulations governing motor vehicle title lending under Chapter 22 (§ 6.2-2200 *et seq.*) of Title 6.2 of the Code of Virginia ("Chapter 22"), which are set forth in Chapter 210 of Title 10 of the Virginia Administrative Code ("Chapter 210"). The Bureau submitted the proposed amendments to the Commission because Chapters 1215 and 1258 of the 2020 Virginia Acts of Assembly ("Chapters 1215 and 1258") made extensive revisions to Chapter 22 that became effective on January 1, 2021. The proposed regulations sought to align Chapter 210 with the revisions effected by Chapters 1215 and 1258, as well as clarify certain aspects of the legislation. The Bureau also proposed other technical changes and revisions, which are summarized in the Commission's Order to Take Notice.

The Order to Take Notice and the proposed regulations were published in the *Virginia Register of Regulations* on February 1, 2021, posted on the Commission's website, and sent to all Chapter 22 licensees and other interested persons. The Order to Take Notice invited all interested persons to participate and required that any comments or requests for a hearing on the proposed regulations be submitted in writing on or before February 12, 2021.

Comments on the proposed regulations were timely filed by the Office of the Attorney General, The Pew Charitable Trusts, and the Virginia Poverty Law Center. The Commission did not receive any requests for a hearing.

The Bureau considered the comments filed and responded to them in its Response to Comments ("Response"), which the Bureau filed with the Clerk of the Commission on May 11, 2021. In its Response, the Bureau recommended that the Commission further amend various sections of the proposed regulations.

NOW THE COMMISSION, having considered this matter, finds that the proposed regulations should be modified to incorporate the specific changes the Bureau recommended in its Response, and that the modified proposed regulations should be adopted effective September 15, 2021. The Commission expresses appreciation to those who submitted written comments.

Accordingly, IT IS ORDERED THAT:

(1) The proposed regulations, as modified herein and attached hereto, are adopted effective September 15, 2021.

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

(3) The Commission's Division of Information Resources shall provide a copy of this Order and the regulations to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

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

NOTE: A copy of the attachment entitled "Motor Vehicle Title Lending" 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-2021-00007
MARCH 9, 2021

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

Ex Parte: In the matter of Adopting Regulations Governing Qualified Education Loan Servicers under Chapter 26 of Title 6.2 of the Code of Virginia

ORDER TO TAKE NOTICE

Chapters 1198 and 1250 of the 2020 Virginia Acts of Assembly amend the Code of Virginia ("Code") by adding Chapter 26 of Title 6.2 (§ 6.2-2600 *et seq.*) of the Code ("Chapter 26"). Chapter 26 establishes a licensing and regulatory framework for qualified education loan servicers, and it will become effective on July 1, 2021. Section 6.2-2622 of the Code authorizes the State Corporation Commission ("Commission") to adopt such regulations as it deems appropriate to effect the purposes of Chapter 26.

The Bureau of Financial Institutions ("Bureau") has submitted to the Commission proposed regulations to implement the provisions of Chapter 26 by, among other things, establishing the amount required for the surety bond, annual reporting requirements, the procedure for documenting eligibility for automatic issuance of a license, the application and renewal process, the annual fee schedule, and procedures for submitting information to the Bureau.

NOW THE COMMISSION, having considered the Bureau's proposal, is of the opinion and finds that the proposed regulations should be considered for adoption.

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 April 16, 2021. 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-2021-00007. Interested persons desiring to submit comments or request a hearing electronically may do so by following the instructions available at the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments.

(3) The Bureau shall file its statement of position in response to any comments filed pursuant to Ordering Paragraph 2 on or before May 17, 2021.

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

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

NOTE: A copy of the attachment entitled "Qualified Education Loan Servicers" 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-2021-00007
SEPTEMBER 8, 2021

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

Ex Parte: In the matter of Adopting Regulations Governing Qualified Education Loan Servicers under Chapter 26 of Title 6.2 of the Code of Virginia

ORDER ADOPTING REGULATIONS

On March 9, 2021, the State Corporation Commission ("Commission") entered an Order to Take Notice of a proposal by the Bureau of Financial Institutions ("Bureau") to adopt regulations governing qualified education loan servicers, to be set forth in Chapter 220 of Title 10 of the Virginia Administrative Code.

The Bureau submitted the proposed regulations pursuant to Chapters 1198 and 1250 of the 2020 Virginia Acts of Assembly, which amended the Code of Virginia ("Code") by adding Chapter 26 of Title 6.2 (§ 6.2-2600 *et seq.*) of the Code ("Chapter 26"). Chapter 26 establishes a licensing and regulatory framework for qualified education loan servicers effective on July 1, 2021. The regulations implement the provisions of Chapter 26 by, among other things, establishing the amount required for the surety bond, annual reporting requirements, the procedure for documenting eligibility for automatic issuance of a license, the application and renewal process, the annual fee schedule, and procedures for submitting information to the Bureau.

The Order to Take Notice and proposed regulations were published in the *Virginia Register of Regulations* on March 29, 2021, posted on the Commission's website, and sent to various persons. All interested persons were afforded the opportunity to file written comments or request a hearing on or before April 16, 2021. Initial comments on the proposed regulations were filed by Virginia21; the New Virginia Majority; the Virginia Poverty Law Center ("VPLC"); the National Association of Student Loan Administrators ("NASLA"); Progress Virginia Education Fund; and the Student Loan Servicing Alliance ("SLSA").[1] The Commission did not receive any requests for a hearing.

Several commenters expressed concern that the proposed regulations do not impose additional reporting requirements and provided recommendations regarding the types of additional reporting that the Commission should require from licensees.[2] Additionally, two commenters raised preemption concerns. NASLA asserted in its comments that application of Chapter 26 and the proposed regulations to federal guarantors is preempted by federal law, and the doctrine of intergovernmental immunity bars direct state regulation of federal contractors such as federal guarantors. SLSA asserted in its comments that federal student loans are preempted from any licensing regime.

The Bureau considered the comments filed and responded to them in its Response to Comments ("Response"), which the Bureau filed with the Clerk of the Commission on May 17, 2021. The Bureau found the proposed additional reporting requirements unnecessary and did not recommend additional reporting requirements in the regulations at this time. In response to the preemption and intergovernmental immunity claims, the Bureau asserted, among other things, that the proposed regulations are consistent with Chapter 26 and impose requirements that are within the Commission's authority under § 6.2-2622 of the Code. The Bureau requested that the Commission incorporate the modifications to the proposed regulations set forth in its Response and enter an order adopting the modified proposed regulations.

On July 9, 2021, the Commission issued an Order Requesting Additional Comments, requesting the Bureau, NASLA, SLSA, and any interested person desiring so (including others that previously filed comments), to file comments further addressing the issues of federal preemption and intergovernmental immunity raised in this docket. The Commission requested interested persons to file such comments in this docket on or before August 16, 2021.

Senator Janet Howell, Delegate Marcus Simon, Delegate Marcia "Cia" Price, the Office of the Attorney General of Virginia ("Attorney General"), the Office of Federal Student Aid of the Department of Education, the Student Borrower Protection Center, AARP Virginia, the Center for Responsible Lending, Consumer Reports, the Fairfax County Federation of Teachers (AFT Local 2401), the New Virginia Majority, the Norfolk Federation of Teachers, Progress Virginia, the Commonwealth Institute for Fiscal Analysis, Virginia21, the Virginia Civic Engagement Table, Virginia Organizing, the VPLC, NASLA, SLSA, and the Bureau filed comments in response to the Commission's July 9, 2021 Order.

NOW THE COMMISSION, upon consideration of this matter, finds that it should adopt the proposed regulations, as modified by the Bureau's recommendations, effective October 1, 2021. The Commission expresses appreciation to all those who submitted written comments for its consideration. We have considered all the comments filed in this matter, including those from the Attorney General, which we find persuasive. We therefore reject the arguments brought forth by SLSA and NASLA regarding preemption and intergovernmental immunity claims. Further, in adopting the regulations, we decline to adopt additional reporting requirements at this time. We adopt the regulations as recommended by the Bureau in its Response.

Accordingly, IT IS ORDERED THAT:

(1) The proposed regulations, as modified herein and attached hereto, are adopted effective October 1, 2021.

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

(3) The Commission's Division of Information Resources shall provide a copy of this Order and the regulations to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

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

NOTE: A copy of the attachment entitled "Qualified Education Loan Servicers" 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.

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[1] The Commission made a limited exception in an order dated July 9, 2021, to accept SLSA's comments out of time.

[2] *See, e.g.*, comments of Virginia 21, Progress Virginia Education Fund, New Virginia Majority, and the VPLC. The reporting requirements were one of a number of issues commenters identified in connection with the proposed regulations.

CASE NO. BFI-2021-00010
JULY 26, 2021

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

Ex Parte: In the matter of Adopting Regulations Governing Debt Settlement Services Providers under Chapter 20.1 of Title 6.2 of the Code of Virginia

ORDER TO TAKE NOTICE

Chapter 785 of the 2020 Virginia Acts of Assembly amended the Code of Virginia ("Code") by adding Chapter 20.1 of Title 6.2 (§ 6.2-2026 *et seq.*) of the Code ("Chapter 20.1"). Chapter 20.1 establishes a licensing and regulatory framework for debt settlement services providers, and it became effective on July 1, 2021. Section 6.2-2039 of the Code authorizes the State Corporation Commission ("Commission") to adopt such regulations as it deems appropriate to effect the purposes of Chapter 20.1.

The Bureau of Financial Institutions ("Bureau") has submitted to the Commission proposed regulations that, among other things, define certain terms, specify the required surety bond amount and minimum fidelity bond coverage, establish annual and other reporting requirements, set forth the annual fee schedule, and prescribe additional business requirements and restrictions as well as various advertising rules.

NOW THE COMMISSION, having considered the Bureau's proposal, is of the opinion and finds that the proposed regulations should be considered for adoption.

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 September 3, 2021. 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-2021-00010. Interested persons desiring to submit comments or request a hearing electronically may do so by following the instructions available at the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments.

(3) The Bureau shall file its response to any comments filed pursuant to Ordering Paragraph 2 on or before October 1, 2021.

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

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

NOTE: A copy of the attachment entitled "Debt Settlement Services Providers" 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-2021-00010
NOVEMBER 18, 2021

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

Ex Parte: In the matter of Adopting Regulations Governing Debt Settlement Services Providers under Chapter 20.1 of Title 6.2 of the Code of Virginia

ORDER ADOPTING REGULATIONS

On July 26, 2021, the State Corporation Commission ("Commission") entered an Order to Take Notice of a proposal by the Bureau of Financial Institutions ("Bureau") to adopt regulations pursuant to Chapter 20.1 of Title 6.2 (§ 6.2-2026 *et seq.*) of the Code of Virginia ("Chapter 20.1"). Chapter 20.1 establishes a licensing and regulatory framework for debt settlement services providers. Chapter 20.1 became effective on July 1, 2021.

The proposed regulations implement the provisions of Chapter 20.1 by, among other things, defining certain terms, specifying the required surety bond amount and minimum fidelity bond coverage, establishing annual and other reporting requirements, setting forth the annual fee schedule, and prescribing additional business requirements and restrictions as well as various advertising rules.

The Order to Take Notice and proposed regulations were published in the *Virginia Register of Regulations* on August 16, 2021, posted on the Commission's website, and sent to all debt settlement services providers licensed under Chapter 20.1 and other interested persons. The Order to Take Notice invited all interested persons to participate and required that any comments or requests for a hearing on the proposed regulations be submitted in writing on or before September 3, 2021.

Comments on the proposed regulations were timely filed by the American Fair Credit Council, the Consumer Debt Relief Initiative, the Virginia Poverty Law Center, and Virginia Organizing. The Commission did not receive any requests for a hearing.

The Bureau considered the comments that were filed and responded to them in its Response to Comments ("Response"), which the Bureau filed with the Clerk of the Commission on October 1, 2021. In its Response, the Bureau recommended that the Commission amend various sections of the proposed regulations.

NOW THE COMMISSION, having considered this matter, finds that the proposed regulations should be modified consistent with the modifications the Bureau recommended in its Response, with one exception. The Commission finds that proposed 10 VAC 5-230-50 D should be modified to permit licensees to establish that they are complying with § 6.2-2040 (7) of the Code of Virginia. The Commission also finds that the modified proposed regulations should be adopted effective December 15, 2021. The Commission expresses appreciation to those who submitted written comments.

Accordingly, IT IS ORDERED THAT:

(1) The proposed regulations, as modified herein and attached hereto, are adopted effective December 15, 2021.

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

(3) The Commission's Division of Information Resources shall provide a copy of this Order and the regulations to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

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

NOTE: A copy of the attachment entitled "Debt Settlement Services Providers" 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-2021-00014
JULY 2, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
PORTER GROUP, LLC d/b/a PORTER, and ROCK CONSULTING,
Defendant

CEASE AND DESIST ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that a Virginia consumer filed a complaint with the Bureau of Financial Institutions against Porter Group, LLC d/b/a PORTER, and Rock Consulting ("Defendant"); that the Defendant is engaging in business as a mortgage broker without a license in violation of § 6.2-1601 of the Code of Virginia ("Code"); and that the Commissioner, pursuant to § 6.2-1622 of the Code, gave written notice to the Defendant by certified mail dated April 27, 2021, (i) of his intention to seek an order from the Commission requiring the Defendant to cease and desist from violating § 6.2-1601 of the Code 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 May 27, 2021. 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 requiring the Defendant to cease and desist from violating § 6.2-1601 of the Code and to comply with the provisions of Chapter 16 of Title 6.2 of the Code.

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 the license required by § 6.2-1601 of the Code, 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-2021-00015
AUGUST 12, 2021

VIRGINIA FINANCIAL SERVICES ASSOCIATION,
Petitioner
v.
VIRGINIA STATE CORPORATION COMMISSION AND BUREAU OF FINANCIAL INSTITUTIONS,
Defendants

ORDER

On April 16, 2021, the petitioner, Virginia Financial Services Association ("Petitioner" or the "VFSA"), filed a Petition against the State Corporation Commission ("Commission") and the Commission's Bureau of Financial Institutions ("Bureau") under 5 VAC 5-20-100 B of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rule 100 B"). The Petition asks the Commission to rescind or modify three regulations promulgated by the Commission through its March 4, 2021 Order Adopting Regulations ("Challenged Regulations"),[1] and asks that the Commission stay the effectiveness of the Challenged Regulations during the pendency of this proceeding.[2] The Challenged Regulations were part of the broader regulatory package ("Regulations") the Commission adopted to address certain statutory changes the Virginia General Assembly enacted during the 2020 legislative session and to update generally the Commission's regulations governing consumer finance companies.

On May 7, 2021, the Bureau filed a Motion to Dismiss and Response ("Motion") asking the Commission to dismiss the Petition on the grounds that: (i) the Petitioner lacks standing to bring this Petition; (ii) the Petition seeks an impermissible procedural review of the properly promulgated Regulations; (iii) the Petitioner failed to pursue its appropriate remedies; (iv) the Petitioner improperly names the Bureau and the Commission as defendants in this matter; and (v) suspension of the Challenged Regulations pending this proceeding is not authorized.

The VFSA responded in opposition to the Motion on May 20, 2021. In its response, VFSA asserted, among other things, that: (i) it has standing to bring the Petition; (ii) the Bureau's procedural arguments for dismissing the Petition should not be granted; (iii) VFSA seeks appropriate remedies; and (iv) Rule 100 B expressly allows petitions to be filed against the Commission, its bureaus, and its divisions, and the Commission and the Bureau are the appropriate defendants in this matter.

On June 4, 2021, the Bureau filed a response in support of its Motion and replied to the VFSA's opposition to the Motion. The Bureau maintained that its Motion should be granted.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Petition should be dismissed.[3] The Commission adopted the Challenged Regulations after a full rulemaking proceeding in accordance with Virginia law (in which VFSA and others participated). The Commission hereby exercises its discretion and rejects VFSA's Petition and requests for relief, which collaterally attack a rulemaking that has previously reached finality by requesting rescission and modification of the Challenged Regulations.

Dismissal of the Petition, however, is without prejudice to interested persons raising legal and factual issues attendant to the Challenged Regulations through other means. Interested persons could have cause, for example, to challenge the applicability of the Challenged Regulations to a definitive, fact-based situation, to seek judgment on such if no other adequate remedy exists for an actual controversy, or to defend against the Bureau's subsequent enforcement of the Challenged Regulations as applied to a particular defendant.[4]

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

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[1] *See Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte In the Matter of Adopting Revisions to the Regulations Governing Consumer Finance Companies*, Case No. BFI-2020-00055, Order Adopting Regulations (Mar. 4, 2021). The Challenged Regulations are: 10 VAC 5-60-20.A; 10 VAC 5-60-25.A; and 10 VAC 5-60-45.F.1.

[2] *See, e.g.*, Petition at 12-13.

[3] For purposes of the instant order, the Commission assumes without deciding that VFSA possesses standing to file the Petition.

[4] *See, e.g.*, Bureau's June 4, 2021 Response at 6.

CASE NO. BFI-2021-00030
NOVEMBER 4, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
INTERNATIONAL DEVELOPMENT FUND, INC.,
Defendant

ORDER REVOKING A LICENSE

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that International Development Fund, Inc. ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"); and 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"). The Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on

June 22, 2021: (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 July 22, 2021. As of the date of this Order, the Commission has not received a written request for a hearing in this matter. 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. Pursuant to § 6.2-1619 of the Code, the Commission finds that the Defendant's license should be revoked.

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-2021-00039
DECEMBER 9, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CRISTOBAL LARA GARCIA,
Defendant

ORDER REVOKING A LICENSE

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Cristobal Lara Garcia ("Defendant") is licensed to engage in business as a mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia ("Code") and that the Defendant made a material misrepresentation or omission in his initial application for a mortgage loan originator license by failing to disclose that the Financial Industry Regulatory Authority issued a decision against him in 2009. Since then, and based on the Defendant's violations of laws and regulations applicable to the conduct of his licensed activities, the states of Idaho, Massachusetts, Montana, Pennsylvania, and Washington have entered administrative orders against the Defendant and revoked his licenses to engage in business as a mortgage loan originator.

The Commissioner has further reported that, pursuant to 10 VAC 5-161-45 B 2 and C of the Commission's Rules governing Mortgage Loan Originators, 10 VAC 5-161-10 *et seq.*, the Defendant's material misrepresentation or omission establishes that he no longer possesses the character and general fitness required for licensure under § 6.2-1706 of the Code and Rule 10 VAC 5-161-40; that the actions taken against the Defendant by other states: (i) disqualify him under § 6.2-1707 (1) of the Code and Rule 10 VAC 5-161-40 from holding a mortgage loan originator license, and (ii) serve as bases for license revocation under § 6.2-1716 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on September 22, 2021: (i) of the Commissioner's intention to recommend revocation of the Defendant's license, and (ii) that a written request for a hearing was required to be submitted on or before October 22, 2021. As of the date of this Order, the Defendant has not requested a hearing in this matter. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's license to engage in business as a mortgage loan originator.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that: (i) the Defendant made a material misrepresentation or omission in his application for a mortgage loan originator license; (ii) the Defendant no longer possesses the character and general fitness required for licensure under § 6.2-1706 of the Code and Rule 10 VAC 5-161-40; (iii) several other states have revoked the Defendant's licenses to engage in business as a mortgage loan originator, which disqualifies him under § 6.2-1707 (1) of the Code and Rule 10 VAC 5-161-40 from holding a mortgage loan originator license; and (iv) other states have entered administrative orders against the Defendant for violating laws and regulations applicable to the conduct of his licensed activities.

Accordingly, IT IS ORDERED THAT:

(1) The license granted to the Defendant to engage in business as a mortgage loan originator 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-2021-00101
OCTOBER 12, 2021

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

Ex Parte: In the Matter of Defining the Term "Business Check" in the Regulations Governing Short-Term Lending

ORDER TO TAKE NOTICE

Chapters 1215 and 1258 of the 2020 Virginia Acts of Assembly made extensive revisions to Chapter 18 (§ 6.2-1800 *et seq.*) of Title 6.2 of the Code of Virginia ("Chapter 18") that became effective on January 1, 2021. Based on this legislation, the State Corporation Commission ("Commission") conducted a rulemaking proceeding and adopted amendments to its regulations governing short-term lending under Chapter 18, which are set forth in Chapter 200 of Title 10 of the Virginia Administrative Code ("Chapter 200").[1]

The Commission has received inquiries regarding whether licensed short-term lenders who make loans over the Internet are allowed to disburse loan proceeds to borrowers by means of an electronic funds transfer through the Automated Clearing House ("ACH") system.[2] In order to clarify that disbursing loan proceeds in this manner is now permitted under Chapter 18, the Bureau of Financial Institutions ("Bureau") has proposed an amendment to 10 VAC 5-200-10 that would define the term "business check" for purposes of Chapter 18 and Chapter 200 to mean a paper check, an electronic check, or an electronic funds transfer through the ACH system.

NOW THE COMMISSION, having considered the Bureau's proposal, is of the opinion and finds that the proposed regulation should be considered for adoption.

Accordingly, IT IS ORDERED THAT:

(1) The proposed regulation is attached hereto and made a part hereof.

(2) Comments or requests for a hearing on the proposed regulation 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 November 19, 2021. 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-2021-00101. Interested persons desiring to submit comments or request a hearing electronically may do so by following the instructions available at the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments.

(3) This Order and the attached proposed regulation shall be made available on the Commission's website: 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 regulation, to the Virginia Registrar of Regulations for publication in the *Virginia Register of Regulations*.

NOTE: A copy of the attachment entitled "Short Term Lending" 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.

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[1] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of Adopting Revisions to the Regulations Governing Licensees under Chapter 18 of Title 6.2 of the Code of Virginia*. Case No. BFI-2020-00109, Order Adopting Regulations (July 12, 2021).

[2] Section 6.2-1816 (14) of the Code of Virginia states in pertinent part that "[l]oan proceeds shall be disbursed in cash or by the licensee's business check."

CASE NO. BFI-2021-00101
DECEMBER 1, 2021

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

Ex Parte: In the Matter of Defining the Term "Business Check" in the Regulations Governing Short-Term Lending

ORDER ADOPTING A REGULATION

On October 12, 2021, the State Corporation Commission ("Commission") entered an Order to Take Notice of a proposal by the Bureau of Financial Institutions to amend 10 VAC 5-200-10 of the Commission's rules governing Short-Term Lending, 10 VAC 5-200-10 *et seq.* by defining the term "business check" to mean a paper check, an electronic check, or an electronic funds transfer through the Automated Clearing House system. The Order to Take Notice and proposed regulation were published in the *Virginia Register of Regulations* on November 8, 2021, posted on the Commission's website, and sent to all short-term lenders licensed under Chapter 18 of Title 6.2 of the Code of Virginia and other interested persons. The Order to Take Notice invited all persons to participate and required that any comments or requests for a hearing on the proposed regulation be submitted in writing on or before November 19, 2021.

Comments on the proposed regulation were filed by The Pew Charitable Trusts, which supports the proposal. The Commission did not receive any requests for a hearing.

NOW THE COMMISSION, having considered this matter, finds that the proposed regulation should be adopted with an effective date of December 15, 2021. The Commission expresses its appreciation to The Pew Charitable Trusts for its written comments.

Accordingly, IT IS ORDERED THAT:

(1) The proposed regulation, as attached hereto, is adopted effective December 15, 2021.

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

(3) The Commission's Division of Information Resources shall provide a copy of this Order and the regulation to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

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

NOTE: A copy of the attachment entitled "Short-Term Lending" 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-2021-00111
DECEMBER 10, 2021

APPLICATION OF
SOUTHERN BANCSHARES (N.C.), INC.

To acquire more than five percent of the voting shares of Old Point Financial Corporation

ORDER

On November 19, 2021, the State Corporation Commission ("Commission") issued an Order in Case Number BAN20210165, disapproving an application by Southern BancShares (N.C.), Inc. ("Southern") to acquire more than five percent of the voting shares of Old Point Financial Corporation ("Order"). On December 9, 2021, Southern, through counsel, filed a Petition for Reconsideration ("Petition") seeking, among other things, reconsideration of the Order, as well as suspension of the Order pending its reconsideration if allowed.

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction. The Order is hereby suspended pending the Commission's consideration of this matter.

Accordingly, IT IS ORDERED THAT:

(1) Reconsideration is granted for the purpose of continuing jurisdiction.

(2) Pending the Commission's consideration of this matter, the Order is suspended.

(3) This matter is continued generally.

CLERK'S OFFICE

CASE NO. CLK-2020-00011
APRIL 2, 2021

KBP LLC and KEVIN BAKER
Petitioners,
v.
KENNETH PREVIS and KBP CORP, INC.,
Respondents

FINAL ORDER

On July 24, 2020, KBP LLC and Kevin Baker ("Baker") (collectively, "Petitioners"), by counsel, filed with the State Corporation Commission ("Commission") a Petition pursuant to Rule 5 VAC 5-20-100 B of the Commission's Rules of Practice and Procedure, against Kenneth Previs ("Previs") and KBP Corp, Inc. (collectively, "Respondents").[1] The Petition concerned the alleged unauthorized filing of Articles of Cancellation for KBP LLC ("2018 Articles of Cancellation") by Previs and the subsequent cancellation of KBP LLC's existence. On September 25, 2020, the Commission issued a Scheduling Order in this proceeding.[2] Among other things, the Scheduling Order established dates for the Respondents and the Office of the Clerk of the Commission ("Clerk") to file responses to the Petition, and for the Petitioners to file any reply thereto.[3]

The Petition alleged that: (1) Baker is the sole member and manager of KBP LLC and has been since its inception; (2) Baker has never met, nor had any interactions with, Previs and was unaware of Previs prior to the discovery of the filed 2018 Articles of Cancellation; (3) Previs has never been a member, "President," manager or in any other way affiliated with KBP LLC or its business; and (4) Baker has never authorized Previs to take any action or make any filing on behalf of KBP LLC. The Petition also alleged that, but for the cancellation of KBP LLC, the Commission would have denied the Articles of Incorporation for KBP Corp, Inc., submitted for filing with the Commission in the same submission as the 2018 Articles of Cancellation, because the names of KBP LLC and KBP Corp, Inc. are not distinguishable as required by the Code of Virginia ("Code"). The Petition alleges that the Commission has jurisdiction over this matter pursuant to § 13.1-1004 E of the Virginia Limited Liability Company Act of the Code ("LLC Act").

The Petition requests that the Commission grant the following relief: (1) that the Commission participate in this action and investigate the filing of the 2018 Articles of Cancellation and Certificate of Cancellation for KBP LLC ("Certificate of Cancellation"); (2) that the 2018 Articles of Cancellation filed by Previs be vacated and expunged as void *ab initio* having been filed by an individual without proper authority to act on behalf of KBP LLC; (3) that the Commission expunge the Certificate of Cancellation; (4) that the Commission reinstate the existence of KBP LLC on the records of the Commission; (5) that the Commission vacate the Certificate of Incorporation of KBP Corp, Inc., if necessary for the grant of the other relief requested herein so as to restore the existence and good standing of KBP LLC; and (6) for any other relief the Commission deems appropriate and just under the circumstances.

On November 20, 2020, the Clerk filed the Response of the Office of the Clerk to the Petition of KBP LLC and Kevin Baker ("Response").[4] In the Response, the Clerk confirmed details alleged in the Petition concerning the business records and entities described therein. The Clerk also asserted that the Clerk has no way to independently confirm that Previs was unaffiliated with KBP LLC or lacked authority to act on behalf of the Petitioners without further documentation, affidavit, or other evidence from the Petitioners or Respondents. The Clerk asserted that § 13.1-1004 E of the LLC Act provides, "[n]otwithstanding any other provision of law to the contrary, the Commission shall have the power to act upon a petition filed by a limited liability company 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 liability company." The Clerk acknowledged that the Petitioners have filed such a petition.

In the Response, the Clerk asserted that, pursuant to § 13.1-1004 E of the LLC Act, if the Commission finds that Previs acted without authority when filing the 2018 Articles of Cancellation, it can determine that the 2018 Articles of Cancellation are null and void, thus rendering them ineffective. The Clerk further asserted that, once the 2018 Articles of Cancellation and Certificate of Cancellation are voided, KBP LLC will exist in the records of the Commission as though its existence had never been cancelled. In addition, the Clerk asserted that, if the existence of KBP LLC is revived by virtue of the Commission's deeming the 2018 Articles of Cancellation and Certificate of Cancellation null and void, a conflict arises under § 13.1-1012 C (4) of the LLC Act and § 13.1-829 B (4) of the Virginia Nonstock Corporation Act of the Code because KBP LLC and KBP Corp, Inc. will exist with indistinguishable names.

In reply to the Clerk's Response, the Petitioners filed their Reply to Office of the Clerk Response and Motion for Default Judgment ("Reply and Motion for Default Judgment").[5] Therein, the Petitioners withdrew some of the relief requested in the Petition. In their Reply and Motion for Default Judgment, the Petitioners requested that: (1) the Petitioners be granted a default judgment; (2) the 2018 Articles of Cancellation filed by Previs be vacated and expunged as void *ab initio* having been filed by an individual without proper authority to act on behalf of KBP LLC; (3) the Commission expunge the Certificate of Cancellation; and (4) the Commission restore the existence of KBP LLC on the records of the Commission. The Petitioners moved for a default judgment pursuant to Rules 5 VAC 5-20-100 B and 5 VAC 5-20-110 of the Commission's Rules of Practice and Procedure. The Clerk took no position on whether default is procedurally warranted in this matter but noted that the question of what relief can be provided remains unanswered and unresolved by a default, including the issue of name indistinguishability between KBP LLC and KBP Corp, Inc.

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[1] Doc. Con. Cen. No. 200730169.

[2] Doc. Con. Cen. No. 200930011.

[3] The Respondents did not file a response to the Petition though such response was required by the Scheduling Order.

[4] Doc. Con. Cen. No. 201140038.

[5] Doc. Con. Cen. No. 201210068.

On December 23, 2020, the Hearing Examiner issued his Report ("Report").[6] In his Report, the Hearing Examiner found the Respondents in default, noting that the Respondents had multiple opportunities to refute the allegations in the Petition or to otherwise enter an appearance in this proceeding, but did neither. The Hearing Examiner found that the Commission's records should be corrected by deeming the 2018 Articles of Cancellation and Certification of Cancellation void *ab initio* and removing them from the Commission's records, thereby reviving KBP LLC as though its existence was never cancelled.[7] Further, the Hearing Examiner found that KBP LLC's preceding existence and the unrefuted allegations in the instant case support a finding that the issue of name indistinguishability should be addressed by KBP Corp, Inc., which created this issue.[8]

The Hearing Examiner recommended that the Commission enter an order that: (1) adopts the findings and recommendations contained in the Report; (2) grants the Petitioners' Motion for Default Judgment; (3) finds the 2018 Articles of Cancellation and Certificate of Cancellation void *ab initio*; (4) directs the Clerk to remove the 2018 Articles of Cancellation and Certificate of Cancellation from the Commission's records and to take any additional action necessary to correct the Commission's records accordingly; (5) directs the Clerk to attempt to informally resolve the issue of name indistinguishability with KBP Corp, Inc. as set forth in the Report, and, if unsuccessful in such efforts, to initiate a rule to show cause proceeding against KBP Corp, Inc.; and (6) closes this case.

The Clerk filed comments to the Report on January 13, 2021 ("Comments").[9] In the Comments, the Clerk stated that it understood the Hearing Examiner's recommendation that the Commission enter an order that directs the Clerk to remove the 2018 Articles of Cancellation and Certificate of Cancellation to mean that the Clerk is directed to remove these filings from the Commission's index and other accessible online records of KBP LLC. Neither the Petitioners nor the Respondents filed comments to the Report.

NOW THE COMMISSION, upon consideration of the record in this matter, is of the opinion that the Hearing Examiner's findings should be adopted, and the Hearing Examiner's recommendations should be adopted as set forth herein: the Petitioners' Motion for Default Judgment should be granted; the 2018 Articles of Cancellation and Certificate of Cancellation should be found void *ab initio*; the Clerk should be directed to attempt to informally resolve the issue of name indistinguishability with KBP Corp, Inc., and, if unsuccessful in such efforts, establish the necessary Commission proceedings against KBP Corp, Inc. The Commission further finds, as authorized by law, that the Clerk should correct its records to eliminate the effects of the filing of the 2018 Articles of Cancellation. Once the Clerk corrects it records, the Petitioners may take the steps necessary to make the existence of KBP LLC current with the Clerk as consistent with the LLC Act.

Accordingly, IT IS ORDERED THAT:

(1) The findings of the Hearing Examiner's Report are ADOPTED.

(2) The Petitioners' Motion for Default Judgment is GRANTED.

(3) The 2018 Articles of Cancellation and Certificate of Cancellation for KBP LLC are hereby declared void *ab initio*.

(4) The Clerk shall attempt to informally resolve the issue of name indistinguishability with KBP Corp, Inc. and, if unsuccessful in such efforts, to establish the necessary Commission proceedings against KBP Corp, Inc.

(5) 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.

(6) The Petitioners may take the steps necessary to make the existence of KBP LLC current with the Clerk as consistent with the LLC Act.

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

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[6] Doc. Con. Cen. No. 201230212.

[7] The Hearing Examiner cites § 13.1-1004 E of the LLC Act in his Report, which states in part that "the Commission shall have the power to act upon a petition filed by a limited liability company at any time to correct Commission records so as to eliminate the effects… of filings made by a person without authority to act for the limited liability company."

[8] The Hearing Examiner asserts that, once the 2018 Articles of Cancellation and Certificate of Cancellation are deemed void *ab initio*, the Commission should consider whether KBP Corp, Inc. has failed to file Articles of Incorporation that include a distinguishable name, as required by the Code. The Hearing Examiner notes that, if, as a legal matter, the 2018 Articles of Cancellation and Certificate of Cancellation never happened, the relevant records left on file with the Clerk are KBP LLC's 2010 Articles of Organization and the subsequently filed Articles of Incorporation of KBP Corp, Inc. The Hearing Examiner cites § 13.1-915 A of the Virginia Nonstock Corporation Act of the Code in support of the Commission's authority, after a rule to show cause proceeding, to involuntarily terminate a nonstock corporation that has failed to file any document with the Commission required by the Virginia Nonstock Corporation Act of the Code.

[9] Doc. Con. Cen. No. 210120016.

CASE NO. CLK-2021-00002
JANUARY 15, 2021

COMMONWEALTH OF VIRGINIA, *ex rel*
STATE CORPORATION COMMISSION

Ex Parte: Receipt of Paper Submissions by January 22, 2021, Following Temporary Closure of the Commission's Physical Location

ORDER REGARDING THE STATE CORPORATION COMMISSION'S RECEIPT OF PAPER SUBMISSIONS BY JANUARY 22, 2021, FOLLOWING TEMPORARY CLOSURE OF THE COMMISSION'S PHYSICAL LOCATION

Beginning on January 16, 2021, and extending through January 21, 2021, the Virginia Department of General Services ("DGS") will restrict access to facilities controlled by DGS. These facilities include the offices of the State Corporation Commission ("Commission"), which are located at the Tyler Building, 1300 E Main Street, in downtown Richmond adjacent to the grounds of the State Capitol. These restrictions are in response to an increased level of security around the State Capitol grounds associated with various state and national events occurring in the next week.

By previous Order entered on March 19, 2020, and in response to the public health emergency relating to the spread of the coronavirus, or COVID-19, the Commission suspended in-person access to the Office of the Clerk of the Commission ("Clerk's Office") and advised persons to use the Commission's electronic filing options.[1] The Commission further advised that the Clerk's Office would accept physical and paper submissions by mail, commercial mail equivalents or by hand delivery to a designated drop box located in the lobby of the Tyler Building.[2]

Due to the closure of the Tyler Building during normal business hours from January 19 through 21, 2021,[3] persons will not be able to access the Tyler Building to hand deliver submissions (including payments by physical check or cash) via the drop box. Additionally, employees of the Clerk's Office will not be present to accept, receive or process paper submissions delivered to the Commission during normal business hours.

The Commission encourages persons desiring to make submissions during this time to use the Commission's electronic filing systems, as well as to communicate with the Commission as needed by email or telephone. As a result of the restrictions, however, the Tyler Building will be closed and the Commission will not be accepting paper submissions during normal business hours on January 19 - 21, 2021.

Recognizing that paper submissions may arrive during the temporary closure of its physical offices, the Commission – pursuant to § 12.1-13 of the Code of Virginia – hereby provides that any submission currently permitted to be filed with the Commission on paper, and that otherwise would be due January 19 - 21, 2021, but is received by January 22, 2021, will be considered timely submitted.

IT IS SO ORDERED this 15th day of January 2021.

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[1] *See* Doc. Cen. Con. No. 200330042. 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 (March 19 Order) was extended indefinitely on May 11, 2020. *See* Doc. Cen. Con. No. 200520105.

[2] As noted in the March 19 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 of time due to the COVID-19 emergency.

[3] The Commission customarily is closed on weekends and state holidays. Thus, public access to the Tyler Building would be restricted on January 16-18, 2021, regardless of any DGS restrictions.

HEALTH BENEFIT EXCHANGE

CASE NO. HBE-2021-00001
JUNE 3, 2021

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 2022 and 2023 plan years

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 develop and operate the Virginia Health Benefit Exchange ("Exchange"). The Exchange, which is administered by the Health Benefit Exchange Division, began operation as a State-based Exchange on the Federal platform for plan year 2021 and will continue to operate as a State-based Exchange on the Federal platform for plan years 2022 and 2023.

Section 38.2-6510 of the Code authorizes the Health Benefit Exchange Division to fund the operations of the Exchange, 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 further 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 years 2022 and 2023, the Health Benefit Exchange Division proposes the assessment of 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 will be in addition to the user fee assessed for Federal services performed for a State-based Exchange on the Federal platform and paid to the Centers for Medicare & Medicaid Services (CMS), as established by the Department of Health and Human Services (HHS) pursuant to federal regulation.

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 2022 that begins January 1, 2022, 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 monthly premium;

2. For plan year 2023 that begins on January 1, 2023, 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 monthly premium;

3. The assessment fees set forth in paragraphs 1 and 2 ("assessment fees") shall be paid monthly. The Health Benefit Exchange Division is instructed to provide further guidance to carriers regarding the calculation and payment of the assessment fees;

4. The assessment fees 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 section 38.2-6510 A of the Code; and,

5. The assessment fees shall not be assessed to carriers on qualified health benefit plans or qualified dental plans sold in the small employer market or on plans sold off the Exchange.

BUREAU OF INSURANCE

CASE NO. INS-2009-00097
JUNE 24, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
HIGHVIEW NATIONAL INSURANCE COMPANY, f/k/a UPPER HUDSON NATIONAL INSURANCE COMPANY,
Defendant

FINAL ORDER

Highview National Insurance Company, f/k/a Upper Hudson National Insurance Company, a New York-domiciled insurer ("Defendant"), is licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia").

By Impairment Order ("Order") entered herein May 22, 2009, the Defendant's license was suspended due to the Defendant's failure to maintain the minimum surplus required by § 38.2-1028 of the Code of Virginia ("Code"). The Defendant consented to the suspension of its license.

Venture Acquisitions, LLC purchased the Defendant on May 15, 2019. The Annual Statement of the Defendant, dated December 31, 2020, and filed with the Commission's Bureau of Insurance ("Bureau"), indicates that the Defendant now meets the minimum capital and surplus requirements established by § 38.2-1028 of the Code.

On February 24, 2021, Isaac Muller, CEO of the Defendant, requested that the Commission reinstate the Defendant's license to transact the business of insurance in Virginia. The Bureau has reviewed the request and the Defendant's current financial condition and recommends that the Order be vacated and the Defendant's license be reinstated.

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 Impairment Order entered in this case should be, and is hereby, VACATED.

(2) This case be, and is hereby, CLOSED.

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

CASE NO. INS-2018-00243
FEBRUARY 8, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
PREFERRED ESCROW AND TITLE INC.,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Preferred Escrow and Title Inc. ("Preferred" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated the 2018 codified statutory Code of Virginia ("2018 Code"); § 55-525.24 A of the 2018 Code by failing to handle funds deposited with a settlement agent in connection with an escrow, settlement, or closing in a fiduciary capacity; and § 55-525.24 B of the 2018 Code by failing to disburse funds held in an escrow account pursuant to the written instructions or agreements specifying how and to whom such funds may be disbursed; § 38.2-1831 (6) of the Code of Virginia ("Code") by improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business.

Preferred was a Virginia resident agency licensed with the following lines of authority: Title.

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, 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 April 30, 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-2018-00244
FEBRUARY 11, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TAMMY A. CHEEK,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Tammy A. Cheek ("Cheek" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 55-525.24 A of the 2018 codified statutory Code of Virginia ("2018 Code") by failing to handle funds deposited with a settlement agent in connection with an escrow, settlement, or closing in a fiduciary capacity; and § 55-525.24 B of the 2018 Code by failing to disburse funds held in an escrow account pursuant to the written instructions or agreements specifying how and to whom such funds may be disbursed; § 38.2-1831 (6) of the Code of Virginia ("Code") by improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business. The Defendant misappropriated escrow funds in the approximate amount of $715,000.

Cheek is a Virginia resident licensed with the following lines of authority: Title.

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, 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 April 30, 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-2019-00063
APRIL 13, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
EVAN LAMONT CURBEAM,
Defendant:

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Evan Lamont Curbeam ("Curbeam" or "Defendant"), duly licensed by the Bureau to transact the business of insurance as an insurance agent 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 commission from an insurer; (b) § 38.2-1831 (2) of the Code by violating insurance laws, or any regulation of the Commission; and (c) § 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 Virginia.

Curbeam is a Virginia resident licensed agent with the following lines of authority: Life & Annuities, Health, and Property & Casualty. The Bureau alleges that Curbeam, as an appointed insurance agent for an insurer, made false or fraudulent representations on four (4) personal life insurance applications he submitted to the insurer and obtained insurance for certain family members, in November 2016 and December 2017. Specifically, the Bureau alleges that the applications Curbeam submitted failed to disclose medical conditions which likely would have made his family members ineligible for coverage. The Bureau also alleges that the policies Curbeam wrote in December 2017 allowed him to receive commissions and a bonus from the insurer that he would not have received if the policy applications were declined.

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 or the Bureau's allegations, has made an offer of settlement to the Commission wherein the Defendant has agreed to tender to the Treasurer of Virginia the sum of Five Thousand Dollars ($5,000); has waived the right to a hearing; and has agreed to be placed on probation for a period of three (3) years from the date of entry of this Settlement Order ("Order"). As a condition of probation, the Defendant has agreed to comply with all the provisions of Title 38.2 of the Code of Virginia. If during the period of probation, the Bureau has good cause to believe that the Defendant has violated the terms and conditions of the probation, the Bureau will initiate formal action to revoke the Defendant's insurance agent license.

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 will pay to the Treasurer of Virginia, within 10 days of the date of entry of this Order, the amount of Five Thousand Dollars ($5,000) in monetary penalties.

(3) The Defendant will be placed on probation for a period of three (3) years from the date of entry of this Order.

(4) 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 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-2019-00150
JANUARY 27, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GATEWAY INSURANCE COMPANY,
Defendant

FINAL ORDER

Gateway Insurance Company ("Defendant"), an Illinois domiciled insurer, is licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia").

By Order Suspending License ("Order") entered herein October 30, 2019, the Defendant's license was suspended due to an October 16, 2019 Agreed Order of Rehabilitation entered by the Chancery Division of the Circuit Court of Cook County, Illinois appointing the Illinois Department of Insurance as the statutory Rehabilitator of the Defendant. The Defendant was purchased out of rehabilitation on June 16, 2020.

On September 21, 2020, Jeffrey Nash, General Counsel of the Defendant, requested that the Commission reinstate the Defendant's license to transact the business of insurance in Virginia. The Commission's Bureau of Insurance ("Bureau") has reviewed the request and the Defendant's current financial condition and recommends that the Order be vacated and the Defendant's license be reinstated.

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 should be, and is hereby, VACATED;

(2) This case be, and is hereby, CLOSED;

(3) The papers herein shall be passed to the file for ended causes.

CASE NO. INS-2019-00162
JULY 30, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GLOBAL LIBERTY INSURANCE COMPANY OF NEW YORK,
Defendant

FINAL ORDER

Global Liberty Insurance Company of New York, a New York domiciled insurer ("Defendant"), was licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia") on June 7, 2012. On January 31, 2020, the Commission entered an Impairment Order ("Order") prohibiting the Defendant from issuing new contracts or policies of insurance in Virginia until further order of the Commission because of an impairment in Defendant's surplus.

By letter to the Commission's Bureau of Insurance ("Bureau") dated June 24, 2021, and signed by the Defendant's President and CEO, Scott D. Wollney, the Bureau was advised that the Defendant wished to surrender its license to transact the business of insurance in Virginia.

The withdrawal of the Defendant's license has been processed by the Bureau effective July 21, 2021.

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 Impairment Order entered in this case is hereby VACATED.

(2) This case is CLOSED.

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

CASE NO. INS-2019-00174
MAY 11, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TA-VON Y'VETTE BECKER,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Ta-Von Y'vette Becker ("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 or terms of an insurance policy when the Defendant failed to disclose the terms of a cyclone deduction contained in homeowners' and renters' insurance policies she offered and sold to at least seven (7) clients.

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, waives her right to a hearing and has made an offer of settlement to the Commission, wherein the Defendant has agreed to: (a) be placed on probation for two (2) years from the entry of this Settlement Order ("Order"); (b) provide quarterly written reports summarizing her insurance sales activity (including the type of policy sold, the issuer(s) of such policy(ies), and the individual or entity to whom the policy was sold) to the Bureau on or before the fifteenth (15) business day after the close of each calendar quarter during the time she is on probation; and, (c) be subject to quarterly audits by the Bureau during this same time frame.

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 fully comply with the aforesaid terms and undertakings of this Order.

(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 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-2019-00185
JANUARY 13, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CHARLES RAYMOND COOMES, JR. and OLD TOWN INSURANCE & FINANCIAL SERVICES INC.,
Defendants

ORDER GRANTING RECONSIDERATION

On December 23, 2020, the Virginia State Corporation Commission ("Commission") issued an Order Revoking License in this matter. On January 12, 2021, Elizabeth Haring filed a Motion to Vacate Order, Provide Notice and Opportunity for Hearing ("Petition for Reconsideration") on behalf of the Defendants.

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 for the purpose of continuing jurisdiction over this matter and to consider the Petition for Reconsideration. The Order Revoking License 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 to consider the Petition for Reconsideration.

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

(3) This matter is continued generally.

CASE NO. INS-2019-00198
FEBRUARY 3, 2021

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

v.

APPLIED UNDERWRITERS, INC., and APPLIED UNDERWRITERS CAPTIVE RISK ASSURANCE COMPANY, INC.
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Bureau of Insurance ("Bureau") conducted an investigation of Applied Underwriters, Inc. and Applied Underwriters Captive Risk Assurance Company ("Defendants") pursuant to §§ 38.2-200, 38.2-219, and 38.2-1024 of Code of Virginia ("Code").

Based on its investigation, the Bureau alleged that from 2012 to 2016, the Defendants offered, marketed, and sold, to at least six Virginia employers ("Virginia Employers"), an insurance product that blended two insurance products: (1) a risk sharing cost component (the "Reinsurance Participation Agreement" or "RPA") with (2) a workers' compensation insurance policy. The result was a product known as "EquityComp" (the "EquityComp Product").

The Bureau alleged that the Defendants were required to be licensed to offer and sell and transact the business of insurance in the Commonwealth of Virginia ("Virginia") in order to offer and sell EquityComp to the Virginia Employers. However, the Defendants did not have Virginia insurance licenses or were not otherwise authorized to transact the business of insurance in Virginia. The Bureau also alleged that at least four of the six Virginia Employers who purchased the EquityComp Product paid more in premium and other fees than they would have paid for traditional guaranteed-cost workers' compensation insurance over the same time period.

Accordingly, the Commission issued a Rule to Show Cause against the Defendants on February 28, 2020 alleging that the Defendants violated the Code by soliciting applications for, issuing or delivering insurance contracts, offering an insurance policy for sale and collecting premiums for insurance contracts in or from Virginia, or otherwise transacting the business of insurance without being licensed to transact the business of insurance in Virginia in violation of § 38.2-1024 of the Code.

Based on these alleged violations, the Bureau requested that the Commission impose monetary penalties against the Defendants and require them to pay restitution to certain of the Virginia Employers pursuant to § 38.2-218 of the Code, and to enjoin the Defendants from offering and selling the EquityComp Product in Virginia, pursuant to §§ 38.2-220 and 38.2-1039 unless otherwise properly licensed as required. The Commission is authorized to grant the relief requested if the violations and remedies are appropriately proven by the Bureau.

However, for purposes of resolving the Bureau's allegations, and to avoid the time, expense and distraction of litigation in this matter, the Defendants, without admitting or denying the allegations made herein, admit to the Commission's jurisdiction and authority to enter this Settlement Order ("Order") pursuant to § 12.1-15 of the Code, and have presented the settlement proposal discussed below. This Order is intended to resolve the Bureau's allegations and does not create any private rights or remedies against Defendants, create any liability for Defendants, constitute evidence of wrongdoing by Defendants for the purpose of any third-party proceeding, or waive any defenses of Defendants against any person or entity other than the Bureau.

The Defendants have cooperated with the Bureau's investigation. Prior to entry of this Order, the Defendants agreed to make and provide evidence to the Bureau of payments of certain sums to Virginia Employers ("Payments") within 10 days of the entry of 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 shall pay to the Treasurer of Virginia ("Treasurer"), the amount of Fifty Thousand Dollars ($50,000) in monetary penalties within 30 days of the entry of this Order.

(2) Neither the Defendants, nor their affiliates, shall seek to collect money from any Virginia Employer who paid less under the EquityComp Program than under a traditional guaranteed-cost workers' compensation insurance policy; and,

(3) Neither the Defendants, nor their affiliates, shall transact the business of insurance in Virginia without being licensed as required by Title 38.2 of the Code.

Based upon these terms, and the previously executed Payments, the Bureau 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 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 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 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-2019-00210
JANUARY 15, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
PRINCE SHELVIN SUNDEEP VIDIC,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Prince Shelvin Sundeep Vidic ("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 Arizona in 2014 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 April 17, 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 17, 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 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-2020-00043
JANUARY 5, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GEORGE MICHAEL CARROS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that George Michael Carros ("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 Minnesota on September 13, 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-2020-00056
NOVEMBER 30, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MARK EDWARD ZAMPERINI,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the State Corporation Commission entered a Rule to Show Cause ("Rule") against Mark Edward Zamperini ("Zamperini"), for alleged violations of § 38.2-1822 of the Code of Virginia ("Code") and § 12.1-33 of the Code by knowingly acting as an unlicensed insurance agent despite the entry of a Settlement Order by the State Corporation Commission ("Commission") on April 8, 2019 ("2019 Settlement Order"), whereby Zamperini agreed to voluntarily surrender his authority to act as an insurance agent until September 28, 2023.

Additionally, the Rule alleged that Zamperini violated § 38.2-512 A of the Code by failing, on his August 2017 application to become appointed as an insurance agent with a carrier, to disclose to the carrier a 2014 a consumer complaint which resulted in the entry of a Consent Order against Zamperini on April 8, 2016.

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 alleged violations.

Zamperini has been advised of his right to a hearing in this matter, whereupon Zamperini, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein Zamperini has tendered to the Treasurer of Virginia the sum of Ten Thousand Dollars ($10,000); has agreed to cease and desist from acting as an insurance agent in Virginia until such time as his authority to act as an insurance agent may be reinstated, or from violating Virginia's insurance laws in the future; and has waived his right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of Zamperini 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 Zamperini, and the recommendation of the Bureau, is of the opinion that Zamperini's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of Zamperini in settlement of the matter set forth herein is hereby accepted.

(2) Zamperini has tendered to the Treasurer of Virginia the sum of Ten Thousand Dollars ($10,000).

(3) Zamperini shall immediately cease and desist from acting as an insurance agent until such time as his authority to act as an insurance agent may be reinstated, or violating Virginia's insurance laws.

(4) 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 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-2020-00068
JANUARY 4, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LAURA IRENE ALMOND,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Laura Irene Almond ("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) and (5) of the Code of Virginia ("Code") by misrepresenting the benefits, advantages, conditions or terms of any insurance policy and by using the name of an insurance policy that misrepresents the true nature of the policy when the Defendant sold short-term, limited benefit medical plans and misrepresented the plans to clients as major medical coverage without disclosing the conditions and terms of these limited benefit and short-term policies; § 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 or individual when the Defendant submitted insurance applications and enrollment forms without the client's knowledge or consent; and § 38.2-1831 (10) of the Code by using fraudulent, coercive, or dishonest practices and demonstrating untrustworthiness in the conduct of business in Virginia when the Defendant sold policies as health insurance policies when, in fact, the policies were short-term, limited benefit plans and when he sold plans to clients that included charges and fees for add-on coverages that were not explained or disclosed to the applicant.

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 17, 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 17, 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 §§ 38.2-502 (1) and (5) of the Code by misrepresenting the benefits, advantages, conditions or terms of any insurance policy and by using the name of an insurance policy that misrepresents the true nature of the policy; § 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 or individual; § 38.2-1831 (10) of the Code by using fraudulent, coercive, or dishonest practices and demonstrating untrustworthiness in the conduct of business 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-2020-00072
JANUARY 20, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
HEFFERNAN INSURANCE BROKERS,
Defendant

ORDER GRANTING RECONSIDERATION

On December 31, 2020, the Virginia State Corporation Commission ("Commission") issued an Order Revoking License in this matter. On January 19, 2021, Heffernan Insurance Brokers petitioned the Commission for reconsideration ("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-2020-00072
MARCH 1, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
HEFFERNAN INSURANCE BROKERS,
Defendant

ORDER VACATING LICENSE REVOCATION

On December 31, 2020, the State Corporation Commission ("Commission") entered an Order Revoking License that revoked the license of Heffernan Insurance Brokers ("Heffernan" or the "Defendant") to transact the business of insurance in Virginia as an insurance agent. The Order Revoking License was based upon a finding that Heffernan 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 Defendant in another jurisdiction by failing to report a default action taken in 2015 by the Wyoming Insurance Department.

On January 19, 2021, Heffernan filed a Petition for Reconsideration ("Petition").

On January 20, 2021, the Commission entered an Order Granting Reconsideration.

A Bureau of Insurance ("Bureau") review of the Defendant's Petition and supporting documentation determined that the Wyoming Insurance Department's default action in 2015 was based upon the termination of the insurance license of a former affiliate of Heffernan Insurance, and not the Defendant.

GOOD CAUSE having been shown, and upon consideration of the Petition and recommendation of the Bureau, the Order Revoking License entered on December 31, 2020 is hereby vacated.

Accordingly, IT IS ORDERED THAT:

(1) The Order Revoking License entered on December 31, 2020, is hereby VACATED.

(2) This case is dismissed.

CASE NO. INS-2020-00078
JANUARY 15, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOHN HARLEY CALL,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that John Harley Call ("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 November 7, 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 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-2020-00079
JANUARY 5, 2021

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Robert Davis ("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 June 26, 2019; § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in two license applications filed with the Commission; § 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 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) and (9) of the Code by providing materially incorrect, misleading, incomplete or untrue information in two license applications filed with the Commission and 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-2020-00080
JANUARY 5, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
COSTANDINO J. HARRITOS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Costandino J. Harritos ("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 Illinois on October 13, 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-2020-00082
JANUARY 13, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JAMIE R. RONEY,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jamie R. Roney ("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 Louisiana on August 13, 2019 and in Michigan on September 4, 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-2020-00103
JANUARY 13, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TEDRIC LAWRENCE HASLEY,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Tedric Lawrence Hasley ("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 September 4, 2019 and in Florida on October 14, 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 April 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 April 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-2020-00106
JANUARY 26, 2021

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

v.

MICHELLE ARRINGTON SLABINSKI, and COLONY INSURANCE AGENCY, LLC,
Defendants

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Michelle Arrington Slabinski and Colony Insurance Agency, LLC (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1813 A of the Code of Virginia ("Code") by failing to hold funds received from insureds in a fiduciary capacity and failing to, in the ordinary course of business, pay the funds to the insured or the insurer entitled to the payment when the Defendants incurred insufficient funds fees, had negative daily balances and held premiums for several days prior to depositing the premiums received into the premium bank account; and violated § 38.2-1813 B of the Code by failing to maintain premiums in a fiduciary account separate from all other business and personal funds when the Defendants commingled withdrawals and debits for personal and operating expenses from the agency's brokered business premiums bank account; and by failing to maintain an accurate record of funds deposited into the premium bank account when the Defendants were not able to account for a deposit made on March 28, 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 violation.

The Defendants have been notified of the right to a hearing before the Commission in this matter by certified letter dated April 17, 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 in response to the Bureau's April 17, 2020 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 both as an insurance agent and as an insurance agency.

NOW THE COMMISSION is of the opinion and finds that the Defendants have violated § 38.2-1813 of the Code by failing to hold premiums in a fiduciary capacity; by failing to pay the funds to the insured or the insurer entitled to the payment; by failing to maintain premiums in a fiduciary account separate from all other business and personal funds; and by failing to maintain an accurate record of funds deposited into the premium bank account.

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-2020-00114
JANUARY 22, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
STEVEN HUGO GARCIA,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Steven Hugo Garcia ("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 A of the Code of Virginia ("Code") by failing to notify the Commission of any change in residence address within thirty (30) calendar days; and § 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 the Defendant failed to report administrative actions in South Dakota on September 12, 2019, and in Louisiana on October 29, 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 April 27, 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, and has not otherwise communicated with the Bureau.

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 A of the Code by failing to notify the Commission of a change in residence within thirty (30) calendar days; and § 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-2020-00115
FEBRUARY 11, 2021

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

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Adrian Raventos ("Raventos" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-502 (1) of the Code of Virginia ("Code") by misrepresenting the benefits, advantages, conditions or terms of an insurance policy when the Defendant made sale presentations misrepresenting limited benefit plans as major medical health coverage; § 38.2-502 (5) of the Code by using the name or class of insurance policies that misrepresented the true nature of the policies when the Defendant represented to clients limited benefit plans as major medical coverage policies; and § 38.2-1831 (10) of the Code by using fraudulent and dishonest practices in the conduct of business in this Commonwealth when the Defendant sold clients limited benefit polices as health insurance without explaining that the policies were specifically for limited benefit plans.

Raventos is a Florida resident licensed with the following lines of authority: 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 June 18, 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 18, 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-2020-00122
FEBRUARY 11, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
THE RESULTS COMPANIES LLC,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that The Results Companies LLC ("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 or causing or allowing to be made false or fraudulent statements on or relative to an application or any document or communication 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; § 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; § 38.2-1831 (3) of the Code by obtaining or attempting to obtain a license through misrepresentation or fraud; 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. On March 6, 2019, the Defendant knowingly and intentionally submitted a license application that withheld criminal background information on an officer of the agency. Further, the Defendant submitted six non-resident license applications for its agents when the Defendant was not licensed to transact the business of insurance in Virginia, and on said applications failed to disclose criminal background information, as required.

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), 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-2020-00122
MARCH 3, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
THE RESULTS COMPANIES LLC,
Defendant

AMENDED SETTLEMENT ORDER

On February 11, 2021, a Settlement Order was entered in this case. It has come to the attention of the Bureau of Insurance ("Bureau") that the Settlement Order contained an erroneous provision indicating that the Defendant agreed to the terms of settlement without admitting *or denying* a violation of Virginia law.[1] The Amended Settlement Order clarifies that the Defendant accepted the terms of settlement without admitting any violation of Virginia law, and is amended as follows:

Based on an investigation conducted by the Bureau:

(1) It is alleged that The Results Companies LLC ("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 or causing or allowing to be made false or fraudulent statements on or relative to an application or any document or communication 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;

(2) It is alleged that the Defendant 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;

(3) It is alleged that the Defendant violated § 38.2-1831 (3) of the Code by obtaining or attempting to obtain a license through misrepresentation or fraud; and

(4) It is alleged that on March 6, 2019, the Defendant violated § 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.

(5) It is alleged that the Defendant knowingly and intentionally submitted a license application that withheld criminal background information on an officer of the agency.

(6) It is alleged that the Defendant submitted six non-resident license applications for its agents when the Defendant was not licensed to transact the business of insurance in Virginia, and on said applications failed to disclose criminal background information, as required.

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 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), 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.

[1] Settlement Order at 2.

CASE NO. INS-2020-00126
MAY 3, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AMBER LYNN HUNT,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Amber Lynn Hunt ("Hunt" 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 representations on insurance policy applications for at least two (2) consumers for purposes of obtaining a personal benefit and used these two (2) consumers' credit cards without their permission or knowledge for Defendant's personal benefit; and § 38.2-1826 A by failing to report to the Commission within thirty (30) calendar days any change in the Defendant's residence.

Hunt is a Virginia resident licensed with the following lines of authority: Life & Annuities, Health, 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 June 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 June 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-2020-00127
JANUARY 26, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
KENNETH LEWIS MOORE,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Kenneth Lewis Moore ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 A of the Code of Virginia ("Code") by making false or fraudulent statements or representations on or relative to communication relating to the business of insurance for the purpose of obtaining money or other benefit from an insurer or individual when the Defendant produced fraudulent receipts to consumers and falsely represented himself as an insured's grandson in written communication with the Virginia Property Insurance Association; § 38.2-1813 A of the Code by failing to hold premiums received from insureds in a fiduciary capacity, by failing to account for such funds, and by failing, in the ordinary course business, to pay the funds to the insurer entitled to the payment when the Defendant collected premiums and failed to remit the premiums to the insurance company.

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 electronic mail and by certified letter dated August 17, 2020 and mailed to the Defendant's addresses 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 17, 2020 letter and electronic mail correspondence.

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 or relative to communication relating to the business of insurance for the purpose of obtaining money or other benefit from an insurer or individual, and § 38.2-1813 A of the Code by failing to hold premiums received from insureds in a fiduciary capacity, failing to account for such funds, and failing, in the ordinary course business, to pay funds to the 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-2020-00130
JANUARY 26, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SHA-KEENA LEE JONES,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Sha-keena Lee Jones a/k/a Shakeena Johnson ("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 comply with an investigation, and by refusing to permit the Commission or any of its employees or agents from examining insurance records relating to an 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 violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated July 1, 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 1, 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 comply with an investigation, and by refusing to permit the Commission or any of its employees or agents from examining insurance records relating to an investigation.

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-2020-00141
MAY 3, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
QUICKSILVA TITLE & ESCROW, LLC,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Quicksilva Title & Escrow, LLC ("Defendant") duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 55.1-903 of the Code of Virginia ("Code") by disbursing funds prior to recordation; § 55.1-1004 C of the Code by failing to have an audit of escrow accounts conducted within the consecutive 12-month period; § 55.1-1008 A of the Code by failing to handle settlement funds in a fiduciary capacity; § 55.1-1008 B of the Code by disbursing title premium funds outside of the agency agreement; § 38.2-1820 B (2) of the Code by failing to designate a licensed producer; and 14 VAC 5-395-50 D of the Commission's Rules Governing Settlement Agents, 14 VAC 5-395-10 *et seq*., 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 Treasury for those funds for which the owner is unlocatable.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1831, 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 tendered to the Treasurer of Virginia the sum of Five Thousand Dollars ($5,000.00); 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-2020-00145
FEBRUARY 2, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOHNNY DEANDRE BROWN,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Johnny Deandre Brown ("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 action taken in Connecticut on December 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 May 15, 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 15, 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-2020-00156
FEBRUARY 8, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
URIAH FRAZIER III,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Uriah Frazier III ("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 in a fiduciary capacity and accounting for such by agent; § 38.2-1826 A of the Code by failing to report within thirty (30) calendar days to the Commission any change in his residence; 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.

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 June 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 June 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 § 38.2-1813 A of the Code of Virginia ("Code") by failing to hold premiums or other funds in a fiduciary capacity and accounting for such by agent; § 38.2-1826 A of the Code by failing to report within thirty (30) calendar days to the Commission any change in his residence; 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.

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-2020-00157
FEBRUARY 4, 2021

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Kristy Smith ("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 or relative to an application or any document relating to the business of insurance for the purpose of obtaining a commission or fee from an insurer when the Defendant submitted insurance applications to an insurer that contained false information to obtain advanced commissions on the policies; § 38.2-512 B of the Code by affixing the signature of any other person to an insurance application without the written authorization of the person whose signature appears on such document when the Defendant affixed individuals' signatures without the their knowledge or consent; § 38.2-1831 (10) of the Code by using fraudulent, coercive, or dishonest practices, and demonstrating untrustworthiness in the conduct of business in this Commonwealth.

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 June 10, 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 June 10, 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 of Virginia ("Code") by making false or fraudulent statements on or relative to an application or any document relating to the business of insurance for the purpose of obtaining a commission or fee from an insurer; § 38.2-512 B of the Code by affixing the signature of any other person to an insurance application without the written authorization of the person whose signature appears on such document; § 38.2-1831 (10) of the Code by using fraudulent, coercive, or dishonest practices, and demonstrating untrustworthiness in the conduct of business in this Commonwealth.

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-2020-00158
DECEMBER 17, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
KAREEMAH W. THOMPSON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Kareemah W. Thompson ("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 of the Code of Virginia ("Code") by failing to respond to the Commission's requests for records; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the October 23, 2013 and October 1, 2018 license applications filed with the Commission when the Defendant failed to disclose misdemeanor convictions from 2003, 2004, and 2005 and a felony conviction from 2014.

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 June 29, 2020; and mailed and e-mailed to the Defendant's addresses 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 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 § 38.2-1809 of the Code by failing to respond to the Commission's requests for records; 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-2020-00160
FEBRUARY 4, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
NATALIE NICOLE CARR,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Natalie Nicole Carr ("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 February 6, 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 June 12, 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 June 12, 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.

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-2020-00162
FEBRUARY 4, 2021

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Christopher Smith ("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 West Virginia on February 10, 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 violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated June 12, 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 June 12, 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.

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-2020-00163
MARCH 24, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MATTHEW WADE STATEN,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Matthew Wade Staten ("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 Ohio on June 7, 2016 and in Illinois on March 2, 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 June 26, 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 June 26, 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.

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-2020-00164
MARCH 17, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CHURCHILL TITLE SOLUTIONS, LLC,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Churchill Title Solutions, LLC ("Defendant"), violated § 55.1-1014 A of the Code of Virginia ("Code") by failing to properly register with the Bureau as a settlement agent, and by acting as a settlement agent on 135 Virginia properties from December 11, 2018 through July 2, 2020 without the appropriate licensing authority to conduct such business in Virginia; and 14 VAC 5-395-30 (A) of the Commission's Rules Governing Settlement Agents, 14 VAC 5-395-10 *et seq*., of the Virginia Administrative Code, by failing to register with the Bureau in accordance with the provisions of § 55.1-1014 of the Code 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 revoke or suspend 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 Virginia the sum of Seven Thousand Five Hundred Dollars ($7,500); 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-2020-00168
MAY 24, 2021

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 ADOPTING REGULATIONS

On August 13, 2020, the State Corporation Commission ("Commission") entered an Order to Take Notice of a proposal by the Bureau of Insurance ("Bureau") to adopt new rules at Title 14, Chapter 430 of the Virginia Administrative Code **(14VAC5-430-10 *et seq.*),** entitled Insurance Data Security Risk Assessment and Reporting ("Rules").

The Bureau's proposed Rules were drafted to comply with the requirements of the Insurance Data Security Act, §§ 38.2-621 *et seq.* of the Code of Virginia ("IDSA"). The IDSA was enacted by the 2020 Virginia General Assembly and establishes standards that Bureau licensees must meet regarding data security, cybersecurity investigations, and notification to the Commissioner of Insurance and consumers of cybersecurity events. The IDSA also directed the Commission to adopt regulations to implement the requirements of the IDSA.[1] A detailed summary of these proposed amendments was set forth in the Order to Take Notice.

The Order to Take Notice and proposed regulations were published in the *Virginia Register of Regulations* on September 14, 2020, posted on the Commission's website, and sent to all 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, qualified reinsurers in Virginia (collectively, potential "Licensees"), the Virginia Attorney General's Division of Consumer Counsel ("Consumer Counsel") and to all interested persons. Licensees, Consumer Counsel and other interested parties were afforded the opportunity to file written comments or request a hearing on or before October 26, 2020.

Comments to the Rules were filed by Wesley Bissett, Independent Agents and Brokers of America ("IIABA"); Robert Bradshaw, on behalf of Independent Insurance Agents of Virginia, as well as on behalf of Christine E. Miller,, Kevin Kowar, Professional Insurance Agents of Virginia/DC, Kathie Naylor, Virginia Association of Health Underwriters; Nancy Egan, American Property Casualty Insurance Association; Marc Follmer, Virginia Farm Bureau Mutual Insurance Company ("VFB"); Michelle Caroll Foster, American Council of Life Insurers; Leigh Hubbard, Virginia Land Title Association; Andrew Kirkner, National Association of Mutual Insurance Companies; and John Morris, UnitedHealthcare ("UHC").[2]

The Bureau considered the comments filed and responded to them in its Response to Comments ("Response"),[3] which the Bureau filed with the Clerk of the Commission on April 5, 2021. In its Response, the Bureau addressed the comments and either recommended that various sections of the proposed Rules be amended or indicated why it did not believe other suggested revisions were authorized or warranted.

NOW THE COMMISSION, having considered the proposed regulations, the comments filed, the Bureau's Statement of Position, the record herein, and applicable law, concludes that the proposed regulations should be adopted by the Commission, as recommended and modified and attached hereto. The Commission further concludes that the proposed regulations, as modified, should be adopted with an effective date of June 1, 2021.

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[1] *See* § 38.2-627 D of the IDSA.

[2] Comments submitted by NAIMIC, IIABA and UHC were filed on October 27, 2020, after the deadline imposed by the Order to Take Notice. However, as the Bureau indicated it considered and responded to all comments received, the Commission has considered all comments filed as well.

[3] The only commenter requesting a hearing, withdrew the request based upon the Bureau's proposed modifications to the Rules as outlined in the Response.

Accordingly, IT IS ORDERED THAT:

(1) The proposed regulations, as modified herein and attached hereto, are adopted effective June 1, 2021.

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

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

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

NOTE: A copy of the attachment entitled "CH 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-2020-00169
DECEMBER 8, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CATHY JOANN MAYS,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Cathy Joann Mays ("Mays" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-502 (1) of the Code of Virginia ("Code") by misrepresenting the terms of an insurance policy; § 38.2-512 A of the Code by making fraudulent representations on a document relating to the business of insurance for the purpose of obtaining a commission from an insurer; § 38.2-1831 (7) of the Code by intentionally misrepresenting the terms of an insurance contract; and § 38.2-1831 (10) of the Code by using dishonest practices in the conduct of business of insurance in Virginia.

May is a Virginia resident licensed with the following line of authority: Credit, Health, Life & Annuities, Variable Contracts 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 November 1, 2021; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from November 1, 2021.

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-2020-00170
FEBRUARY 23, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RIKI FREEMAN SNEAD,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Riki Freeman Snead ("Snead" 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, 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 when the Defendant received premiums from policyholders and failed to remit the premiums to the insurer as required.

Snead is a Virginia resident licensed with the following lines of authority: Life & Annuities, Health, and Limited 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 4, 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 June 4, 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-2020-00173
OCTOBER 21, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MICHAEL PATRICK FISH,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Michael Patrick Fish ("Fish" 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 A of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days any change in his residence; § 38.2-1826 B of the Code by failing to report to the Commission within thirty (30) calendar days the facts and circumstances regarding any felony criminal conviction; and § 38.2-1831 (9) of the Code by having been convicted of three felonies.

Fish is a New York 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 July 27, 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 July 27, 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-2020-00174
FEBRUARY 23, 2021

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

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jessica Jones ("Jones" 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 when the Defendant failed to disclose a misdemeanor conviction in Iowa in 2000.

Jones is an Iowa 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 July 27, 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 July 27, 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-2020-00175
MARCH 3, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOSEPH O'CARROLL III,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Joseph O'Carroll III ("O'Carroll" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-301 (A) of the Code of Virginia ("Code") by knowingly procuring or causing to be procured an insurance contract upon another individual without having an insurable interest in the insured at the time when the Defendant prepared and submitted a contract listing himself as the sole beneficiary on a consumer's life insurance policy; § 38.2-502 (1) of the Code by misrepresenting the benefits, advantages, conditions or terms of any insurance policy when the Defendant failed to explain the policy details and terms of an insurance policy to a client; § 38.2-512 (A) of the Code by making false or fraudulent statements or representations on or relative to an insurance application for the purpose of obtaining a fee, commission, money, or other benefit from an insurer when the Defendant completed life insurance applications for multiple consumers without their knowledge and falsely certified that he personally asked the consumers the required questions on the applications in order to qualify for benefits and obtain commissions; § 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 forged the signature of two clients on life insurance applications; § 38.2-1804 of the Code by signing or allowing an applicant or insured to sign an incomplete or blank form pertaining to insurance in this Commonwealth when the Defendant allowed an applicant to sign an incomplete application; § 38.2-1831 (5) of the Code by engaging in twisting or any form thereof, an insured to terminate an existing policy and purchase a new policy through misrepresentation when the Defendant induced a client to purchase a single premium indexed deferred annuity in place of a fixed indexed annuity causing the client to lose the original policy; § 38.2-1831 (7) of the Code by intentionally misrepresenting the terms of a proposed insurance application when the Defendant presented a client with an insurance product the client did not qualify for due to an age requirement; and § 38.2-1831 (10) of the Code by using fraudulent, coercive, or dishonest practices, in the conduct of business in this Commonwealth when, in addition to the conduct addressed above, the Defendant used banking information of a client on an application for another individual without the client's knowledge or permission.

O'Carroll is a Virginia resident licensed with the following lines of authority: Credit, Life & Annuities, Health, and Limited 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 4, 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 4, 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-2020-00184
MAY 21, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CARTERET TITLE LLC, and TONY LYNN BROWN,
Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Carteret Title LLC ("Carteret") and Tony Lynn Brown ("Brown") (collectively, the "Defendants"), formerly 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 insurance records during an investigation; § 38.2-1820 B 2 of the Code by failing to have a designated licensed producer who is an employee, officer, or director of the entity and who is responsible for the business entity's compliance with the insurance laws, rules, and regulations of the Commonwealth; § 38.2-1822 B of the Code by acting as an agent on behalf of a business entity when the Defendant, Brown, was not licensed as an agent or appointed to transact the business of insurance; 14 VAC 5-395-30 C (10) of the Commission's Rules Governing Settlement Agents, 14 VAC 5-395-10, *et seq*. ("Rules") of the Virginia Administrative Code, by failing within thirty (30) days of registration to provide the Bureau with required information; 14 VAC 5-395-70 E of the Rules by failing to immediately notify the Bureau following the loss of a designated licensed producer; 14 VAC 5-395 75 (1) of the Rules by failing to continuously maintain the requirements and standards for licensure and registration; and 14 VAC 5-395 75 (7) of the Rules by failing to appoint a designated licensed producer by the same title insurance company as its employer settlement agent as required by statute.

Brown is a Virginia resident. Carteret is a Virginia limited liability company. Brown and Carteret voluntarily surrendered their insurance licenses on October 27, 2020. Brown is the managing member and owner of Carteret. Carteret has a last known address of 1056 B Chicago Avenue, Harrisonburg, Virginia 22802.

Based on the investigation, the Bureau alleges that from February 15, 2019 through July 12, 2019, the Defendants issued 29 title policies associated with Virginia properties without being a licensed agent and without the required designated licensed producer.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1831, 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 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 waived the right to a hearing; have voluntarily surrendered the authority to act as an insurance agent and as an insurance agency in Virginia effective October 27, 2020; and have agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from October 27, 2020.

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-2020-00194
APRIL 19 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CHRISTOPHER RICHARD WILMOTH,
Defendant

SETTLEMENT ORDER

The Bureau of Insurance ("Bureau") of the State Corporation Commission ("Commission") conducted an investigation of Christopher Richard Wilmoth ("Wilmoth" or "Defendant") pursuant to § 38.2-1809 of the Code of Virginia ("Code").

Summary

This Settlement Order constitutes an agreed resolution regarding the Bureau's allegations that Wilmoth violated the Commonwealth of Virginia's Insurance laws. The Bureau alleges that Wilmoth misstated fees, failed to disclose fees, and/or inflated the stated cost of premiums; misappropriated excess premiums for his own purposes or for non-agency purposes; falsely represented to an insurance carrier that his employer was the individual financially responsible for policies quoted or issued; failed to hold funds received from insureds in a fiduciary capacity, failed to account for the funds, and failed to pay these funds to the insurer entitled to the funds in the ordinary course of business in violation of §§ 38.2-512 A, 38.2-1813 and 38.2-1831 (6) of the Code. Accordingly, as discussed in more detail below, to resolve the Bureau's current allegations, Wilmoth has agreed to cease conducting the business of insurance and to not renew his insurance license.

The Bureau's Allegations, The Commission's Statutory Remedies, And Proposed Settlement

Wilmoth was a Virginia resident licensed agent with the following lines of authority: Life & Annuities, Health, and Property & Casualty. His license was administratively terminated on February 15, 2019 for failure to complete required continuing education courses. The Bureau alleges that Wilmoth violated § 38.2-512 A of the Code when he misstated fees, failed to disclose fees, and/or inflated the stated cost of premiums to at least three insureds between November 1, 2015 and June 30, 2016; that Wilmoth misappropriated the difference between the dollar amount he received from the insured for premiums from the actual initial premium amount paid to the carrier for his own purpose or for other non-agency purposes; and that Wilmoth falsely represented to an insurance carrier that his employer was the individual financially responsible for policies quoted or issued to at least twenty-four insureds.

The Bureau also alleges Wilmoth failed to hold funds received from insureds in a fiduciary capacity, failed to account for the funds, and failed to pay these funds to the insurer entitled to the funds in the ordinary course of business in violation of § 38.2-1813 of the Code.

As stated above, the Bureau alleges that Wilmoth misappropriated funds received from insureds intended for premium payments for his own purpose or for other non-agency purposes. Section 38.2-1831 (6) of the Code provides in relevant part that "[t]he Commission may, in addition to . . . a penalty . . . place on probation, suspend, [or] revoke . . . any person's license for . . . [i]mproperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business."

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.

Accordingly, in order to resolve this matter, and without admitting nor denying any violation of Virginia law, Wilmoth admits to the Commission's jurisdiction and authority to enter this Settlement Order. Having been advised of his right to a hearing in this matter, Wilmoth has made an offer of settlement to the Commission wherein he will abide by and comply with the following terms and undertakings:

(1) Wilmoth waives his right to a hearing;

(2) Wilmoth agrees not to renew or apply for a renewal of his current insurance license, and will not apply for a new license to transact the business of insurance in Virginia; and

(3) Wilmoth agrees to be permanently enjoined from transacting the business of insurance in Virginia.

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 Christopher Richard Wilmoth 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 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-2020-00196
FEBRUARY 4, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
COURTNEY Y. HOFFMAN,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Courtney Y. Hoffman ("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 of the Code of Virginia ("Code") by failing to comply with the Bureau's examination and investigation of the Defendant's insurance business affairs; § 38.2-1813 A of the Code by failing to hold premiums received from insureds in a fiduciary capacity and by failing to remit premium funds in the ordinary course of business to the insurers entitled to the payments when the Defendant received a cash payment from an insured and failed to remit such payment to the insurer; and § 38.2-1826 A of the Code by failing to report within thirty (30) calendar days to the Commission any change in the Defendant's 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 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 August 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 § 38.2-1809 of the Code by failing to comply with the Bureau's examination and investigation of the Defendant's insurance business affairs; § 38.2-1813 A of the Code by failing to hold premiums received from insureds in a fiduciary capacity and by failing to remit premium funds in the ordinary course of business to the insurers entitled to the payments; and § 38.2-1826 A of the Code by failing to report within thirty (30) calendar days to the Commission any change in the Defendant's residence.

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-2020-00198
FEBRUARY 2, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
WHITNEY ANNE LEE,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Whitney Anne Lee ("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 statements or representations on documents relating to the business of insurance for the purpose of obtaining a commission or other benefit from an insurer when the Defendant wrote a limited benefit short term convalescent care plan and failed to ask or accurately report the answers to health questions on the application causing the client's claim to be denied; § 38.2-1809 of the Code by failing to comply with the Bureau's examination and investigation of the Defendant's insurance business affairs.

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 2, 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 September 2, 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 false statements or representations on documents relating to the business of insurance for the purpose of obtaining a commission or other benefit from an insurer; and § 38.2-1809 of the Code by failing to comply with the Bureau's examination and investigation of the Defendant's insurance business affairs.

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-2020-00203
FEBRUARY 2, 2021

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Shana Chism ("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 March 24, 2020; § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the June 24, 2019 license application filed with the Commission when the Defendant failed to disclose misdemeanor convictions from 2003, 2004, and 2005 and a felony conviction from 2014; § 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 September 4, 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 September 4, 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; § 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-2020-00204
FEBRUARY 8, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TERRY ANN DAWKINS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Terry Ann Dawkins ("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 April 5, 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 September 4, 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 September 4, 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.

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-2020-00205
FEBRUARY 2, 2021

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Randy Johnson ("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 July 16, 2015 and in South Dakota on March 23, 2020; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in license applications filed with the Commission when the Defendant failed to disclose a misdemeanor conviction from 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 violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated September 4, 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 September 4, 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; 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-2020-00206
MARCH 19, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GARY WADE LOVELL,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Gary Wade Lovell ("Lovell" 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 taken in Louisiana on January 22, 2020 and in Indiana on August 16, 2019.

Lovell is a Tennessee 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 September 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 September 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-2020-00217
FEBRUARY 4, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MANISH H. SHAH,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Manish H. Shah ("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 Pennsylvania on April 1, 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 violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated September 18, 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 September 18, 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.

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-2020-00220
MAY 11, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MICHAEL MORGAN-TOWE,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Michael Morgan-Towe ("Morgan-Towe" or "Defendant"), licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-503 of the Code of Virginia ("Code") by knowingly disseminating an untrue, deceptive and misleading advertisement for "free insurance" on social media, by telephone and by text message, though knowing it to be a false advertisement for life insurance for which consumers would ultimately be charged for premiums; § 38.2-509 of the Code by offering to pay, as an inducement to an insurance contract, a rebate, or other benefit on an insurance contract, or anything of value not specified in the contract when the Defendant offered a monetary reward to customers when applying for insurance if the application was processed and accepted; § 38.2-1822 A of the Code by acting as an insurance agent in Virginia without first obtaining a license in a manner and in a form prescribed by the Commission when the Defendant solicited insurance sales without having the required license between 2018 and 2019; § 38.2-512 A of the Code by using fraudulent, coercive, or dishonest practices, and demonstrating untrustworthiness in the conduct of business in this Commonwealth when the Defendant solicited and wrote applications on consumers without meeting the consumers and knowingly sold policies the consumers could not afford; as well as 14 VAC 5-41-30 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 advertisements that were untruthful, misleading and deceptive when the Defendant promised "free life insurance" to the public for submitting information on his website. The Bureau further alleges that this conduct was fraudulent, coercive, or dishonest, and demonstrated untrustworthiness in the conduct of business in this Commonwealth contrary to the requirements of § 38.2-1831 (10) of the Code.

Morgan-Towe 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 October 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 October 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-2020-00221
MAY 11, 2021

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

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Antionette Pringle ("Pringle" or "Defendant"), 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 knowingly misrepresenting the benefits, advantages, conditions or terms of an insurance policy when the Defendant did not review the specific terms and premiums of certain insurance policies or even discuss or review such terms with the insureds; § 38.2-512 A of the Code by (a) making false or fraudulent statements or representations on or relative to life insurance applications regarding the applicants' health status for the purpose of obtaining a fee, commission, money, or other benefit from an insurer, or individual and (b) by fraudulently representing on life insurance applications that she had personally met with the proposed insureds when she had not and submitted false bank account numbers on policies to obtain commissions; and § 38.2-512 B of the Code by affixing or allowing to be affixed 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 affixed electronic signatures on life insurance applications without the applicants' prior authorization. The Bureau further alleges that this conduct was fraudulent, coercive, or dishonest, and demonstrated untrustworthiness in the conduct of business in this Commonwealth contrary to the requirements of § 38.2-1831 (10) of the Code.

Pringle 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 October 19, 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 October 19, 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-2020-00224
MARCH 30, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JENNIFER LEIGH SMITH,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jennifer Leigh Smith ("Smith" 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 relative to an insurance application for the purpose of obtaining a commission from an insurer when the Defendant recorded incorrect dates of birth on an insurance application in order to get the policy approved and receive a commission; § 38.2-512 B of the Code by affixing or allowing to be affixed 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 allowed a consumer to sign her husband's name on an insurance application, and when the Defendant certified that she witnessed the husband's signature; 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 Virginia.

Smith is a Maryland 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 October 21, 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 October 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-2020-00227
JANUARY 4, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CMFG LIFE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market analysis inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that CMFG 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 §§ 38.2-316 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.

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 tendered to the Treasurer of Virginia the sum of Seven Thousand Five Hundred Dollars ($7,500), 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-2020-00228
MARCH 31, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JAMES LEONARD SMITH,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that James Leonard Smith ("Smith" 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 (9) of the Code of Virginia ("Code") by having been convicted of a felony, 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 Virginia or elsewhere, or demonstrating financial irresponsibility in the handling of applicant, policyholder, agency, or insurance company funds as evidenced by the Defendant's participation in a fraudulent international investment scheme causing victims to lose their financial investments.

Smith 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 October 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 October 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-2020-00229
APRIL 1, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JAY SCOTT HOWARD,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jay Scott Howard ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to engage in the business of public adjusting in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1845.2 A of the Code of Virginia ("Code") by engaging in the business of public adjusting without first obtaining a license in a manner as prescribed by the Commission; § 38.2-1845.15 of the Code by failing to maintain sufficient records of his affairs so that the Commission may adequately ensure that the public adjuster complies with all provisions of this chapter; § 38.2-1845.17 A of the Code by failing to report to the Commission within thirty (30) calendar days of any change in his residence or name; § 38.2-1845.18 of the Code by failing to implement a comprehensive written information security program that includes administrative, technical, and physical safeguards for the protection of policyholder information; and § 38.2-1845.22 of the Code by failing to or refusing to permit the Commission or any of its employees or agents to make an examination and investigate the business affairs of any person engaged or alleged to be engaged in the business of public adjusting in Virginia. The Defendant has failed to respond to the Bureau's requests to examine his business affairs and has not provided the Commission with any records regarding his alleged engagement in the business of public adjusting in Virginia.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1845.10, and 38.2-1845.11 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 and electronic mail dated October 8, 2020 and mailed to the Defendant's addresses 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 8, 2020 letter and electronic correspondence.

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 engage in the business of public adjusting in Virginia.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1845.2 A of the Code by engaging in the business of public adjusting without first obtaining a license in a manner as prescribed by the Commission; § 38.2-1845.15 of the Code by failing to maintain sufficient records of his affairs so that the Commission may adequately ensure that the public adjuster complies with all provisions of this chapter; § 38.2-1845.17 A of the Code by failing to report to the Commission within thirty (30) calendar days of any change in his residence or name; § 38.2-1845.18 of the Code by failing to implement a comprehensive written information security program that includes administrative, technical, and physical safeguards for the protection of policyholder information; and § 38.2-1845.22 of the Code by failing to or refusing to permit the Commission or any of its employees or agents to make an examination and investigate the business affairs of any person engaged or alleged to be engaged in the business of public adjusting in Virginia.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as a public adjuster is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as a public adjuster.

(4) The Defendant shall not apply to the Commission to be licensed as a public adjuster 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 a public adjuster in Virginia.

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

CASE NO. INS-2020-00231
MARCH 25, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
COMMERICAL INSURANCE MANAGERS, INC., *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 October 13, 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 and provides the required 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) The Commission shall vacate this Order as to any Defendant that elects to reapply and provides the required information on the application 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

52-1739660	COMMERCIAL INSURANCE MANAGERS INC.	8170 LARK BROWN ROAD, SUITE 102	ELKRIDGE, MD 21075
14-1697085	DIVERSIFIED BROKERAGE OF HUDSON VALLEY LTD	60 ERIE STREET, PO BOX 179	GOSHEN, NY 10924
61-1508780	HUGHES AGENCY INC THE	PO BOX 7	BATTERY PARK, VA 23304-0007
54-1925302	PRIMOS INC	2028 ELECTRIC ROAD SW, SUITE 90B	ROANOKE, VA 24018

CASE NO. INS-2020-00236
FEBRUARY 11, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MGA INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that MGA Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-2201 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 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 Defendant's correspondence dated November 20, 2020; has confirmed restitution was made to 12 consumers in the amount of Sixteen Thousand Two Hundred Eighty Five Dollars and Fifty Cents ($16,285.50); 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-2020-00238
JULY 13, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MAURICE TERRELL PALMER,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Maurice Terrell Palmer ("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 an administrative action taken in Maryland in 2018; and § 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 when the Defendant failed to report several misdemeanor convictions.

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 agreed to the suspension of his license for a period of ninety (90) days effective from the entry of this order; and has agreed not to transact the business of insurance in Virginia for a period of ninety (90) days effective from the entry of this 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 license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby SUSPENDED for a period of ninety (90) days.

(3) All appointments issued under said license are hereby VOID for a period of ninety (90) days.

(4) The Defendant shall transact no further business in Virginia as an insurance agent for a period of ninety (90) days.

(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.

NOTE: A copy of the Admission and Consent 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-2021-00001
JANUARY 19, 2021

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

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Suitability in Annuity Transactions

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 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 may also be found at the Commission's website: scc.virginia.gov/case.

The Bureau of Insurance ("Bureau") has submitted to the Commission proposed revisions to rules set forth in Chapter 45 of Title 14 of the Virginia Administrative Code, entitled Rules Governing Suitability in Annuity Transactions ("Rules"), which revise the Rules set out at 14 VAC 5-45-10 through 14 VAC 5-45-47 and adds new forms.

The proposed revisions to Chapter 45 are necessary to incorporate provisions contained in the revised National Association of Insurance Commissioners' Suitability in Annuity Transactions Model Regulation. These revisions add several new definitions, require insurers and agents to follow specified best interest obligations when recommending an annuity, require agents to use consumer disclosure forms, and require agents to complete a one-time four-credit annuity suitability training course that includes the best interest standard.

NOW THE COMMISSION is of the opinion that the proposed revisions submitted by the Bureau to amend the Rules set out at 14 VAC 5-45-10 through 14 VAC 5-45-47 should be considered for adoption with a proposed effective date of May 1, 2021.

Accordingly, IT IS ORDERED THAT:

(1) The proposal to amend Chapter 45 of Title 14 of the Virginia Administrative Code, by revising the Rules set out at 14 VAC 5-45-10 through 14 VAC 5-45-47 and adding new forms 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 amendments to Chapter 45 shall file such comments or hearing requests on or before March 19, 2021, with Bernard Logan, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS-2021-00001. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: scc.virginia.gov/case. All comments shall refer to Case No. INS-2021-00001.

(3) If no written request for a hearing on the proposal to amend rules as outlined in this Order is received on or before March 19, 2021, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposal, may adopt the amendments in Chapter 45 of Title 14 of the Virginia Administrative Code as submitted by the Bureau.

(4) The Bureau shall provide notice of the proposal to all companies, agencies, and agents licensed by the Commission to sell annuities or variable annuities 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 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: scc.virginia.gov/case.

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

(8) This matter is continued.

NOTE: A copy of the attachment entitled "Rules Governing Suitability in Annuity Transactions" 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-2021-00001
JUNE 11, 2021

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

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Suitability in Annuity Transactions

ORDER ADOPTING AMENDMENTS TO RULES

By Order to Take Notice ("Order") entered January 19, 2021, insurers and interested persons were ordered to take notice that subsequent to March 19, 2021, the State Corporation Commission ("Commission") would consider the entry of an order adopting amendments to rules set forth in Chapter 45 of Title 14 of the Virginia Administrative Code, entitled "Rules Governing Suitability in Annuity Transactions" ("Rules"), which amends the Rules at 14 VAC 5-45-10 through 14 VAC 5-45-47 and adds new forms, unless on or before March 19, 2021, 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 March 19, 2021.

No request for a hearing was filed with the Clerk. Comments were timely filed with the Clerk from the following: Pamela Heinrich with the National Association for Fixed Annuities, Michelle Carroll Foster with the American Council of Life Insurers, Robert Bradshaw with the Independent Insurance Agents of Virginia, Jason Berkowitz with the Insured Retirement Institute, Robert Stafford, Julie Harrison with the National Association of Insurance & Financial Advisors, Daniel Barnard, Karl Klingmann II, Timothy Roscher, William Frazer, Eric Coon, Racent Dowdie, Michael Williams, John Doyle with the Doyle Insurance Agency LLC, Gwendolyn Apperton with the World Financial Group, Kristen Rodriguez with the World Financial Group, Bonita Haubert with Haubert and Associates, and Shaheena Kabir.

The amendments to the Rules are necessary to incorporate provisions contained in the revised National Association of Insurance Commissioners' Suitability in Annuity Transactions Model Regulation. These revisions add several new definitions, require insurers to follow specified best interest obligations when recommending an annuity, require agents to use consumer disclosure forms, and require agents to complete a one-time four-credit annuity suitability training course that includes the best interest standard.

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 5-45-45 to adjust the effective date to accommodate agent training. 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 September 1, 2021.

Accordingly, IT IS ORDERED THAT:

(1) The amendments to the Rules Governing Suitability in Annuity Transactions at Chapter 45 of Title 14 of the Virginia Administrative Code that amend the Rules at 14 VAC 5-45-10 through 14 VAC 5-45-47 and add new forms, which are attached hereto and made a part hereof, are hereby ADOPTED effective September 1, 2021.

(2) The Bureau shall provide notice of the adoption of the amendments to the Rules to all insurers licensed to sell annuities or variable annuities in Virginia 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: 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 Suitability in Annuity Transactions" 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-2021-00009
FEBRUARY 8, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GUIDEONE MUTUAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that GuideOne Mutual 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 § 38.2-1906 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 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 electronic correspondence dated August 17, 2020; has confirmed restitution was made to two consumers in the amount of Seven Thousand Six Hundred Ninety Two Dollars and Sixty-nine Cents ($7,692.69); 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-2021-00010
MARCH 11, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
UNIVERSAL NORTH AMERICA INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that Universal North America Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-2130 of the Code of Virginia ("Code") by failing to provide coverage for the cost charged by a volunteer fire department that is not fully funded by real estate taxes or other property taxes for service charges where the fire department was called to protect property from a peril insured by the policy.

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 May 20, 2020 and electronic correspondence dated January 29, 2021; 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-2021-00011
FEBRUARY 8, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
FARMERS INSURANCE EXCHANGE, and TRUCK INSURANCE EXCHANGE,
Defendant

SETTLEMENT ORDER

Based on a market conduct investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Farmers Insurance Exchange and Truck 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"), 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 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 September 25, 2020 and October 12, 2020; have confirmed restitution was made to 1,489 consumers in the amount of Fifteen Thousand Nine Hundred Fifty Dollars and Four Cents ($15,950.04); 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-2021-00021
MARCH 31, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MONIKA MADGALENA JAWORSKA,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Monika Madgalena Jaworska ("Jaworska" 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 A of the Code of Virginia ("Code") by failing to report within thirty (30) calendar days to the Commission, and to every insurer for which she is appointed any change in her residence; and § 38.2-1826 B of the Code by failing to report to the Commission within thirty (30) calendar days the facts and circumstances regarding a felony conviction.

Jaworska is a Virginia 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 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 9, 2021; 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 9, 2021.

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-2021-00022
MAY 3, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Pennsylvania National Mutual Casualty Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-2201 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 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 Defendant's correspondence dated September 25, 2020 and March 18, 2021; has confirmed that restitution was made to 48 consumers in the amount of Eighty-Six Thousand One Hundred Eleven Dollars and Eighty-Six Cents ($86,111.86); 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-2021-00023
AUGUST 10, 2021

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

Ex Parte: In the matter of adoption of adjusted prima facie rates for credit life and credit accident and sickness insurance pursuant to §§ 38.2-3725, 38.2-3726, 38.2-3727, and 38.2-3730 of the Code of Virginia

ORDER ADOPTING ADJUSTED PRIMA FACIE RATES FOR THE TRIENNIUM COMMENCING JANUARY 1, 2022

Pursuant to § 38.2-3730 B of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to conduct a hearing for the purpose of determining the actual loss ratio for credit life and credit accident and sickness insurance and to adjust the prima facie rates, in accordance with §§ 38.2-3726 and 38.2-3727 of the Code, by applying the ratio of the actual loss ratio to the loss ratio standard set forth in § 38.2-3725 of the Code to the prima facie rates. These rates are to be effective for the triennium commencing January 1, 2022.

The adjusted prima facie rates have been calculated and proposed on behalf of and by the Bureau of Insurance ("Bureau") in accordance with the provisions of Chapter 37.1 of Title 38.2 of the Code (§§ 38.2-3717 *et seq*.). By an Order Scheduling Hearing entered May 24, 2021, the Commission provided notice of the proposed rates and an opportunity for interested persons to file comments or participate in the case. The Commission also appointed a Hearing Examiner to conduct further proceedings in this case and to file a final report.

On July 13, 2021, a public hearing was held before Michael D. Thomas, Senior Hearing Examiner. Mary Ashby Brown, Esquire, appeared on behalf of the Bureau. No notices of participation were filed, no written comments were received, and no public witnesses appeared at the hearing.

On July 23, 2021, the Senior Hearing Examiner issued his final report, wherein he found that the Bureau's proposed prima facie rates for credit life and credit accident and sickness insurance were calculated in accordance with Chapter 37.1 of Title 38.2 of the Code. The Senior Hearing Examiner recommended that the Commission approve the proposed prima facie rates for credit life and credit accident and sickness insurance.

NOW THE COMMISSION, having considered the record, the recommendation of the Bureau, the Senior Hearing Examiner's report, and the law applicable to these issues, finds and ORDERS THAT:

(1) The adjusted prima facie rates for credit life and credit accident and sickness insurance, as proposed by the Bureau, which are attached hereto and made a part hereof, are hereby ADOPTED pursuant to the provisions of Chapter 37.1 of Title 38.2 of the Code and shall be effective for the triennium commencing January 1, 2022.

(2) In accordance with § 38.2-3730 of the Code, notice of this Order and the adopted rates shall be sent by the Bureau to every insurance company licensed to transact the business of credit life and credit accident and sickness insurance in the Commonwealth of Virginia as well as interested persons, and the Bureau shall file in the record of this proceeding a certificate evidencing compliance with this Order.

(3) The Commission's Division of Information Resources shall make available this Order and attached adjusted rates on the Commission's website: scc.virginia.gov/case.

(4) This case is dismissed, and the papers filed herein shall be passed to the file for ended causes.

NOTE: A copy of the attachment entitled "Adjusted Prima Facie Credit Life and Credit Accident and Sickness Insurance Rates" 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-2021-00024
MARCH 31, 2021

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

Bedivere Insurance Company ("Bedivere" or "Defendant"), a Pennsylvania-domiciled insurer, was initially licensed to transact the business of insurance in Virginia on July 15, 1921. On March 11, 2021, the Commonwealth Court of Pennsylvania entered an Order of Liquidation, appointing Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, and her successors in office, as the Liquidator of Bedivere.

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-2021-00027
MAY 6, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ASHERAI SANIA-SYDNEY GADSDEN,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Asherai Sania-Sydney Gadsden ("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, at the time of applying for a license, to pay 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 February 22, 2021 that was mailed and e-mailed to the Defendant's addresses 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 22, 2021 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, at the time of applying for a license, to pay 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-2021-00029
MAY 6, 2021

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Tavon Payne ("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, at the time of applying for a license, to pay 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 February 22, 2021 that was mailed and e-mailed to the Defendant's addresses 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 22, 2021 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, at the time of applying for a license, to pay 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-2021-00030
MAY 6, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AARON MAURICE ROME,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Aaron Maurice Rome ("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, at the time of applying for a license, to pay 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 February 22, 2021 that was mailed and e-mailed to the Defendant's addresses 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 22, 2021 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. 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, at the time of applying for a license, to pay 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-2021-00031
MAY 6, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CEDRIC L. TUDMON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Cedric L. Tudmon ("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, at the time of applying for a license, to pay 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 February 22, 2021 that was mailed and e-mailed to the Defendant's addresses 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 22, 2021 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, at the time of applying for a license, to pay 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-2021-00033
JUNE 10, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AMERICAN FINANCIAL SECURITY LIFE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market analysis inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that American Financial Security Life Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-316 B of the Code of Virginia ("Code") by failing to use insurance policies or forms on file with the Commission; § 38.2-316.1 B of the Code by using unapproved accident and sickness insurance premium rates applicable to health benefit plans providing health insurance coverage, as defined in § 38.2-3431, in the individual market to residents of Virginia through a group trust, association, purchasing cooperative, or other group that is not an employer plan; § 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.*, ("Rules") by using advertisements where the format and content were not sufficiently complete and clear to avoid deception or the capacity or tendency to mislead or deceive; 14 VAC 5-90-60 A 2 of the Rules by using words and phrases in an advertisement in a manner that exaggerates a benefit beyond the terms of the policy; 14 VAC 5-90-60 C 2 of the Rules by using an advertisement that implies that the applicant's physical condition or medical history will not affect the issuance of the policy or payment of a claim under the policy, even though the policy does contain pre-existing condition exclusions and limitations; and 14 VAC 5-90-110 of the Rules by using an advertisement that directly or indirectly makes unfair or incomplete comparisons of policies or benefits or comparisons of noncomparable policies of other insurers.

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 the Bureau's letter dated May 20, 2020; has confirmed that restitution was made to 1,394 consumers in the amount of Five Hundred Thirty Seven Thousand Nine Hundred Thirty Five Dollars and Fifty-one Cents ($537,935.51); has tendered to the Treasurer of Virginia the sum of One Hundred Eighty Three Thousand Six Hundred Dollars ($183,600); has agreed to cease and desist from future violations of §§ 38.2-316 B and 38.2-316.1 B of the Code; 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 §§ 38.2-316 B and 38.2-316.1 B of the Code.

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

CASE NO. INS-2021-00035
APRIL 28, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
UNITED SERVICES AUTOMOBILE ASSOCIATION, USAA CASUALTY INSURANCE COMPANY,
USAA GENERAL INDEMNITY COMPANY, and GARRISON 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 United Services Automobile Association, USAA Casualty Insurance Company, USAA General Indemnity Insurance Company, and Garrison Property and Casualty 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 § 38.2-1905 A of the Code of Virginia ("Code") by issuing notices of premium increase or point charge on policies that did not require the notice. In addition, the notice used did not include all of the information required by 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 the companies' correspondence dated July 17, 2020, August 31, 2020, and January 21, 2021; 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 Ten Thousand Dollars ($10,000); 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-2021-00036
APRIL 28, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GRANGE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Grange 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 prior to the effective date that insurance forms and endorsements filed on its behalf and approved will not be implemented.

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 February 4, 2021, 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-2021-00037
MAY 3, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ACE AMERICAN INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that ACE American 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 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 March 10, 2021, 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-2021-00038
APRIL 28, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ROBERT MALCOLM KELSO,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Robert Malcom Kelso ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1838 A 1 of the Code of Virginia ("Code") by providing consulting services to members of the public beyond those within the normal scope of activities of a licensed insurance agent and charging fees for those services; and § 38.2-1838 C of the Code by acting as an insurance advisor or consultant when the Defendant did not hold an appropriate individual license as an insurance consultant as required by the Code.

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

CASE NO. INS-2021-00039
MAY 11, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JANET ELIZABETH SINGH, and INDEPENDENT INSURANCE AGENCY OF RICHMOND,
Defendants

SETTLEMENT ORDER

The Bureau of Insurance ("Bureau") of the State Corporation Commission ("Commission") conducted an investigation of Janet Elizabeth Singh ("Singh") and the Independent Insurance Agency of Richmond ("Agency") (collectively the "Defendants") pursuant to § 38.2-1809 of the Code of Virginia ("Code").

Summary

This Settlement Order constitutes an agreed resolution regarding the Bureau's allegations that the Defendants violated the Commonwealth of Virginia's ("Virginia") insurance laws. Specifically, the Bureau alleges that the Defendants misappropriated insurance premium payments received from a client by depositing the premium received into the Agency's premium/escrow account rather than remitting the premium payments to the insurer to whom those payments were intended, and then issued to the client a fraudulent Certificate of Insurance ("COI") purporting to provide the client with the insurance coverage in violation of §§ 38.2-512 A, 38.2-518 F, 38.2-1813, and 38.2-1831 (6), (8) and (10) of the Code. Accordingly, as discussed in more detail below, to resolve the Bureau's current allegations, the Defendants have agreed (1) to cease conducting the business of insurance in Virginia (2) not to renew their respective insurance licenses, and (3) to be permanently enjoined from conducting the business of insurance in the Commonwealth of Virginia.

Background

On June 16, 2020, the Commission entered a Settlement Order where Chetan Singh ("Mr. Singh"), Singh's husband, was permanently enjoined from licensure as an insurance agent in Virginia for his alleged violations, while employed as a licensed insurance agent for the Agency, of §§ 38.2-512 A, 38.2-518 F, 38.2-1813, and 38.2-1831 (6), (8) and (10) of the Code. Mr. Singh's conduct also resulted in his pleading guilty to 2 counts of Obtaining Money Under False Pretense and 1 count of Forgery on January 8, 2021 in the Circuit Court of Chesterfield County, Virginia. As part to his sentence, the Court ordered Mr. Singh to pay restitution in the amount of $75,000 to a client.

The Bureau's Allegations, The Commission's Statutory Remedies, And Proposed Settlement

The Agency is a limited liability company that has been licensed in Virginia since October 21, 2016. Singh is a Virginia resident who is the Agency's owner/managing member and was the designated licensed producer for the Agency before her Property & Casualty insurance license was terminated on February 15, 2021. The Bureau alleges that the Defendants violated § 38.2-512 (A) of the 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 fee, commission, money, or other benefit from any insurer, agent, broker premium finance company, or individual. Specifically, the Bureau alleges that in January 2020, the Agency, through Mr. Singh, issued an invoice to its client and received an insurance premium payment in the amount of $30,690.00 from the client for Commercial General Liability Insurance and a Commercial Umbrella policy for a shopping center through an insurance carrier. However, rather than sending the insurance premium payment to the insurance carrier to whom the payment was intended, the Defendants retained the premium and deposited it into the Agency's premium/escrow account. The Defendants then issued the client a COI which falsely purported to provide the client with the aforementioned insurance coverage. The Bureau alleges that a similar set of events occurred in February 2019 when the Defendant issued an invoice and received a $44,582.39 payment from the client for a Commercial Package policy, a Property General Liability policy and Commercial Umbrella policy through a carrier for a shopping center. Again, rather than sending the insurance premium payment to the insurance carrier to whom the payment was intended by the client, the Defendants retained the premium and deposited it into the Agency's premium/escrow account.

The Bureau alleges that the Defendants violated § 38.2-518 F of the Code by knowingly preparing or issuing certificates of insurance that contained false or misleading information by, as stated above, issuing a COI which falsely purported to provide Commercial General Liability coverage and a Commercial Umbrella policy to a client.

The Bureau alleges that the Defendants violated § 38.2-1813 of the Code by failing to hold premiums in a fiduciary capacity and remitting them to the insurer in the ordinary course of business by, as stated above, retaining insurance premium payments intended by the client as insurance premium payments to the carriers and depositing those payments into the Agency's premium/escrow account.

The Bureau also alleges that the Defendants violated § 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 any insurance fraud, by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, or untrustworthiness in the conduct of business in this Commonwealth or elsewhere, or by demonstrating financial irresponsibility in the handling of applicant, policyholder, agency, or insurance company funds by, as stated above, misappropriating a client's insurance premium payments which were intended for a carrier by depositing the payments into the Agency's premium/escrow account rather than forwarding the payments to the intended 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.

Accordingly, in order to resolve this matter, and without admitting nor denying any violation of Virginia law, the Defendants admit to the Commission's jurisdiction and authority to enter this Settlement Order. Having been advised of the right to a hearing in this matter, 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 waive their right to a hearing;

(2) The Defendants agree not to renew or apply for a renewal, or apply for new licenses to transact the business of insurance in Virginia; and

(3) The Defendants agree to be permanently enjoined from transacting the business of insurance in Virginia.

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.

NOTE: A copy of the Admission and Consent 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-2021-00041
DECEMBER 7, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JAMES AARON HOSEY,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that James Aaron Hosey ("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 July 22, 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 January 11, 2021 that was mailed and e-mailed to the Defendant's addresses 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 11, 2021 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-2021-00045
NOVEMBER 5, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LIBERTY TITLE & ESCROW COMPANY, LLC,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Liberty Title & Escrow Company, LLC ("Defendant"), violated § 55.1-1014 A of the Code of Virginia ("Code") by providing settlement services on approximately 1,700 Virginia properties between August 26, 2016 to December 9, 2020 when the Defendant was not registered with the Bureau; and 14 VAC 5-395-30 A of the Commission's Rules Governing Settlement Agents, 14 VAC 5-395-10, *et seq*. of the Virginia Administrative Code, by failing to register as a settlement agent with the Bureau as required by § 55.1-1014 of the Code.

The Commission is authorized by §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 tendered to the Treasurer of Virginia the sum of Fifteen Thousand Dollars ($15,000); has agreed to cease and desist from future violations of § 55.1-1014 A of the Code and 14 VAC 5-395-30 A of the Virginia Administrative Code and will immediately cease and desist from conducting settlements on property located in the Commonwealth of Virginia until the Defendant is licensed and registered with the Bureau; 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 immediately cease and desist from violating § 55.1-1014 A of the Code and 14 VAC 5-395-30 A of the Virginia Administrative Code until properly registered with the Bureau as required.

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

CASE NO. INS-2021-00046
APRIL 12, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DIVERSIFIED BROKERAGE OF HUDSON VALLEY LTD.,
Defendant

ORDER VACATING LICENSE REVOCATION

On March 25, 2021, the State Corporation Commission ("Commission") entered an Order Revoking License ("Revocation Order") in Case No. INS-2020-00231 which revoked the insurance license of Diversified Brokerage of Hudson Valley Ltd. ("Diversified") for its alleged violations of § 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.

It has come to the attention of the Commission that Diversified reasonably misunderstood an email communication from the Bureau of Insurance ("Bureau") in regard to Diversified's request to withdraw its Virginia insurance license rather than to designate a licensed producer for the company to the Commission, and that this misunderstanding resulted in the revocation of Diversified's license.

The Bureau has no objection to Diversified's request to withdraw its Virginia license, and further recommends that the Revocation Order, as it pertains to Diversified, be vacated.

NOW THE COMMISSION, GOOD CAUSE has been shown, and upon consideration of the recommendation of the Bureau, finds that the Order Revoking License entered on March 25, 2021 should be vacated, as it pertains to Diversified, and that Diversified's insurance license should be withdrawn.

Accordingly, IT IS ORDERED THAT:

(1) The Order Revoking License entered on March 25, 2021, is hereby VACATED, as it pertains to Diversified.

(2) Diversified's insurance license is withdrawn.

(3) This case is dismissed.

CASE NO. INS-2021-00048
MAY 11, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MICHELLE LEE ROBINSON,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Michelle Lee Robinson ("Robinson" 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 representations on an application relating to the business of insurance for the purpose of obtaining a commission from an insurer.

Robinson is a Virginia resident licensed with the following lines of authority: 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 April 1, 2021; 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, 2021.

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-2021-00049
NOVEMBER 10, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
PRIORITY TITLE & ESCROW, LLC,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Priority Title & Escrow, 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 § 55.1-903 of the Code of Virginia ("Code") by disbursing funds in its possession prior to the recordation of the deed; § 55.1-1008 A of the Code by failing to maintain their escrow accounts in a fiduciary manner when the Defendant failed to reconcile outstanding disbursements and allowed positive file balance to occur; and 14 VAC 5-395-50 D of the Commission's Rules Governing Settlement Agents, 14 VAC 5-395-10 *et seq*. of the Virginia Administrative Code, by failing to escheat funds dated 12 months or older to the Virginia Department of the Treasury as evidenced by the Bureau's investigation which revealed 664 outstanding checks [disbursements] in excess of one year.

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 revoke or suspend 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 agreed to provide verification to the Bureau that outstanding file disbursements associated with settlements twelve (12) months and older have been escheated to the Virginia Department of Treasury on or before 180 days from the date of this Settlement Order; 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 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-2021-00050
MAY 3, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MBO SETTLEMENTS INC.,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that MBO Settlements Inc. ("Defendant"), violated § 38.2-1822 A of the Code of Virginia ("Code") by acting as an agent of an insurer when the Defendant was not licensed as an insurance company or an insurance agent in this Commonwealth by issuing at least twenty-two (22) title insurance policies while unlicensed; § 55.1-1014 A of the Code and 14 VAC 5-395-30 A of the Commission's Rules Governing Settlement Agents, 14 VAC 5-395-10, *et seq*. of the Virginia Administrative Code, by performing settlement services involving at least twenty-two (22) Virginia real properties without registering to provide such services as required by the Code; and § 55.1-1008 A of the Code by not handling funds in a fiduciary capacity by: (i) failing to ensure that a deposit in transit since September 28, 2020 was properly and timely transmitted; and (ii) maintaining an identified trial balance shortage as of September 23, 2020.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1831, 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 agrees to (i) provide the Bureau verification that the identified outstanding deposit in transit and trial balance shortage concerns have been rectified within thirty (30) days from the date of this Settlement Order; (ii) cease and desist from future violations of §§ 38.2-1822 A and 55.1-1014 A of the Code, and 14 VAC 5-395-30 A of the Virginia Administrative Code and will immediately cease and desist from conducting settlements on property located in the Commonwealth of Virginia until the Defendant is licensed and registered with the Bureau as required by the Code; (iii) tender to the Treasurer of Virginia the sum of Three Thousand Dollars ($3,000); and (iv) waive 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) In addition to complying with and abiding by the other terms of the settlement set forth herein, the Defendant shall immediately cease and desist from violating §§ 38.2-1822 A and 55.1-1014 A of the Code, and 14 VAC 5-395-30 A of the Virginia Administrative Code.

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

CASE NO. INS-2021-00052
JUNE 8, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
FRANCESCA HELENE SULLIVAN,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Francesca Helene Sullivan ("Sullivan" 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 allowing to be made false or fraudulent representations on an insurance application for the purpose of obtaining a benefit from an insurer or individual when the Defendant allowed a former insurance agent to submit a life insurance application, containing inaccurate information, to an insurer listing the Defendant as the agent of record. Further, the Defendant did not meet with the insured to complete the application or to discuss the terms of the policy.

Sullivan 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 April 1, 2021; 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, 2021.

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-2021-00053
JUNE 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GDM TITLE INC.,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that GDM Title Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 55.1-1008 A of the Code of Virginia ("Code") by failing to handle escrow and settlement funds in a fiduciary capacity as evidenced by the Bureau's investigation which revealed outstanding escrow balances related to disbursements held in the Defendant's escrow accounts since May 10, 2016; and 14 VAC 5-395-50 D of the Commission's Rules Governing Settlement Agents, 14 VAC 5-395-10 *et seq*. of the Virginia Administrative Code, by failing to comply with the annual escheatment requirement for unclaimed property associated with unclaimed funds dated 12 months or older to the Virginia Department of the Treasury.

The Commission is authorized by § 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 tendered to the Treasurer of Virginia the sum of Five Thousand Dollars ($5,000); has waived the right to a hearing; and has agreed to provide verification to the Bureau of Insurance that outstanding file disbursements associated with settlements twelve (12) months and older have been escheated to the Virginia Department of Treasury on or before 180 days from the date of entry of this 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) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2021-00054
JUNE 7, 2021

IN THE MATTER OF
COMPANION LIFE INSURANCE COMPANY

Ex Parte: In the matter of Approval of a Multi-State Regulatory Settlement Agreement between Companion Life Insurance Company, and the Delaware Department of Insurance, Michigan Department of Insurance, Pennsylvania Department of Insurance, Texas Department of Insurance, and the South Carolina Department 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 March 25, 2021, a copy of which is attached hereto and made a part hereof, by and between the commissioners of insurance for the states of Delaware, Michigan, Pennsylvania, Texas, and South Carolina and Companion Life Insurance Company. Companion Life Insurance Company, domiciled in South Carolina, 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: A copy of 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-2021-00055
JUNE 17, 2021

APPLICATION OF
YOSEMITE INSURANCE COMPANY AND PROVIDENCE WASHINGTON INSURANCE COMPANY

For approval of the transfer of certain insurance policies pursuant to § 38.2-136 (C)(iii) of the Code of Virginia

ORDER APPROVING APPLICATION

By Application filed with the State Corporation Commission ("Commission") of the Commonwealth of Virginia ("Virginia") dated April 14, 2021, Yosemite Insurance Company, an Oklahoma-domiciled insurer ("Yosemite"), and Providence Washington Insurance Company, a Rhode Island-domiciled insurer ("PWIC" together with Yosemite, "Applicants"), requested approval of the transfer of 251 Virginia workers' compensation policies from PWIC to Yosemite ("Virginia Transfer") pursuant to § 38.2-136 (C)(iii) of the Code of Virginia ("Code").[1] Yosemite and PWIC are affiliates within the Enstar Group ("Enstar") and both are licensed to transact the business of insurance in Virginia and are in good standing.

The transfer of these Virginia workers' compensation policies is part of an Insurance Business Transfer ("IBT") that PWIC filed with the Oklahoma Insurance Department on November 13, 2019 pursuant to Oklahoma's Insurance Business Transfer Act. On November 26, 2019, the Commissioner of the Oklahoma Insurance Department approved the IBT after concluding it would not have a material adverse impact on the interests of the policyholders. On October 15, 2020, the District Court of Oklahoma County approved the IBT following an approval hearing.

[1] PWIC previously obtained the Virginia policies in question from Reciprocal of America, in receivership, pursuant to a Loss Portfolio Transfer Agreement approved by an order of the Commission on June 16, 2014. *See Final Order*, Case No. INS-2013-00190 at 9 (June 16, 2014) (adopting Hearing Examiner's recommendations and finding that the "Deputy Receiver has met all the requirements of § 38.2-136 (C) of the Code.").

The Commission's Bureau of Insurance ("Bureau") informed Yosemite and PWIC that the IBT required policyholder consent under § 38.2-136 (B) of the Code to the extent that it involved the cessation or assumption of policy obligations on risks located in Virginia whereby the assuming insurer assumes the policy obligations of the ceding insurer as direct obligations.

Pursuant to § 38.2-136 (C)(iii) of the Code, the Applicants have requested that the Commission waive § 38.2-136 (B) of the Code's policyholder consent requirement for the Virginia Transfer by finding that the transfer of these policies is in the best interests of the policyholders.[2] The Applicants have waived the right to a hearing under § 38.2-136 (C)(iii) of the Code in their application.

In support of the Application, Yosemite and PWIC state, *inter alia*, that during the Oklahoma IBT proceedings notice of the Virginia Transfer was mailed to the Virginia policyholders and that no policyholder objected prior to or during the approval hearing held before the District Court of Oklahoma County.

Following submission of the Application, Yosemite and PWIC informed the Bureau on May 14, 2021 that Enstar is in the process of selling PWIC and had entered into a stock purchase agreement with Everspan Insurance Company ("Everspan"). As a result, if the Virginia Transfer were not to occur, the Virginia workers' compensation policies in question would leave Enstar and go to Everspan with PWIC.

The Bureau, based upon the Application, the record in the Oklahoma IBT proceedings and the information available in this matter, has recommended that the Virginia Transfer is in the best interests of the Virginia policyholders. Based upon the Bureau's review of the Application and the Applicants' representations, the Virginia policyholders will not lose any rights or claims afforded under their original contracts pursuant to Chapter 16 of Title 38.2 of the Code.

NOW THE COMMISSION, having considered the Application, the recommendation of the Bureau that the Virginia Transfer is in the best interests of the Virginia policyholders, and the law applicable hereto, is of the opinion that the Virginia Transfer is subject to the requirements of § 38.2-136 (B) of the Code, and that the Application should be approved.

Accordingly, IT IS ORDERED THAT the Application of Yosemite Insurance Company and Providence Washington Insurance Company for the approval of the transfer of 251 Virginia workers' compensation policies from PWIC to Yosemite pursuant to § 38.2-136 (C)(iii) of the Code be, and it is hereby, APPROVED.

[2] While requesting an order pursuant to § 38.2-136 (C)(iii) of the Code, the Applicants do not concede that such an order is necessary for the Virginia Transfer. *See* Application at 4.

CASE NO. INS-2021-00056
MAY 24, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ERICK FANFAN CALIXTE,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Erick Fanfan Calixte ("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 did not report administrative actions taken in California on May 20, 2020 and in South Dakota on August 31, 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 violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated March 5, 2021 that was mailed and e-mailed to the Defendant's addresses 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 5, 2021 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-2021-00059
JUNE 4, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BEAUREGARD VALDES RAY,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Beauregard Valdes 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 A of the Code of Virginia ("Code") by failing to report within thirty (30) calendar days to the Commission any change in his residence; and § 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 the Defendant did not report administrative actions taken in Georgia in 2016, Washington in 2019, and Florida, Oregon and Delaware in 2020, and waited more than 30 calendar days to report a 2019 Pennsylvania administrative action.

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 18, 2021 that was mailed and e-mailed to the Defendant's addresses 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 18, 2021 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 A of the Code by failing to report within thirty (30) calendar days to the Commission any change in his residence; and § 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-2021-00060
MAY 24, 2021

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Lewis Shaver ("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 did not report administrative actions taken in Kentucky on April 3, 2020, in Utah on June 18, 2020, in Indiana on July 23, 2020, in Nebraska on August 19, 2020, and in Illinois on November 10, 2020; and § 38.2-1809 A of the Code by failing to provide the requested records to the Commission during an 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 March 5, 2021 that was mailed and e-mailed to the Defendant's addresses 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 5, 2021 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 § 38.2-1809 A of the Code by failing to provide the requested records to the Commission during an investigation.

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-2021-00061
NOVEMBER 10, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DIANA D. WELCH,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Diana D. Welch ("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 October 7, 2020 when the Defendant failed to disclose a pending felony charge.

Welch is a Tennessee resident licensed with the following lines of authority: 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 July 20, 2021; 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 20, 2021.

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-2021-00064
JUNE 8, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
PATRICIA A. DECKER,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Patricia A. Decker ("Decker" 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 or allowing to be made false representations on or relative to an application or any document relating to the business of insurance for the purpose of obtaining a fee, money, or other benefit from an insurer or individual when the Defendant completed and submitted insurance applications that contained inaccurate information; 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 demonstrating financial irresponsibility in the handling of applicant, policyholder, agency, or insurance company funds when, as stated above, the Defendant completed and submitted insurance applications that contained inaccurate information.

Decker 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 March 31, 2021; 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 31, 2021.

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-2021-00065
JUNE 8, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SUSAN RENEE MAYNARD,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Susan Renee Maynard ("Maynard" 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 representations on or relative to an application or any document relating to the business of insurance for the purpose of obtaining a fee, commission, money, or other benefit from an insurer or individual when the Defendant initiated a life insurance policy for a person without authorization in order to obtain a commission bonus from her employer; and § 38.2-512 B of the Code by affixing, without authorization, the signature of another person to a document pertaining to the business of insurance by affixing the above referenced person's signature, without her authorization, to the life insurance policy application.

Maynard 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 13, 2021; 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 13, 2021.

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-2021-00066
NOVEMBER 3, 2021

PETITION OF
GROUP HOSPITALIZATION AND MEDICAL SERVICES, INC.

For approval under § 38.2-4229.2 of the Code of Virginia to participate in settlement

ORDER

On April 23, 2021, Group Hospitalization and Medical Services Inc. ("GHMSI") filed with the Clerk of the State Corporation Commission ("Commission") a Petition to Approve Participation in Settlement ("Petition") pursuant to § 38.2-4229.2 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*. of the Virginia Administrative Code. As discussed below, the Petition requests that the Commission approve a proposed settlement concerning an order by the District of Columbia ("District") Department of Insurance, Securities and Banking ("DISB") requiring GHMSI to distribute excess surplus. As set forth below, the Commission grants the Petition and authorizes GHMSI to distribute surplus pursuant to the proposed settlement.

GHMSI is a health services plan, as defined by § 38.2-4201 of the Code, that operates in the Commonwealth of Virginia ("Commonwealth" or "Virginia"), Maryland, and the District. On December 30, 2014, the DISB entered an order ("2014 DISB Order") which held that GHMSI's surplus was excessive as of December 31, 2011. The 2014 DISB Order further held that 21% of the surplus was attributable to the District and required GHMSI to submit a plan for dedication of this surplus for community health reinvestment in the District.

Pursuant to § 38.2-4229.2 of the Code, if another state enacts a law or takes any other regulatory action that requires a health services plan operating in the Commonwealth to provide a program or benefits for the residents of the other state, or to distribute or reduce its surplus on grounds that it is excessive in whole or in part, the Commission shall conduct a proceeding to review and evaluate the impact of the law or regulatory action on the health services plan.

In response to the 2014 DISB Order and in accordance with § 38.2-4229.2 of the Code, the Commission conducted a proceeding in 2015 to determine the impact of the DISB's proposed distribution of GHMSI's surplus on Virginia residents and GHMSI's solvency ("Prior Proceeding").[1] As part of the Prior Proceeding, the Commission's Bureau of Insurance ("Bureau") conducted an examination of GHMSI and submitted a report to the Commission on April 15, 2015.[2] Although the Bureau concluded that the distribution had "potential for future harm to Virginia residents" once the annual fee imposed on health insurers pursuant to the Affordable Care Act was considered, the Bureau did not recommend that the Commission enter an order at that time prohibiting the distribution.[3]

On April 23, 2015 and as part of the Prior Proceeding, the Commission entered an Order for Comments regarding the Bureau's report. Following the public comment period, the Bureau submitted a supplemental comment confirming its position that, at that time, the DISB's proposed distribution of GHMSI's surplus "create[d] the potential for future harm to Virginia residents."[4]

On June 10, 2015, the Commission entered an Order ("2015 Order") in the Prior Proceeding prohibiting GHMSI from distributing or reducing its surplus unless approved as provided under Virginia law. The Prior Proceeding, however, remained pending to consider subsequent developments regarding distribution of any GHMSI surplus.

On September 2, 2016, GHMSI filed a Notice of District of Columbia Distribution Order and Request for Direction ("Notice") in the Prior Proceeding. Through this filing, GHMSI notified the Commission that the DISB had entered another order regarding distribution of GHMSI's surplus on August 30, 2016 ("2016 DISB Order"). Specifically, the 2016 DISB Order required GHMSI to pay rebates to certain subscribers in an amount totaling $51.3 million. Although the Notice sought direction from the Commission, GHMSI did not request authorization under Virginia law for distribution of its surplus under the 2016 DISB Order.

On October 7, 2016, the Commission entered an Order ("2016 Order") dismissing the Prior Proceeding. The 2016 Order reaffirmed that GHMSI remains subject to both an ongoing obligation under § 38.2-4229.2 of the Code, as well as the Commission's orders not to distribute any surplus without the Commission's express prior approval.

As noted above, GHMSI filed the current Petition on April 23, 2021. Following entry of the 2016 Order, the Petition notes that the DISB denied GHMSI's motion for reconsideration of the 2016 DISB Order in February 2018. The Petition further notes that GHMSI appealed the 2014 DISB Order and 2016 DISB Order. On August 29, 2019, the District of Columbia Court of Appeals affirmed the DISB orders in part, vacated them in part, and remanded the case for further proceedings.

Following remand, the DISB and GHMSI agreed upon terms of a proposed final resolution regarding GHMSI's purported excess surplus ("Proposed Settlement"). Pursuant to the Proposed Settlement, GHMSI would contribute $95 million to a fund held by private foundations that will be used to address health and health equity issues in the District. The Proposed Settlement is explicitly subject to "authorization by the Virginia State Corporation Commission under the applicable terms of Virginia law"[5] and GHMSI, as part of the Petition, seeks the Commission's approval of GHMSI's participation in the Proposed Settlement.

On May 21, 2021, the Commission entered an Order ("May Order") initiating this proceeding under § 38.2-4229.2 of the Code to evaluate the impact of the Proposed Settlement on GHMSI. The May Order directed the Commissioner of Insurance ("Commissioner") to conduct an examination of GHMSI and to provide the Commission with a report of his findings ("Report"). The May Order further directed that the Report include, at a minimum, the impact of the Proposed Settlement on the following: (i) surplus; (ii) premium rates for residents of the Commonwealth covered by policies issued or delivered either in the Commonwealth or in any other state; and (iii) solvency. The May Order also directed that the Report compare the respective impacts of the 2016 DISB Order and the Proposed Settlement to address any key differences.

On June 11, 2021, the Bureau submitted its Report addressing the impact on Virginia residents of the Proposed Settlement's distribution of GHMSI's surplus. In its Report, the Bureau concluded that the impact on GHMSI of the Proposed Settlement would not be harmful to the interests of residents of Virginia covered by policies issued or delivered either in the Commonwealth or in any other state by GHMSI.[6] Based on this conclusion, the Bureau recommended that the Commission approve GHMSI's request to participate in the Proposed Settlement.

On July 6, 2021, the Commission entered an Order for Comments inviting comments on the Bureau's Report and recommendation. Following public notice of the Order for Comments, any person desiring to comment on the Report could submit such comments until August 4, 2021. Additionally, the Order for Comments required the Bureau to file a reply to any such comments by August 18, 2021.

The Commission received only one comment on the Report, which was submitted by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). In its comments, Consumer Counsel stated that it had reviewed the Bureau's Report and "is comfortable with the Bureau's findings and does not oppose its recommendation that the Commission grant GHMSI's petition for approval to participate in the Proposed Settlement."[7]

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[1] *See Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte: In the matter of an examination of Group Hospitalization and Medical Services, Inc.*, Case No. INS-2015-00007.

[2] *See Bureau of Insurance Report Regarding the Impact of the Distribution of GHMSI's Excess Surplus on Virginia Residents*, Case No. INS-2015-00007 [Doc. Con. Cen. No. 150420041].

[3] Instead, the Bureau recommended more active cooperation among Virginia, Maryland and the District to resolve issues concerning the proposed distribution. *Id*. at 7

[4] *Bureau of Insurance Supplemental Comments*, Case No. INS-2015-00007 at 1 (June 5, 2015) [Doc. Con. Cen. No. 150620013].

[5] Petition, Ex. B at ¶ l (3) [Doc. Con. Cen. No. 210430173].

[6] The Bureau distinguished its conclusion from the Prior Proceeding by noting that a key component affecting that conclusion – the Affordable Care Act Health Insurer Fee – had been repealed. *See* Report at 12 [Doc. Con. Cen. No. 210620157].

[7] Comments of Consumer Counsel, Case No. INS-2021-00066 (Aug. 4, 2021), at 3 [Doc. Con. Cen. No. 210810101].

On August 18, 2021, the Bureau submitted its Reply to Comments ("Reply") – noting Consumer Counsel's comments as well as the absence of any other comments on the Report. As part of the Reply, the Bureau stated that it "remains of the view that the Proposed Settlement would not be harmful to Virginia residents and continues to recommend that the Commission approve GHMSI's request for permission to participate in the Proposed Settlement."[8]

The Commission notes that the Proposed Settlement would resolve with finality issues concerning GHMSI's 2011 surplus that have led to numerous disputes over many years following the 2014 DISB Order.[9] The Commission further notes that the circumstances surrounding distribution of GHMSI's 2011 surplus are unlikely to arise in the future. Following the 2014 DISB Order, Congress revised GHMSI's federal charter to require approval of both Virginia and Maryland for any subsequent reduction of GHMSI's surplus after 2011.[10]

NOW THE COMMISSION, upon consideration of the record in this matter and in accordance with § 38.2-4229.2 of the Code, finds that the distribution of GHMSI's surplus under the Proposed Settlement would not be harmful to the interests of residents of the Commonwealth covered by policies issued or delivered either in the Commonwealth or in any other state,[11] and that it is appropriate to approve the Petitioner's request to participate in the Proposed Settlement with the DISB.

Accordingly, IT IS ORDERED THAT:

(1) The Petition is GRANTED.

(2) GHMSI is authorized to distribute surplus in the amount of $95 million as set forth in its Proposed Settlement with the DISB.

(3) This matter is hereby DISMISSED, and the papers herein shall be placed in the file for ended causes.

[8] Reply, Case No. INS-2021-00066, at 2 [Doc. Con. Cen. No. 210830078].

[9] In its Report, the Bureau states that "the Proposed Settlement will be the final DISB order with respect to and will resolve and conclude all proceedings relating to DISB's review of GHMSI's surplus for 2011 and all prior years." *See Report of the Bureau of Insurance on the Impact of the Distribution of GHMSI's Surplus on Virginia Residents*, Case No. INS-2021-00066 at 9 [Doc. Con. Cen. No. 210620157].

[10] *Id*. at 3 (citing § 11 of GHMSI's Charter (An Act providing for the incorporation of certain persons as GHMSI, approved Aug. 11, 1939 (Pub. L. No. 76-395; 53 Stat. 1412), as amended)).

[11] The Proposed Settlement is expressly conditioned upon the authorization of both the Commission under the applicable terms of Virginia law and the Maryland Insurance Administration ("MIA") under the applicable terms of Maryland law. As of the entry of this Order, the MIA has not entered an order authorizing approval of the Proposed Settlement.

CASE NO. INS-2021-00068
JUNE 10, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
REPWEST INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that Repwest 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 delivering or issuing an insurance policy or endorsement in Virginia without having filed such policy or endorsement with the Commission at least thirty (30) days prior to its effective date; and § 38.2-1906 A of the Code by failing to file with the Commission certain rate and supplementary rate information for use in Virginia on or before the date they became 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 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 December 8, 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-2021-00069
JUNE 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BERKSHIRE HATHAWAY SPECIALTY INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Berkshire Hathaway 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 H of the Code of Virginia ("Code") by failing to notify the Commission prior to the effective date that insurance policies or endorsements filed on its behalf and approved will no longer be used.

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 22, 2021, 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-2021-00073
NOVEMBER 12, 2021

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Bruce Gramze ("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 and untrue information in the license application filed with the Commission on July 15, 2020; 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 July 1, 2021 that was mailed and e-mailed to the Defendant's addresses 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 1, 2021 letter and has not otherwise communicated with the Bureau since August 9, 2021.

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 and 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 as an insurance agent in Virginia 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-2021-00074
NOVEMBER 10, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ALEXANDER TAE IL KIM,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Alexander Tae Il Kim ("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 A 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; § 38.2-1826 C of the Code by failing to report to the Commission within thirty (30) calendar days any change in his residence address; § 38.2-1831 (1) of the Code by providing materially incorrect and untrue information in the license application filed with the Commission on August 26, 2019; 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 July 9, 2021 that was mailed and e-mailed to the Defendant's addresses 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 9, 2021 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 A 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; § 38.2-1826 C of the Code by failing to report to the Commission within thirty (30) calendar days any change in his residence address; § 38.2-1831 (1) of the Code by providing materially incorrect and 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 as an insurance agent in Virginia 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-2021-00075
JULY 6, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GEICO ADVANTAGE INSURANCE COMPANY, GEICO CASUALTY COMPANY, GEICO CHOICE INSURANCE COMPANY, GEICO SECURE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that GEICO Advantage Insurance Company, GEICO Casualty Company, GEICO Choice Insurance Company, and GEICO Secure 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: § 38.2-510 A 4 of the Code of Virginia ("Code") and 14 VAC 5- 400-70 E of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. of the Virginia Administrative Code by arbitrarily and unreasonably refusing to pay for all removal, cleanup, and recovery costs where the insured was legally liable for the loss.

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 companies' correspondence dated March 24, 2021 and April 1, 2021; have confirmed restitution was made to 5 consumers in the amount of Two Thousand Seven Hundred Forty-two Dollars and Seventy Cents ($2,742.70); have tendered to the Treasurer of Virginia the sum of Two Thousand Five Dollars ($2,500) for each of the Defendant companies for a total of Ten Thousand Dollars ($10,000); 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-2021-00076
JUNE 28, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GRANGE INDEMNITY INSURANCE COMPANY GRANGE INSURANCE COMPANY, and TRUSTGARD INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Grange Indemnity Insurance Company, Grange Insurance Company, and Trustgard 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 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 the companies' correspondence dated March 11, 2021 and May 19, 2021; have confirmed that restitution was made to 16 consumers in the amount of Three Hundred Sixty-four Dollars ($364); 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 Seven Thousand Five Dollars ($7,500); 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-2021-00077
JUNE 24, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
COMPASS INSURANCE COMPANY,
Defendant

CONSENT ORDER

Compass Insurance Company ("Defendant"), a New York-domiciled insurer, was initially licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia") on June 22, 1972.

The Defendant timely filed its December 31, 2020 Annual Statement that reflects the Defendant's capital and surplus are below the $1 million and $3 million minimums required by § 38.2-1028 of the Code of Virginia ("Code").

By letter to the Bureau of Insurance ("Bureau") dated May 19, 2021, and signed by the Defendant's Director, Secretary and General Counsel, Mr. Thomas Hodson, the Defendant consented to the suspension of its license to transact the business of insurance in Virginia.

The Bureau, 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 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;

(5) The Bureau shall cause notice of this Order to be sent to each of the Defendant's agents appointed to act on behalf of the Defendant in Virginia as notice of the suspension of such agent's appointment; and

(6) The Bureau 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-2021-00079
JUNE 3, 2021

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Deirdre 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 her in another jurisdiction when the Defendant failed to report administrative actions taken in Louisiana on May 14, 2020 and South Dakota on September 15, 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 April 16, 2021 that was mailed and e-mailed to the Defendant's addresses 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 16, 2021 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 her 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-2021-00080
JULY 15, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
NATIONAL RIFLE ASSOCIATION OF AMERICA,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that the National Rifle Association of America ("NRA"), a nonstock corporation whose principal office is in Fairfax, Virginia, violated § 38.2-1812 of the Code of Virginia ("Code") by accepting commission or other valuable consideration arising from transactions involving the business of insurance in the Commonwealth of Virginia ("Virginia") when, at the time of those transactions, the NRA did not hold a valid license as an insurance agent from the State Corporation Commission ("Commission").

The Bureau alleges that, from April 2017 to October 2017, the NRA received approximately $22,668 in royalty payments from Lockton Affinity Series of Lockton Affinity, LLC ("Lockton Affinity"), a nonresident insurance producer in Virginia. The royalty payments received by the NRA 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. Throughout this period, in which the NRA received commission-based royalty payments, the NRA was neither licensed nor appointed as an insurance agent in Virginia.

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 NRA has been advised of the right to a hearing in this matter whereupon, without admitting or denying any violation of Virginia law, the NRA has made an offer of settlement to the Commission, wherein:

(1) The NRA has waived the right to a hearing;

(2) The NRA has acknowledged the existence of laws and regulations that require persons to be duly licensed by the Commission to transact the business of insurance in Virginia, which includes soliciting, negotiating, and selling insurance and receiving any commission or other valuable consideration arising from such transaction;

(3) The NRA has tendered a check for the sum of Ten Thousand Dollars ($10,000) in monetary penalties to the Treasurer of Virginia; and

(4) The NRA agrees that neither it nor any other individual or entity acting on behalf of the NRA will engage in activities that violate the Code.

The Bureau has recommended that the Commission accept the offer of settlement of the NRA 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 NRA, and the recommendation of the Bureau, is of the opinion that the NRA's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the NRA 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 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-2021-00081
DECEMBER 17, 2021

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 30, 2021, 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, 2022 ("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 16.4% for industrial classifications; an overall decrease of 14.7% for the F classifications; an overall decrease of 2.0% for the surface coal mine classification; and an overall decrease of 2.0% for the underground coal mine classification.[2]

With respect to the assigned risk rates, NCCI proposed an overall decrease of 15.1% for industrial classifications; an overall decrease of 13.1% for F classifications; an overall decrease of 4.0% for the surface coal mine classification; and an overall decrease of 3.0% for the underground coal mine classification.[3]

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[1]Application, Exhibit ("Ex.") 1. 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. 4 at 2 and 8.

[3] *See id.*

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 1.5% .[7]

On September 10, 2021, 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, using the Commission-approved methodology, that differed from the methodology and P&C Factor calculated by NCCI.[8] However, Dr. Spudeck accepted NCCI's proposed 1.5% P&C Factor as appropriate for this proceeding, without stipulating to the methodology used by NCCI to calculate this value. [9]

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] Mr. Lefkowitz also recommended that the Virginia Working Group continue to address certain issues for future applications and proceedings. NCCI filed rebuttal testimony to clarify the calculation of the d-ratio parameter.[11]

Through its June 14, 2021 Docketing Order, the Commission assigned this matter to a Hearing Examiner to oversee the proceedings. On October 20, 2021, 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, the written direct testimonies of Mr. Rosen, Dr. Herk, Mr. Lefkowitz and Dr. Spudeck were admitted into evidence based upon the parties' agreement.

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 November 8, 2021, 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, 2022; (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 15, 2021. Consumer Counsel filed comments on November 15, 2021 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, 2022:

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[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. 4 at 5-7.

[6] Dr. Leonard F. Herk Direct Testimony ("Herk Direct"), Ex. 5 at 4-8. As in prior years, the Commission is not adopting NCCI's current methodology for calculating the P&C Factor.

[7] This proposed P&C Factor represents a 0.7% increase in the overall average rate level change. *See e.g.*, Application, Appendix E at 150, Ex. 1. *See also* Herk Direct, Ex. 5 at 16.

[8] *See e.g.* Dr. Raymond E. Spudeck Direct ("Spudeck Direct"), Ex. 7 at 5.

[9] *See* Spudeck Direct, Ex. 7 at 5-6. As in prior years, the Commission is not adopting NCCI's proposed methodology for calculating the P&C Factor.

[10] *See e.g.* Scott J. Lefkowitz Direct ("Lefkowitz Direct"), Ex. 8 at 3.

[11] *See* Jay A. Rosen Rebuttal, Ex. 9.

Voluntary Loss Costs	
Industrial Classes (general)	16.4 % decrease
Federal Classes	14.7 % decrease
Surface Coal (Class 1005)	2.0 % decrease
Underground Coal (Class 1016)	2.0 % decrease
Assigned Risk Rates	
Industrial Classes (general)	15.1 % decrease
Federal Classes	13.1 % decrease
Surface Coal (Class 1005)	4.0 % decrease
Underground Coal (Class 1016)	3.0 % decrease

(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 May 31, 2022, NCCI, the Bureau, Consumer Counsel, and the Associations shall recommend jointly to the Commission a proposed schedule for any year 2023 voluntary loss costs/assigned risk rate revision proceeding before the Commission. The proposed schedule shall address: (1) "pre-filing" of any discovery requests by the Bureau, Consumer Counsel, and any other parties; (2) the date on which NCCI proposes to file with the Commission any voluntary loss costs/assigned risk rate revision application and its direct testimony; (3) the date on which NCCI proposes to file its responses to pre-filed discovery requests; (4) the dates for the pre-filing of the direct testimony of the Bureau, Consumer Counsel, and any respondents; (5) the date for filing by NCCI of its rebuttal testimony; and (6) the date(s) of any proposed hearing before the Commission.

CASE NO. INS-2021-00083
SEPTEMBER 2, 2021

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

SETTLEMENT ORDER

Based on a market analysis inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that Delta Dental of Virginia ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-316 A of the Code of Virginia ("Code") by failing to calculate group renewal premiums in accordance with the rates filed with the Commission; and § 38.2-316 C 2 of the Code by failing to calculate premiums for individual plans in accordance with the rates approved by the Commission.

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 the Bureau's letter dated May 7, 2021; has confirmed restitution was made to 10,249 consumers in the amount of One Hundred Ninety Five Thousand Five Hundred Seventy Two Dollars ($195,572); has tendered to the Treasurer of Virginia the sum of Twenty Five Thousand Five Hundred Dollars ($25,500); 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-2021-00084
JULY 16, 2021

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jennifer Castillo ("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 A of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days any change in her residence address; and § 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 the Defendant did not report an administrative action taken in Indiana on September 3, 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 violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 21, 2021 that was 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 21, 2021 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 A of the Code by failing to report to the Commission within thirty (30) calendar days any change in her residence address; and § 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-2021-00085
DECEMBER 9, 2021

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jessica Custodio ("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 did not report administrative actions taken in Florida on June 1, 2020, in Louisiana on February 9, 2021, and in North Carolina on April 8, 2021.

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 20, 2021 that was mailed and e-mailed to the Defendant's addresses 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 20, 2021 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-2021-00086
AUGUST 9, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CHAD MICHAEL RYAN FOLEY,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Chad Michael Ryan Foley ("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 did not report administrative actions taken in California on December 1, 2020 and in Washington on March 22, 2021.

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 21, 2021 that was mailed and e-mailed to the Defendant's addresses 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 21, 2021 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-2021-00087
AUGUST 2, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SCOTTESHA I. MITCHELL,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Scottesha I. Mitchell ("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 did not report an administrative action taken in California on December 17, 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 21, 2021 that was mailed and e-mailed to the Defendant's addresses 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 21, 2021 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-2021-00088
AUGUST 2 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JASON WILLIAM PEREZ,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jason William Perez ("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 did not report administrative actions taken in Florida on August 21, 2020, in Indiana on December 17, 2020, and in California on February 11, 2021.

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 21, 2021 that was mailed and e-mailed to the Defendant's addresses 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 21, 2021 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-2021-00089
AUGUST 18, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ASHLEY APRIL BAEZ-WOODS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Ashley April Baez-Woods ("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, at the time of applying for a license, to pay a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission; and § 38.2-1826 A of the Code by failing to report to the Commission within thirty (30) calendar days any change in her residence address or e-mail address.

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 April 22, 2021 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau and again on May 3, 2021 by certified letter and e-mail to the Defendant's address listed in the NIPR Producer Database.

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, 2021 and May 3, 2021 letters.

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, at the time of applying for a license, to pay a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission; and § 38.2-1826 A of the Code by failing to report to the Commission within thirty (30) calendar days any change in her residence address or e-mail address.

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-2021-00090
AUGUST 18, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ERIC OSTER JR.,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Eric Oster Jr. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1819 A of the Code of Virginia ("Code") by failing, at the time of applying for a license, to pay 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 June 9, 2021 that was mailed and e-mailed to the Defendant's addresses 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 9, 2021 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, at the time of applying for a license, to pay 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-2021-00091
AUGUST 18, 2021

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Adee Rahamin ("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, at the time of applying for a license, to pay 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 22, 2021 that was mailed and e-mailed to the Defendant's addresses 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, 2021 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, at the time of applying for a license, to pay 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-2021-00092
SEPTEMBER 10, 2021

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

Ex Parte: In the matter of Repealing Rules Governing Standards for the Content of Fire Insurance or Fire Insurance in Combination with Other Coverages, Adopting New Rules Governing Standards for the Content of Dwelling Property Insurance Policies and Adopting New Rules Governing Standards for the Content of Homeowners Insurance 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. Section 38.2-2108 of the Code provides that the Commission may establish standards for the content of policies written to insure owner-occupied dwellings issued or delivered in the Commonwealth.

The rules and regulations issued by the Commission pursuant to §§ 38.2-223 and 38.2-2108 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: scc.virginia.gov/case.

The Bureau of Insurance ("Bureau") has submitted to the Commission a proposal to repeal Chapter 340 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Standards for the Content of Fire Insurance or Fire Insurance in Combination with Other Coverages" set out at 14 VAC 5-340-10 through 14 VAC 5-340-150:9; to adopt a new chapter, Chapter 341 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Standards for the Content of Dwelling Property Insurance Policies," which are recommended to be set out at 14 VAC 5-341-10 through 14 VAC 5-341-90; and to adopt a new chapter, Chapter 342 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Standards for the Content of Homeowners Insurance Policies," which are recommended to be set out at 14 VAC 5-342-10 through 14 VAC 5-342-120.

The repeal of Chapter 340 is necessary because these rules are outdated, having been in place without revision since 1982.

The proposed new rules in Chapter 341 and 342 establish minimum standards for the contents of dwelling property and homeowners insurance policies. Further, the proposed new rules offer improved readability; preserve basic coverages for consumers; provide clarity in specific areas for certainty and consistency in interpretation, such as occasional rental, unoccupied and vacant premises, and incidental business activities; address exposures that have emerged since 1982, such as virtual currency, home-sharing, drones and hovercraft and the use of the residence for telework; and incorporate offers of coverage that are required by statute.

The proposed new rules in Chapters 341 and 342 have an effective date of January 1, 2022 and require compliance for policies delivered or issued for delivery in Virginia with effective dates on and after July 1, 2023. Insurers and rate service organizations are required to submit filings for compliance with these chapters no later than December 31, 2022.

NOW THE COMMISSION is of the opinion that the Rules at Chapter 340 of Title 14 of the Virginia Administrative Code should be repealed, and the proposed new rules at Chapters 341 and 342 of Title 14 of the Virginia Administrative Code should be considered for adoption with a proposed effective date of January 1, 2022.

Accordingly, IT IS ORDERED THAT:

(1) The proposal to repeal Chapter 340 of Title 14 of the Virginia Administrative Code; adopt a new chapter proposed at Chapter 341 of Title 14 of the Virginia Administrative Code, recommended to be set out at 14 VAC 5-341-10 through 14 VAC 5-341-90; and adopt a new chapter proposed at Chapter 342 of Title 14 of the Virginia Administrative Code, recommended to be set out at 14 VAC 5-342-10 through 14 VAC 5-342-120, 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 repeal of Chapter 340 and the adoption of the proposed new Chapters 341 and 342 shall file such comments or hearing request on or before October 15, 2021, with Bernard J. Logan, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and shall refer to Case No. INS-2021-00092. Any request for hearing shall state with specificity why the issues raised in the request for hearing cannot be addressed adequately in written comments. Interested persons desiring to submit comments electronically may do so by following the instructions at the Commission's website: scc.virginia.gov/case. All comments shall refer to Case No. INS-2021-00092.

(3) The Bureau shall file its statement of position in response to any comments filed pursuant to Ordering Paragraph 2 on or before November 15, 2021.

(4) If no written request for a hearing on the proposed repeal and adoption of proposed new rules as outlined in this Order is received on or before October 15, 2021, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposal, may repeal Chapter 340 and adopt proposed Chapters 341 and 342 of Title 14 of the Virginia Administrative Code as submitted by the Bureau.

(5) The Bureau shall provide notice of the proposal to all carriers licensed in Virginia to write fire and homeowners insurance as well as to all Property and Casualty interested persons.

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

(7) The Commission's Division of Information Resources shall make available this Order and the attached proposal on the Commission's website: scc.virginia.gov/case.

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

(9) This matter is continued.

NOTE: A copy of the attachment entitled "CH 340 CH 341 CH 342" 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-2021-00092
DECEMBER 17, 2021

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

Ex Parte: In the matter of Repealing Rules Governing Standards for the Content of Fire Insurance or Fire Insurance in Combination with Other Coverages, Adopting New Rules Governing Standards for the Content of Dwelling Property Insurance Policies and Adopting New Rules Governing Standards for the Content of Homeowners Insurance Policies

ORDER REPEALING AND ADOPTING REGULATIONS

On September 10, 2021, the State Corporation Commission ("Commission") entered an Order to Take Notice to repeal Chapter 340 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Standards for the Content of Fire Insurance or Fire Insurance in Combination with Other Coverages" set out at 14VAC5-340-10 through 14VAC5-340-150:9 ("Chapter 340"); to adopt a new chapter, Chapter 341 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Standards for the Content of Dwelling Property Insurance Policies," which was recommended to be set out at 14VAC5-341-10 through 14VAC5-341-90 ("Chapter 341"); and to adopt a new chapter, Chapter 342 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Standards for the Content of Homeowners Insurance Policies," which was recommended to be set out at 14VAC5-342-10 through 14VAC5-342-120 ("Chapter 342").

The repeal of Chapter 340 is necessary because these rules are outdated, having been in place without revision since 1982. The proposed new rules in Chapters 341 and 342 ("proposed rules") establish minimum standards for the contents of dwelling property and homeowners insurance policies. Further, the proposed rules offer improved readability; preserve basic coverages for consumers; provide clarity in specific areas for certainty and consistency in interpretation, such as occasional rental, unoccupied and vacant premises, and incidental business activities; address exposures that have emerged since 1982, such as virtual currency, home-sharing, drones and hovercraft and the use of the residence for telework; and incorporate offers of coverage that are required by statute.

The Order to Take Notice and proposed rules were posted on the Commission's website, sent to all to all carriers licensed in Virginia to write fire and homeowners insurance and to all persons known to the Bureau of Insurance ("Bureau") to have an interest in property and casualty insurance on September14, 2021, the Virginia Attorney General's Division of Consumer Counsel ("Consumer Counsel"), and published in the *Virginia Register of Regulations* on October 11, 2021. Licensees, Consumer Counsel and other interested parties were afforded the opportunity to file written comments or request a hearing on or before October 15, 2021.

Comments to the proposed rules were filed by Francis Folger on behalf of Nationwide Mutual Insurance Company, Nancy J. Egan on behalf of American Property Casualty Insurance Association, Nicola Rutland on behalf of Insurance Services Office, Inc., Andrew Kirkner on behalf of National Association of Mutual Insurance Companies, Sarah Fanning on behalf of Travelers Insurance and Matt Fuss on behalf of State Farm Mutual Insurance Company. No request for a hearing was filed with the Clerk of the Commission ("Clerk").

The Bureau considered the comments filed and responded to them in its Response to Comments ("Response"), which the Bureau filed with the Clerk on November 15, 2021. In its Response, the Bureau addressed the comments and either recommended that various sections of the proposed rules be amended or indicated why it did not believe other suggested revisions were authorized or warranted.

NOW THE COMMISSION, having considered the proposal to repeal and adopt rules, the comments filed, and the Bureau's Response, concludes that Chapter 340 of the Virginia Administrative Code should be repealed and that the proposed regulations should be adopted by the Commission, as recommended and modified and attached hereto effective January 1, 2022.

Accordingly, IT IS ORDERED THAT:

(1) Chapter 340 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Standards for the Content of Fire Insurance or Fire Insurance in Combination with Other Coverages" set out at 14VAC5-340-10 through 14VAC5-340-150:9 is hereby REPEALED effective January 1, 2022.

(2) Chapter 341 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Standards for the Content of Dwelling Property Insurance Policies," set out at 14VAC5-341-10 through 14VAC5-341-90, and Chapter 342 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Standards for the Content of Homeowners Insurance Policies," set out at 14VAC5-342-10 through 14VAC5-342-120, as modified herein and attached hereto, are hereby ADOPTED effective January 1, 2022.

(3) The Bureau shall provide notice of the repeal and adoption of rules to all carriers licensed in Virginia to write fire and homeowners insurance as well as to all persons known to the Bureau to have an interest in property and casualty insurance.

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

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

(6) The Bureau shall file with the Clerk an affidavit of compliance with the notice requirements of Ordering Paragraph (3) above.

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

NOTE: A copy of the attachment entitled "Rules Governing Standards for the Content of Fire Insurance or Fire Insurance in Combination with Other Coverages (REPEALED)" 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-2021-00093
JULY 23, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ARCHIE LEE JOHNSON,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Archie Lee Johnson ("Johnson" 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 B of the Code of Virginia ("Code") by affixing the signature of another person to an insurance document without the written authorization of the person whose signature appears on such document; and § 38.2-1831 (10) of the Code by using dishonest practices in the conduct of business in Virginia.

Johnson 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 July 15, 2021; 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 15, 2021.

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-2021-00096
AUGUST 9, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
WESTERN GENERAL INSURANCE COMPANY,
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.

Western General Insurance Company ("Western General" or "Defendant"), a California-domiciled insurer, was initially licensed to transact the business of insurance in Virginia on November 2, 2004. On August 5, 2021, the California Superior Court for the County of Los Angeles entered a Liquidation Order appointing Ricardo Lara, Insurance Commissioner of California, as the Liquidator of Western General.

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-2021-00097
DECEMBER 6, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ECU TITLE SERVICES LLC,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that ECU Title Services 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 § 55.1-903 of the Code of Virginia ("Code") by disbursing funds in its possession prior to the recordation of the deed; § 55.1-1008 A of the Code by failing to maintain the escrow account in a fiduciary manner by disbursing settlement funds prior to the related file being fully funded resulting in the return of a check for insufficient funds; failing to reconcile outstanding disbursements; and failing to fund negative file balances in a timely manner; and 14 VAC 5-395-50 D of the Commission's Rules Governing Settlement Agents, 14 VAC 5-395-10 *et seq*. of the Virginia Administrative Code, by failing to escheat funds dated 12 months or older to the Virginia Department of the Treasury.

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 revoke or suspend 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 agreed to provide verification to the Bureau of Insurance that outstanding file disbursements associated with settlements twelve (12) months and older have been escheated to the Virginia Department of Treasury on or before 180 days from the date of this Settlement Order; 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 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-2021-00098
NOVEMBER 10, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GIAMMODA LEWIS MILLER,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Giammoda Lewis Miller ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (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; and § 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 the Defendant failed to report an administrative action taken in Arizona.

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 June 21, 2021 that was mailed and e-mailed to the Defendant's addresses 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 21, 2021 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 (B) of the Code by failing to report to the Commission within thirty (30) calendar days the facts and circumstances regarding a felony criminal conviction; and § 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-2021-00099
NOVEMBER 10, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ERICA NICHOLE MICKLE,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Erica Nichole Mickle ("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 (A) 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 Missouri; 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 October 29, 2019 when the Defendant failed to disclose two misdemeanor convictions.

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 June 21, 2021 that was 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 21, 2021 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 (A) 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-2021-00102
SEPTEMBER 27, 2021

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

v.

KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.,
Defendant

SETTLEMENT ORDER

Based on a market analysis inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-3463 of the Code of Virginia ("Code") by failing to provide an interactive comparison mechanism to enrollees in the small group market.

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 its 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 One Hundred Thousand Dollars ($100,000); has waived its right to a hearing, has agreed to comply with the Corrective Action Plan contained in the Bureau's letter dated April 2, 2021 as necessary to comply with § 38.2-3463 of the Code, by no later than June 30, 2022; and will provide the Bureau with quarterly updates on its progress.

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-2021-00103
SEPTEMBER 10, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
FLORISTS' MUTUAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Florists' Mutual 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 § 38.2-317 H of the Code of Virginia ("Code") by failing to notify the Commission prior to the effective date that insurance policies or endorsements filed on its behalf and approved will no longer be used; 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 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 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 June 23, 2021; has confirmed that restitution was made to 75 consumers in the amount of Five Hundred Sixty-nine Dollars and Twenty-nine Cents ($569.29); 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-2021-00104
SEPTEMBER 3, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
UTICA NATIONAL ASSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Utica National Assurance 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 in Virginia without having filed such policies or endorsements with the Commission at least thirty (30) 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 June 14, 2021; 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-2021-00105
OCTOBER 7, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MILLERS CAPITAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Millers Capital 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 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 June 16, 2021; 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-2021-00106
DECEMBER 10, 2021

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

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Bryan Carter ("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 or any other document filed with the Commission when the Defendant failed to report several misdemeanor convictions.

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 agreed to the suspension of his license for a period of ninety (90) days effective from the entry of this order; and has agreed not to transact the business of insurance in Virginia for a period of ninety (90) days effective from the entry of this 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 license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby SUSPENDED for a period of ninety (90) days.

(3) All appointments issued under said license are hereby VOID for a period of ninety (90) days.

(4) The Defendant shall transact no further business in Virginia as an insurance agent for a period of ninety (90) days.

(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.

NOTE: A copy of the Admission and Consent 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-2021-00107
OCTOBER 27, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AMERIGUARD 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"), have 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 Defendants' compliance with the insurance laws, rules, and regulations of Virginia; and § 38.2-1826 E of the Code by failing to report within thirty (30) calendar days to the Commission the removal, for any reason, of the Defendants' designated licensed producer responsible for the business entities' 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 alleged violations.

The Defendants have been notified of the right to a hearing before the Commission in this matter by letter dated July 22, 2021, 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 Defendants' compliance with the insurance laws, rules, and regulations of Virginia; and § 38.2-1826 E of the Code by failing to report within thirty (30) calendar days to the Commission the removal, for any reason, of the Defendants' designated licensed producer responsible for the business entities' 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 and provides the required 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) The Commission shall vacate this Order as to any Defendant that elects to reapply and provides the required information on the application 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-2021-00107

FEIN	NAME	ADDRESS	ADDRESS
84-5144060	AMERIGUARD INSURANCE	3111 N UNIVERSITY DRIVE, SUITE 718	CORAL SPRINGS, FL 33065-5099
47-4033163	APTA HEALTH LLC	11755 E PEAKVIEW AVE, SUITE 250	CENTENNIAL, CO 80111-6856
74-3196297	BENEFIT LINK INC	9117 BELSHIRE DRIVE	NORTH RICHLAND HILLS, TX 76182-7691
26-0842740	LIBERTY UNITED INSURANCE SERVICES INC	704 S VICTORY BLVD, SUITE 204	BURBANK, CA 91502-2471
47-5056242	TCG INSURANCE AGENCY LLC	148 E GRAND RIVER AVE, SUITE 206	WILLIAMSTON, MI 48895-8400

CASE NO. INS-2021-00108
SEPTEMBER 27, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AMERICAN FINANCIAL SECURITY LIFE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a request for information from the Bureau of Insurance ("Bureau"), it is alleged that American Financial Security Life Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1318 C of the Code of Virginia ("Code") by failing to provide convenient access to files, books and records to Commission personnel during an examination as required by 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 submitted a written statement to the Bureau acknowledging its obligations to provide convenient access to its books and records in accordance with § 38.2-1318 C of the Code going forward; has tendered to the Treasurer of Virginia the sum of Sixteen Thousand Five Hundred Dollars ($16,500); 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-2021-00109
OCTOBER 14, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LOUDOUN MUTUAL INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that Loudoun 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: § 38.2-502 (1) of the Code of Virginia ("Code") by misrepresenting the benefits, advantages, conditions, or terms of an insurance policy; § 38.2-510 A 1 of the Code by failing to properly represent pertinent facts or insurance policy provisions relating to coverages at issue with such frequency as to indicate a general business practice; § 38.2-610 A of the Code by failing to accurately provide the required notices to insureds; § 38.2-1318 C of the Code by failing to provide convenient access to files, documents, and records to Commission personnel during an examination as required by statute; § 38.2-2513 A of the Code by failing to handle mutual assessment member exclusions and withdrawals properly; § 38.2-2514 of the Code by failing to show cancellation notices were deposited with the United States Postal Service and mailed to the insured; § 38.2-2517 of the Code by issuing insurance policies or endorsements without having filed such policies or endorsements with the Commission prior to use; and 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, by failing to document the claim file sufficiently to reconstruct events and/or dates that were pertinent to the claim.

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 the company's correspondence dated April 19, 2021 and June 25, 2021; has confirmed restitution was made to one consumer in the amount of Thirty Three Thousand Eight Hundred Thirty Eight Dollars and Thirty Six Cents ($33,838.36); has tendered to the Treasurer of Virginia the sum of Twenty Four Thousand Dollars ($24,000); 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-2021-00111
NOVEMBER 16, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
PRIVILEGE UNDERWRITERS RECIPROCAL EXCHANGE,
Defendant

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that Privilege Underwriters Reciprocal Exchange ("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 failing to include with claims payments a statement setting forth the coverage under which payments are being made with such frequency as to indicate a general business practice; §§ 38.2-604 A, 38.2-604 B, 38.2-604 C, 38.2-610 A, 38.2-2125, 38.2-2126 A 1, and 38.2-2129 of the Code by failing to accurately provide the required notices to insureds; § 38.2-1833 of the Code by failing to appoint an agent within thirty (30) days of the date of the insurance application; §§ 38.2-1906 A by failing to file all rates and supplementary rate information with the Bureau and 38.2-1906 D of the Code by failing to use the rates and supplementary rate information on file with the Bureau; and § 38.2-2114 A of the Code of Virginia by failing to accurately terminate insurance policies.

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 January 18, 2021, May 13, 2021 and July 16, 2021; has confirmed restitution was made to two consumers in the amount of Two Thousand Four Hundred Ninety Five Dollars and Forty-eight Cents ($2,495.48); has tendered to the Treasurer of Virginia the sum of Sixteen Thousand Eight Hundred Dollars ($16,800); 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-2021-00112
SEPTEMBER 17, 2021

COMMONWEALTH OF VIRGINIA *ex rel.*
STATE CORPORATION COMMISSION
v.
TRANSPORT INSURANCE COMPANY,
Defendant.

IMPAIRMENT ORDER

Transport Insurance Company ("Defendant"), an Ohio domiciled insurer 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 a minimum surplus of $3 million.

§ 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, 2021, filed with the Commission's Bureau of Insurance, indicates capital of $3,525,000 and a surplus of $1,623,094, resulting in an impairment of surplus of $1,376,906.

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-2021-00113
NOVEMBER 12, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BRANDON A. LEWANDOWSKI,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Brandon A. Lewandowski ("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 Indiana on November 19, 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 July 23, 2021 that was mailed and e-mailed to the Defendant's addresses 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 23, 2021 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 as an insurance agent in Virginia 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-2021-00119
SEPTEMBER 30, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ATLANTA LIFE INSURANCE COMPANY,
Defendant.

IMPAIRMENT ORDER

Atlanta Life Insurance Company ("Defendant"), a Georgia domiciled insurer 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 a minimum surplus of $3 million.

§ 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, 2021, filed with the Commission's Bureau of Insurance, indicates capital of $2,734,930 and a surplus of $388,403, resulting in an impairment of surplus of $2,611,597.

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-2021-00121
SEPTEMBER 27, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
THOMAS HOYT AND HOYT INSURANCE LLC,
Defendants

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Thomas Hoyt ("Hoyt") and Hoyt Insurance LLC ("Hoyt Insurance"), (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 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 A 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.

The Bureau's investigation revealed that Hoyt had been operating Hoyt Insurance LLC, in Accomack County, Virginia since 2018. The Bureau determined that as a licensed insurance agent, Hoyt, by his own admission, engaged in a systematic, ongoing course of conduct with intent to defraud his insurance clients whereby he collected his clients' insurance premiums, improperly withheld, misappropriated or converted those premiums, and failed to forward those premiums to the intended insurance carriers. As a result, the policies were either cancelled for non-payment, or were never issued.

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 advised of the right to a hearing in this matter whereupon the Defendants have admitted to violating the insurance laws of Virginia; have waived the right to a hearing; have voluntarily agreed and consented to the revocation and permanent injunction of the insurance license of both Hoyt and Hoyt Insurance to transact the business of insurance in Virginia and the authority to act as an insurance agent in Virginia effective September 9, 2021; and admit to the Commission's jurisdiction and authority to enter this Order.

The Bureau, upon Hoyt's admission and voluntary agreement and consent, has recommended that the Commission enter an order revoking the licenses of the Defendants to transact the business of insurance in Virginia.

NOW THE COMMISSION is of the opinion and finds that the Defendants have violated § 38.2-512 A of the Code of Virginia 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 A 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 licenses of the Defendants to transact the business of insurance 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 an insurance agent or an insurance agency.

(4) Hoyt 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 Hoyt 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-2021-00123
DECEMBER 7, 2021

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Aniq Ali ("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.

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 August 20, 2021 that was mailed and e-mailed to the Defendant's addresses 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 20, 2021 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-2021-00124
DECEMBER 7, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DOMINICK MICHAEL MOLINE,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Dominick Michael Moline ("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 and New York; 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 10, 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 violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated August 20, 2021 that was mailed and e-mailed to the Defendant's addresses 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 20, 2021 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-2021-00126
DECEMBER 7, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LORETTA A. MORRIS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Loretta A. Morris ("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 and Indiana.

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 August 20, 2021 that was mailed and e-mailed to the Defendant's addresses 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 20, 2021 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-2021-00130
DECEMBER 7, 2021

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jason Bridgman ("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 Indiana; 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 October 22, 2018 and July 6, 2020 when the Defendant failed to disclose prior charges and convictions.

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 3, 2021 that was mailed and e-mailed to the Defendant's addresses 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 3, 2021 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-2021-00132
DECEMBER 6, 2021

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

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Bailie Rice ("Rice" 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 relating to the business of insurance for the purpose of obtaining a fee, money, or other benefit from an individual; and § 38.2-512 B of the Code by affixing the signature of another person to insurance documents without the written authorization of the person whose signature appears on such document.

Rice is a Virginia 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 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 October 7, 2021; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from October 7, 2021.

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-2021-00138
DECEMBER 7, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JENNIFER N. WILLIAMS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jennifer N. Williams ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1819 (A) of the Code of Virginia ("Code") by failing to, at the time of applying for a license, pay 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 October 12, 2021 that was mailed and e-mailed to the Defendant's addresses 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 12, 2021 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, at the time of applying for a license, pay 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-2021-00139
DECEMBER 8, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ASHLEY ANN ALFARO,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Ashley Ann Alfaro ("Alfaro" 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 B of the Code of Virginia ("Code") by affixing the signature of another person to documents pertaining to the business of insurance without the written authorization of the person whose signature appears on such document.

Alfaro is a Virginia resident licensed with the following line 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 October 29, 2021; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from October 29, 2021.

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-2021-00140
DECEMBER 8, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CHRISTINA MARIE BRUNK,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Christina Marie Brunk ("Brunk" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-502 (1) of the Code of Virginia ("Code") by making statements that misrepresented the conditions or terms of an insurance policy; § 38.2-512 A of the Code by making fraudulent statements or representations on an insurance application for the purpose of obtaining a commission from an insurer; § 38.2-512 B of the Code by affixing the initials of another person to an insurance document without the written authorization of the person whose signature appears on such document; and § 38.2-1831 (10) of the Code by using dishonest practices in the conduct of business in Virginia.

Brunk is a Pennsylvania resident licensed with the following line of authority: 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 October 26, 2021; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from October 26, 2021.

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-2021-00145
DECEMBER 8, 2021

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 2022

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 2022 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 2021, a sum equal to .00025 (.025%) of such direct gross premium income.

DIVISION OF PUBLIC SERVICE TAXATION

CASE NO. PST-2019-00010
AUGUST 24, 2021

PETITION OF
T-MOBILE NORTHEAST, LLC

For a Declaratory Judgment

ORDER

On May 7, 2019, T-Mobile Northeast, LLC ("T-Mobile Northeast" or "Petitioner") filed with the State Corporation Commission ("Commission") a petition pursuant to 5 VAC 5-20-100 B and C of the Commission's Rules of Practice and Procedure[1] ("Rules of Practice") for a declaratory judgment that all property owned by T-Mobile Northeast and used in the provision of commercial mobile services is to be centrally assessed by the Commission pursuant to Title 58.1 of the Code of Virginia ("Code") and is not subject to local assessment ("Petition").[2] Specifically, T-Mobile Northeast requests that the Commission:

A. enter a declaratory judgment that all property "used or operated by" a "telephone company" for the provision of "commercial mobile service" is subject to central assessment and precluded from local property tax assessment;

B. enter a declaratory judgment that T-Mobile Northeast is a "telephone company;"

C. enter a declaratory judgment that all of T-Mobile Northeast's property, used directly and indirectly, in the provision of its commercial mobile services is subject to central assessment by the [Commission's Division of Public Service Taxation ("Division")]; and

D. grants additional relief as may be just and equitable.[3]

In support of its Petition, T-Mobile Northeast stated in part that it leases 120 retail locations throughout Virginia in which it owns property consisting of furniture, leasehold improvements, and other equipment ("Retail Property").[4] Petitioner stated that T-Mobile License, LLC, ("T-Mobile License") is the entity named on the license issued by the Federal Communications Commission ("FCC") on behalf of T-Mobile USA, Inc. ("T-Mobile USA"), and its affiliates.[5] Petitioner asserted T-Mobile Northeast provides commercial mobile service in Virginia, as that term is defined in Code § 58.1-2600 and § 332(d)(1) of the Federal Communications Act of 1934.[6] Petitioner asserted that T-Mobile Northeast is authorized by the FCC to provide such commercial mobile service.[7]

The assessment for Tax Year 2018 issued in the name of T-Mobile License, LLC d/b/a T-Mobile Northeast, LLC, did not include an assessment for the Retail Property.[8] T-Mobile Northeast attached to its Petition a letter dated August 17, 2018, from the Division advising that Code §§ 58.1-2600 and 58.1-2628 A have always been interpreted by the Division to include all property owned in the name of the licensed carrier, *i.e.*, T-Mobile License.[9] The letter stated that for "operated or used" property of other companies, it has been the Division's longstanding policy that this includes property operated or used only for the actual transmission of the telephone or cellular service and that all property at these retail sites that is for sale as well as any other equipment, furniture, or improvements should be reported locally.[10] Accordingly, T-Mobile Northeast requested that the Commission enter a declaratory judgment on the three points pled and grant additional relief as may be just and equitable.[11]

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[1] 5 VAC 5-20-10 *et seq.*

[2] Petition at 1.

[3] *Id.* at 14-15.

[4] *Id.* at 2.

[5] *Id.* T-Mobile Northeast is an affiliate of T-Mobile USA and T-Mobile License. *See, e.g., id.*; Ex. 1 (Saines) at 3-4.

[6] Petition at 2; 47 U.S.C. § 332.

[7] Petition at 2.

[8] *Id.* at 3, Exhibit C. The certified assessment attached to the Petition as Exhibit C was issued by the Commission on September 11, 2018. *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).

[9] Petition at 3, Exhibit A.

[10] *Id.*

[11] *Id.* at 14-15. As noted in items A, B, C and D, *supra*.

On May 22, 2019, the Commission issued an Order that, among other things, docketed the Petition; established a procedural schedule for Staff of the Commission ("Staff"), who represents the Division, to file an answer or other responsive pleading, and the Petitioner's reply thereto; and appointed a Hearing Examiner to conduct further proceedings on behalf of the Commission and issue a report and recommendation for the Commission's consideration.

On June 19, 2019, Staff filed a Motion to Dismiss in which Staff noted that 5 VAC 5-20-100 C of the Commission's Rules of Practice provides that persons having no other adequate remedy may petition the Commission for a declaratory judgment.[12] Staff asserted that the Petition should be dismissed without prejudice because the Petitioner has an alternative adequate remedy - that is, an application for review and correction pursuant to Code § 58.1-2670.[13] In the alternative, Staff requested that if the declaratory judgment action is allowed to proceed, the Petitioner be directed to provide notice to each county, city, and town whose revenue may be affected by the Petition.[14]

On August 9, 2019, T-Mobile Northeast filed its response to Staff's Motion to Dismiss in which Petitioner clarified that, "T-Mobile Northeast requested relief in the form of the Commission interpreting the law, not review of an assessment."[15] The Petitioner maintained that an application for review and correction under Code § 58.1-2670 was not an adequate alternative remedy, and accordingly, that its Petition should not be dismissed.[16] Staff filed a reply to T-Mobile Northeast's response on September 6, 2019.

On September 17, 2019, the Senior Hearing Examiner issued the Report of Senior Hearing Examiner A. Ann Berkebile ("First Report"), in which the Senior Hearing Examiner provided a thorough review of the procedural history and the issues presented therein. In this First Report, the Senior Hearing Examiner found that the Petition should be dismissed without prejudice, or in the alternative, if the Commission concludes that this matter is ripe for declaratory judgment, that T-Mobile Northeast be required to provide notice of this proceeding to each county, city, and town whose revenue is, or may be, affected by the central assessment of the Petitioner's Retail Property and that such affected localities be afforded the opportunity to participate in this case going forward.[17]

On October 8, 2019, Staff and T-Mobile Northeast each filed comments on the Senior Hearing Examiner's Report. Staff asked the Commission to adopt the findings and recommendations of the Senior Hearing Examiner. Petitioner reiterated that "[a]t no point in its declaratory petition or otherwise did T-Mobile Northeast request a 'review or correction' of any other 'application or complaint concerning the assessment of value or tax.'"[18] Petitioner also asserted that while no other parties were necessary to the declaratory judgment process, the Petitioner would not object to participation by the localities and interested parties who wish to file briefs or comments on legal issues in the case.[19]

On January 30, 2020, the Commission issued an Order on Remand, which remanded the case to the Senior Hearing Examiner to conduct further proceedings consistent with 5 VAC 5-20-100 C of the Commission's Rules of Practice and to issue a report and recommendation to the Commission on the legal and factual issues raised in this matter.[20]

Notices of participation were timely filed on behalf of the counties of Culpeper, Henrico, Chesterfield, Frederick, Prince William, Fairfax, Hanover, Amherst, and Botetourt; the cities of Richmond, Norfolk, Virginia Beach, Alexandria, Danville, Roanoke, Lynchburg, Portsmouth, and Winchester; and the Town of Vinton (collectively, "Respondent Localities").

On April 24, 2020, the Senior Hearing Examiner issued a ruling finding that it was appropriate to establish a schedule for the filing of: additional pleadings associated with the Petition, which would include the filing of an answer and legal brief by Staff; legal briefs by the Respondent Localities; and a reply brief by the Petitioner.[21] This Senior Hearing Examiner's Ruling also directed those participating in this case to specifically address the necessity of an evidentiary hearing in their briefs.[22]

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[12] Staff Motion to Dismiss at 2.

[13] *Id.* at 2-3, 9.

[14] *Id.* at 9.

[15] T-Mobile Northeast's Brief in Opposition to Motion to Dismiss at 1.

[16] *See, e.g., id.* at 16.

[17] First Report at 6.

[18] T-Mobile Northeast's Comments in Opposition to Hearing Examiner's Recommendation to Dismiss Petition at 6 (*citing* Code § 58.1-2670).

[19] *Id.* at 8.

[20] Order on Remand at 6.

[21] Hearing Examiner's Ruling (April 24, 2020).

[22] *Id.* at 3.

On May 8, 2020, Staff filed an Answer and a Legal Brief as directed by the Senior Hearing Examiner.[23] On May 8, 2020, legal briefs or formal responses were also filed on behalf of each of the Respondent Localities, either individually or jointly with other participants.[24] T-Mobile Northeast filed its reply on May 22, 2020.[25]

On June 25, 2020, the Senior Hearing Examiner issued a ruling that thoroughly reviewed the legal pleadings filed by all participants, and concluded, in part, that:

> In my view, the Division's interpretation of the term "telephone company" should be adopted by the Commission because the phrase "authorized by the [FCC] to provide commercial mobile service" is not specifically defined in § 58.1-2600 of the Code and because, pursuant to Supreme Court of Virginia precedent, "where the construction of a statute has been uniform for many years in the administrative practice, and has been acquiesced in by the General Assembly, such construction is entitled to great weight." …The FCC's license holder requirement appears to serve as a reasonable indicator of who should be viewed in § 58.1-2600 of the Code as being "authorized" by the FCC to provide commercial mobile service. Such an approach ensures the central assessment of all property owned by an FCC licensee, while also allowing for the central assessment of additional property not technically owned by the FCC licensee but nevertheless "operated or used" in the provision of commercial mobile service.[26]

The Hearing Examiner further stated that while she was inclined to recommend that the Commission deny the Petitioner's request to be declared a "telephone company" for purposes of central assessment by the Commission, she recognized that the Commission may find it appropriate to interpret the definition of "telephone company" in Code § 58.1-2600 more broadly than the Division.[27] Accordingly, the Hearing Examiner concluded that further proceedings and a limited hearing should be conducted to receive evidence pertaining to any arrangement between T-Mobile Northeast and T-Mobile License supporting T-Mobile Northeast's use of T-Mobile License's FCC license; the organizational structure of T-Mobile USA; the factual and legal effect of the FCC registration number referenced by T-Mobile Northeast; and Petitioner's provision of commercial mobile service with authorization from the FCC.[28]

On August 24, 2020, T-Mobile Northeast prefiled the testimony and exhibits of four witnesses. On October 30, 2020, Staff prefiled the testimony and exhibits of one witness. Respondent Localities also filed testimony on October 30, 2020, including: prefiled testimony on behalf of the cities of Danville, Lynchburg, Roanoke, Portsmouth and Winchester; prefiled testimony on behalf of Fairfax County; prefiled testimony on behalf of the City of Alexandria, the Town of Vinton, Amherst County, and Botetourt County; and prefiled testimony on behalf of the City of Virginia Beach. On December 1, 2020, T-Mobile Northeast prefiled the testimony of one rebuttal witness.

The Senior Hearing Examiner conducted the scheduled December 16, 2020 hearing virtually wherein counsel provided opening statements, but witness cross-examination was waived by all participants.[29] On February 19, 2021, post-hearing briefs were filed by Petitioner, Staff, and the following Respondent Localities either individually or collectively: Fairfax County; Prince William County; the City of Alexandria; the Town of Vinton; Amherst County; Botetourt County; Frederick County; the cities of Danville, Lynchburg, Roanoke, Portsmouth, and Winchester; the City of Richmond; Henrico County; and the City of Virginia Beach.

On March 19, 2021, the Senior Hearing Examiner filed the Report of A. Ann Berkebile, Senior Hearing Examiner ("Second Report"), which thoroughly reviewed the evidence and legal arguments presented by the participants in this proceeding. This Second Report listed three findings that the Senior Hearing Examiner recommended the Commission adopt:

1. The term "telephone company" as defined in Code § 58.1-2600 should be interpreted to include an entity having legal access to a spectrum license issued by the FCC;

2. T-Mobile Northeast qualifies as a "telephone company" under § 58.1-2600 of the Code; and

3. All of the real and tangible property of T-Mobile Northeast (except for leased automobiles, leased trucks, or leased real estate) should be reported for the Division's central assessment in accordance with Code § 58.1-2628 A.[30]

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[23] *See* Answer of the Staff of the State Corporation Commission (May 8, 2020); Brief of the Commission Staff (May 8, 2020).

[24] *See* Response of the Cities of Richmond and Norfolk, Hanover County and Culpeper County to Petition (May 8, 2020); Legal Brief of County of Henrico, Virginia (May 8, 2020); Fairfax County, Virginia's Brief in Response to Hearing Examiner's April 24, 2020 Ruling (May 8, 2020); Brief of the City of Alexandria, Town of Vinton, Amherst County, and Botetourt County in Response to T-Mobile Northeast's Petition for Declaratory Judgment (May 8, 2020); Brief of Cities of Danville, Lynchburg, Roanoke, Portsmouth and Winchester (May 8, 2020); County of Frederick's Brief Pursuant to Hearing Examiner's Ruling of April 24, 2020 (May 8, 2020); County of Chesterfield's Brief in Response to Petition for Declaratory Judgment (May 8, 2020); Opening Brief by Prince William County (May 8, 2020); and City of Virginia Beach Brief and Request for Factual Development (May 8, 2020).

[25] *See* Petitioner's Reply Brief (May 22, 2020).

[26] Hearing Examiner's Ruling (June 25, 2020) at 11-12 (footnotes and citations omitted).

[27] *Id.* at 12.

[28] *Id.* at 13.

[29] Tr. 1-96. At the hearing, respondent Fairfax County objected to the entry of T-Mobile Northeast witness Jennifer Tatel's prefiled testimony. Fairfax County's position "is that her testimony is essentially legal conclusions setting forth the ultimate opinion for the hearing examiner in this case." Tr. 81-82.

[30] Second Report at 33.

The Second Report sets forth in detail the Senior Hearing Examiner's analysis in recommending that a more expansive definition of "telephone company" be adopted than that which has been used historically.[31]

On April 9, 2021, comments on the Second Report were filed by Petitioner, Staff, and the following Respondent Localities, either individually or collectively: Hanover County; the City of Richmond; the cities of Danville, Lynchburg, Roanoke, Portsmouth and Winchester; Chesterfield County; Prince William County; Frederick County; the City of Alexandria; the Town of Vinton; Amherst County; Botetourt County; Fairfax County;[32] the City of Virginia Beach; and Culpeper County.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that T-Mobile Northeast's Petition should be granted in part, as set forth herein.[33]

We begin by addressing questions of law raised in T-Mobile Northeast's Petition. As such, our analysis necessarily begins with a review of the applicable statutes. It is well settled that "[w]hen construing 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." *Cuccinelli v. Rector, Visitors of Univ. of Virginia*, 283 Va. 420, 425, 722 S.E.2d 626, 629 (2012) (internal quotation marks and citations omitted).

All parties agree that this case rests primarily on two Virginia statutes, Code § 58.1-2600 and Code § 58.1-2628 A. Code § 58.1-2600 sets forth the definition of a "telephone company" applicable to the Petitioner for purposes of this case:

> a person authorized by the Federal Communications Commission to provide commercial mobile service as defined in § 332(d)(1) of the Communications Act of 1934, as amended, where such service includes cellular mobile radio communications services or broadband personal communications services.

Code § 58.1-2628 A sets forth what property a telephone company shall report to the Commission for central assessment:[34]

> Each telegraph company and telephone company shall report annually, on April 15, to the Commission all real and tangible personal property of every description in the Commonwealth, *owned, operated or used by it*, except leased automobiles, leased trucks or leased real estate, as of January 1 preceding, showing particularly the county, city, town or magisterial district wherein such property is located.[35]

T-Mobile Northeast's Petition seeks a Commission declaration that "all property 'used or operated by' a 'telephone company' for the provision of commercial mobile service' are subject to central assessment and precluded from local property tax assessment."[36] We grant Part A of T-Mobile Northeast's Petition, which was uncontested.[37]

Next, Petitioner seeks a Commission declaration that T-Mobile Northeast is a "telephone company." We begin by addressing the terms used in Code § 58.1-2600, which are unambiguous. Specifically, we address the term "authorized" in Code § 58.1-2600. *Webster's Third New International Dictionary* defines "authorized" as "1. having authority: marked by authority: recognized as having authority; 2. endowed with authority; 3. sanctioned by authority."[38] The Commission must determine who is "authorized" by the FCC to provide commercial mobile service. If an entity holds an FCC license to provide commercial mobile service, then it is "authorized" by the FCC to do such. The statute, however, uses the term "authorized," not "licensed." Accordingly, absent a license, the Commission must review the record to determine if the FCC has otherwise "authorized" an entity to provide commercial mobile service.[39] A determination of whether an entity is so authorized, however, will necessarily rely on the unique evidence of each case.[40]

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[31] *See id*. at 24-32.

[32] Fairfax County further asserted its objection to Jennifer Tatel's testimony in its comments. *See, e.g.*, Fairfax County, Virginia's Comments and Objections to March 19, 2021 Senior Hearing Examiner Report at 2-3. Certain other Respondent Localities joined in Fairfax County's objection.

[33] We find that Fairfax County's objection is moot. We do not rely on the prefiled testimony of T-Mobile Northeast witness Jennifer Tatel in making any findings herein.

[34] Code § 58.1-2633 requires the Commission to assess property reported pursuant to Code § 58.1-2628 A. "The Commission shall assess the value of the reported property subject to local taxation of each telegraph, telephone, water, heat, light and power company and electric supplier. . . and shall assess the license tax levied hereon if such company is subject to the license tax under this article."

[35] Emphasis added.

[36] Petition at 14.

[37] Part A of T-Mobile Northeast's Petition is set forth on p. 1, *supra* of this Order.

[38] This definition of "authorized" is consistent with the definition of "authorized" offered by Staff, "endowed with authority or sanctioned by authority, having or done with legal or official approval." *See* Tr. 76 (Staff *citing* Merriam Webster Dictionary available at merriamwebster.com). This definition was adopted by Petitioner. *See* T-Mobile Northeast's Post-Hearing Brief at 5. This definition is also consistent with the definition of "authorize" offered by Fairfax County, "1. To give legal authority; to empower. 2. To formally approve; to sanction." Fairfax County Post-Hearing Brief at 3 *citing* Black's Law Dictionary (11th ed. 2019).

[39] We note that an FCC license remains an easily verifiable manner of determining whether an entity is so authorized. Additional evidence to determine such FCC authorization would be necessary only in the absence of an FCC license.

[40] Our findings herein are limited to the facts and evidence submitted in this case.

As Petitioner recognizes, the factual question in this case is whether a single legal entity—T-Mobile Northeast—is authorized by the FCC "to provide commercial mobile service as defined in § 332(d)(1) of the Communications Act of 1934, as amended, where such service includes cellular mobile radio communications services or broadband personal communications services."[41] The burden thus rests with Petitioner to prove that T-Mobile Northeast is so authorized by the FCC.

T-Mobile Northeast asserts that it is so authorized by the FCC because it has been designated by the FCC as an Eligible Telecommunications Carrier ("ETC") in Virginia to provide Lifeline services, which are commercial mobile radio services.[42] In support of this assertion, T-Mobile Northeast submitted an FCC Order dated July 3, 2012.[43] Through this order, the FCC states that:

> In this order, the Wireline Competition Bureau and the Wireless Telecommunications Bureau (the Bureaus) grant the petition filed by T-Mobile, USA, Inc. on behalf of four of its wholly owned subsidiaries, PowerTel/Memphis, Inc., T-Mobile Central LLC, T-Mobile South LLC, and T-Mobile Northeast LLC (collectively and individually "T-Mobile" or the company) asking that *each* of the subsidiaries be conditionally designated as an eligible telecommunications carrier (ETC), contingent upon the particular subsidiary becoming authorized to receive support in Mobility Fund Phase I and limited to those areas in which the particular subsidiary becomes so authorized.[44]
>
> …
>
> If T-Mobile [Northeast][45] becomes authorized to receive support in Mobility Fund Phase I, T-Mobile [Northeast] must, as a condition of being an ETC, offer Lifeline services and comply with all Lifeline rules in the areas in which it becomes authorized to receive Mobility Fund Phase I support, *i.e.*, its ultimate service area. *See* 47 C.F.R. § 54.405.[46]

Petitioner's evidence reflects that on October 3, 2012, the FCC issued a Public Notice announcing T-Mobile Northeast a winning bidder of Mobility Fund Phase 1 Funding.[47] Subsequent to this FCC announcement, T-Mobile Northeast was required to apply for such Mobility Fund Phase I Funding.[48] As part of this application, the FCC required T-Mobile Northeast "to provide a description of the spectrum access that the applicant will use to meet its obligations in the areas for which it is the winning bidder."[49] The FCC further stated that "[e]ach winning bidder must certify that the description of spectrum access in the areas of its winning bids provided in its application is correct and that it will retain such access for at least five years after the date on which it is authorized to receive support."[50] In response to these requirements, Petitioner submitted a "Spectrum Access Statement,"[51] in which T-Mobile Northeast certified to the FCC, in part, that:

> T-Mobile [USA][52] has committed in writing that it will cause its licensee subsidiaries to provide access to a sufficient amount of broadband wireless spectrum held by such subsidiary in order to allow the Applicant to fulfill any obligations related to support that it may be awarded in Auction 901.[53]

Petitioner's application to the FCC for Mobility Fund Phase I Funding further asserts that T-Mobile Northeast, specifically, "plans to provide service in the unserved areas in Census Tract T51065020200 with 3G service within two (2) years from its start of work[.]"[54]

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[41] T-Mobile Post Hearing Brief at 3. *See also* T-Mobile's comments on the Hearing Examiner's Report at 1.

[42] *See, e.g.*, Ex. 3 (Appleby) at 5. T-Mobile Northeast witness Appleby testified that "Lifeline services" are prepaid commercial mobile radio services offered to qualifying low-income customers. *See also, e.g.*, T-Mobile Post Hearing Brief at 13, 19.

[43] *See* Ex. 3 (Appleby) at Exhibit F.

[44] *Id.* Emphasis added.

[45] As noted in the Order's text immediately preceding, "T-Mobile" refers to the four wholly owned subsidiaries collectively and individually, each of which is seeking a conditional ETC designation.

[46] Ex. 3 (Appleby) at Exhibit F. *In the matter of Petitions for Designation as an Eligible Telecommunications Carrier For Purposes of Participation in Mobility Fund Phase I; Petition of T-Mobile For FCC Designation as an Eligible Telecommunications Carrier For Mobility Fund Phase I (Auction 901)*, DA 12-1014, 27 FCC Rcd. 7247; 27 F.C.C.R. 7247; 2012 WL 2674630 (July 3, 2012).

[47] Ex. 3 (Appleby) at Exhibit G. *Public Notice, Mobility Fund Phase I Auction Closes Winning Bidders Announced For Auction 901*; DA 12-1566, 27 FCC Rcd. 12031 (F.C.C.), 27 F.C.C.R. 12031, 2012 WL 4712175 (Oct. 3, 2012).

[48] Ex. 3 (Appleby) at Exhibit G. The FCC's Public Notice of the winning bidders states in Section IV that the winning bidders must apply for support. A winning bidder that does not file for auction support constitutes an auction default.

[49] Ex. 3 (Appleby) at Exhibit G.

[50] *Id.*

[51] Ex. 3 (Appleby) at 6 and Exhibit J.

[52] "T-Mobile" in the Spectrum Access Statement refers to T-Mobile USA. *See* Ex. 3 (Appleby) at Exhibit J.

[53] Ex. 3 (Appleby) at Exhibit J.

[54] Ex. 3 (Appleby) at Exhibit L. Exhibit L defines T-Mobile Northeast as "T-Mobile." T-Mobile Northeast's Application to the FCC indicates that Census Tract T51065020200 is located in Virginia. Ex. 3 (Appleby) at Exhibit I.

Petitioner asserts it received Mobility Fund Phase I Funding.[55] The FCC stated unequivocally in its July 3, 2012 Order that, upon receiving the Mobility Fund Phase I Funding, T-Mobile Northeast was required by the FCC to offer Lifeline commercial mobile services to Virginia customers.[56] We agree with Petitioner that such an FCC requirement is sufficient evidence of FCC authorization to provide commercial mobile service for purposes of this case. Therefore, the Commission declares T-Mobile Northeast a "telephone company" as defined in Code § 58.1-2600, if T-Mobile Northeast is required, and thus authorized, by the FCC to provide commercial mobile services in Virginia pursuant to the FCC's conditional ETC designation.

Petitioner next seeks a Commission declaration that "T-Mobile Northeast's property, used directly and indirectly, in the provision of its commercial mobile services is subject to central assessment by the Division."[57] We find that so long as Petitioner remains a "telephone company" as defined under Code § 58.1-2600, T-Mobile Northeast's property, used directly and indirectly, in the provision of commercial mobile services is subject to central assessment by the Division consistent with Code § 58.1-2628.[58] To the extent Petitioner is no longer a telephone company, pursuant to Code § 58.1-2628, only property owned by T-Mobile Northeast, that is also "operated or used" by a telephone company may be centrally assessed.

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

[55] *See, e.g.*, Ex. 3 (Appleby) at 8.

[56] *See, e.g.*, Ex. 3 (Appleby) at 7; Tr. 22; T-Mobile Northeast's Post Hearing Brief at 13, 19. Ex. 3 (Appleby) at Exhibit F, Exhibit I, Exhibit L. As noted in n. 54, *supra*, T-Mobile Northeast's Application to the FCC indicates that Census Tract T51065020200 is located in Virginia.

[57] Petition at 14.

[58] Petitioner is seeking requested relief in the form of the Commission interpreting the law, not review of an assessment in this case. *See, e.g.*, T-Mobile Northeast's Comments in Opposition to Hearing Examiner's Recommendation to Dismiss Petition at 1.

MATTER NO. PST-2021-00005
MAY 14, 2021

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 2021

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 4, 2021, 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 2021 would be due June 1, 2021.

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, 2020, is determined to be the amounts as recorded in the Commission's Division of Public Service Taxation, and the special regulatory revenue tax of two tenths of one percent of the gross receipts on said common carriers and the Virginia Pilots' Association for the Tax Year 2021 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, 2021, 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-2021-00006
MAY 14, 2021

IN THE MATTER OF

The Assessment of the Special Regulatory Revenue Tax on Telecommunications Companies for the Tax Year 2021

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 4, 2021, 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 2021 would be due June 1, 2021.

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, 2020, is determined to be the amounts as recorded in the Commission's Division of Public Service Taxation, and a special regulatory revenue tax of two tenths of one percent of the gross receipts on said companies for the Tax Year 2021 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, 2021, 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-2021-00007
MAY 14, 2021

IN THE MATTER OF

The Assessment of the Special Regulatory Revenue Tax and the State License Tax on Water Corporations for the Tax Year 2021

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 4, 2021, 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 2021 would be due June 1, 2021.

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, 2020, is determined to be the amounts as recorded in the Commission's Division of Public Service Taxation; that a special regulatory revenue tax of two tenths of one percent of the gross receipts on such water corporations for the Tax Year 2021 should be assessed; and that the state license tax of two percent of the gross receipts on such water corporations for the Tax Year 2021 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, 2021, 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, 2021, 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-2021-00008
MAY 14, 2021

IN THE MATTER OF

The Assessment of the Special Regulatory Revenue Tax on Railroad Companies for the Tax Year 2021

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 16, 2021, the Commission's Division of Public Service Taxation sent each railroad company a notice that its special regulatory revenue tax payment for Tax Year 2021 would be due June 1, 2021.

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, 2020, 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 2021 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, 2021, 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-2021-00009
MAY 14, 2021

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 2021

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, 2020, 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 2021 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 2021 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-2021-00010
MAY 14, 2021

IN THE MATTER OF

The Assessment of the Rolling Stock Tax on Motor Vehicle Carriers for the Tax Year 2021

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, 2021.

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, 2021, 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.

MATTER NO. PST-2021-00011
SEPTEMBER 15, 2021

IN THE MATTER OF

The assessment of Water, Heat, Light, and Power Corporations; Electric Suppliers; Pipeline Distribution Companies; and Telecommunications Companies for the 2021 Tax Year

ASSESSMENT ORDER

Pursuant to Chapter 26 of Title 58.1 of the Code of Virginia ("Code"),[1] the State Corporation Commission ("Commission") is required to assess the value of reported property subject to local taxation of each telephone, water, heat, light, and power company, pipeline distribution company, and electric supplier doing business in the Commonwealth of Virginia. Pursuant to Code §§ 58.1-2627.1 and 58.1-2628, every telephone company, every corporation furnishing water, heat, light, and power, whether by electricity, gas, or steam, every pipeline distribution company, and every electric supplier, unless otherwise exempted by statute, is required to report to the Commission all of its real and tangible personal property of every description in the Commonwealth of Virginia by April 15 of each year.

Pursuant to Code § 58.1-2634, a certified copy of the assessment made pursuant to Code § 58.1-2633 shall be forwarded by the Clerk of the Commission to the comptroller, to the president or other proper officer of each company, to the governing body of each county, city, and town wherein any property belonging to such company is situated, and to each commissioner of the revenue. 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 the matter, is of the opinion and finds that in accordance with the applicable statutes, it should, and hereby does, ascertain and assess, as of the beginning of the first day of January 2021, the value of the real estate and all other tangible personal property of said companies subject to local taxation.

Accordingly, IT IS ORDERED THAT:

(1) A certified copy of the assessments shall be forwarded to the comptroller, to the president or other proper officer of each company, to the governing body of each county, city, and town wherein any property belonging to such company is situated, and to each commissioner of the revenue so that local taxes may be imposed thereon.

(2) The certified assessments shall be located in the Commission's Division of Public Service Taxation.

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[1] Code § 58.1-2600 *et seq.*

DIVISION OF PUBLIC UTILITY REGULATION

CASE NO. PUE-2001-00482
DECEMBER 21, 2021

APPLICATION OF
DOMINION ENERGY SOLUTIONS, INC.

For permanent licenses to conduct business as natural gas competitive service provider

ORDER REISSUING LICENSE

On October 16, 2001, the State Corporation Commission ("Commission") issued to Dominion Retail, Inc. ("Dominion Retail"), License No. G-1 to conduct business as a supplier of natural gas supply service to all customer classes throughout the Commonwealth of Virginia.[1]

On August 16, 2017, Dominion Energy Solutions, Inc. ("DES") filed a letter with the Commission to report that Dominion Retail had changed its name to DES effective as of May 12, 2017.[2] DES included a copy of the Certificate of Amendment of Certificate of Incorporation from the State of Delaware as verification of Dominion Retail's name change.[3]

On December 1, 2021, DES filed a letter with the Commission to report it had changed its corporate structure to a limited liability company, and its name had changed to Dominion Energy Solutions, LLC ("DES LLC").[4] DES LLC included a copy of the Certificate of Conversion from the State of Delaware as verification of the changes effective November 1, 2021.[5]

NOW THE COMMISSION, upon consideration of this matter, finds that License No. G-1 should be cancelled and reissued in the name of Dominion Energy Solutions, LLC.

Accordingly, IT IS ORDERED THAT:

(1) License No. G-1 authorizing Dominion Energy Solutions, Inc. f/k/a Dominion Retail, Inc., to provide competitive natural gas supply services to all eligible customer classes throughout the Commonwealth of Virginia is hereby cancelled and reissued as License No. G-1A in the name of Dominion Energy Solutions, LLC.

(2) Dominion Energy Solutions, LLC shall operate under the license pursuant to the same terms and conditions as set forth in the Order Granting License entered into this docket on October 16, 2001. This license to act as a competitive supplier of natural gas service remains subject to the provisions of the Commission's Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 *et seq*., this Order, and other applicable law.

(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 the license granted herein.

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[1] *See Application of Dominion Retail, Inc., For a permanent license to conduct business as an electric and natural gas competitive service provider and as an aggregator*, Case No. PUR-2001-00482, 2001 WL 1530168 (Va.S.C.C.), Order Granting Licenses (Oct. 16, 2001). Dominion Retail, Inc.'s licenses to conduct business as an electric competitive service provider and to provide natural gas and electric aggregation service were later cancelled at the request of Dominion Retail, Inc. *See Application of Dominion Retail, Inc., For a permanent license to conduct business as an electric and natural gas competitive service provider and as an aggregator*, Case No. PUR-2001-00482, 2014 WL 7398707 (Va.S.C.C.), Order Cancelling Licenses (Dec. 23, 2014).

[2] *See Application of Dominion Retail, Inc., For a permanent license to conduct business as an electric and natural gas competitive service provider and as an aggregator*, Case No. PUR-2001-00482, Doc. Con. Cen. No. 170830015, Notice of Name Change of Dominion Retail, Inc., to Dominion Energy Solutions, Inc. (Aug. 16, 2017).

[3] *Id*. at Exhibit A.

[4] *See Application of Dominion Retail, Inc., For a permanent license to conduct business as an electric and natural gas competitive service provider and as an aggregator*, Case No. PUR-2001-00482, Doc. Con. Cen. No. 211210017, Dominion Energy Solutions Inc. f/k/a Dominion Retail Inc.'s Information Update (Dec. 1, 2021).

[5] *Id*.

CASE NO. PUE-2014-00102
SEPTEMBER 10, 2021

APPLICATION OF
ENGLISH BIOMASS PARTNERS - FERRUM, LLC — CASE NO. PUE-2014-00102

For a license to conduct business as a competitive service provider for electricity

and

APPALACHIAN POWER COMPANY,
Petitioner,
v. — CASE NO. PUR-2017-00168
ENGLISH BIOMASS PARTNERS-FERRUM, LLC,
Defendant

DISMISSAL ORDER

By its Order dated November 25, 2014, the State Corporation Commission ("Commission") issued License No. E-30 to English Biomass Partners – Ferrum, LLC ("English Biomass") to conduct business as a competitive service provider ("CSP") for electric service to Ferrum College subject to the provisions of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules")[1] and other applicable law.[2] The Commission further directed that the case remain open for consideration of any subsequent amendments or modifications to English Biomass' license.

On December 11, 2017, Appalachian Power Company ("Appalachian") filed a complaint ("Complaint") requesting that the Commission revoke the CSP license of English Biomass based upon its alleged violation of the Retail Access Rules. Specifically, Appalachian asserts that English Biomass violated Rules 20 VAC 5-312-70 and 20 VAC 5-312-80. In particular, Appalachian asserts, among other things, that: (1) English Biomass failed to complete registration with the local distribution company before offering to enroll a customer; (2) English Biomass provided electricity to its customer without warning; and (3) English Biomass' letter agreement with its customer omitted certain requirements of the Retail Access Rules for contracts.[3]

On December 19, 2017, the Commission issued an Order Docketing Petition that docketed the Complaint proceeding, assigned it Case No. PUR-2017-00168, and directed the filing of additional pleadings. On May 23, 2018, the Commission entered an Order Appointing Hearing Examiner directing a Hearing Examiner to conduct all further proceedings in the Complaint proceeding on behalf of the Commission.

On August 12, 2021, the Hearing Examiner filed the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report") in the Complaint proceeding. The Report states that on June 3, 2021, counsel for English Biomass filed a letter representing that the settlement of a related contract dispute pending in the Circuit Court of Franklin County ("Contract Case") would be finalized on July 1, 2021, at which time English Biomass would relinquish its CSP license.[4] Further, the Report states that on August 10, 2021, English Biomass filed a copy of the Order from the Circuit Court of Franklin County entered on July 23, 2021, dismissing the Contract Case based on an agreed settlement.[5] Because the settlement is now final, and based on the representations made by English Biomass' counsel in various filings, the Hearing Examiner "conclude[s] English Biomass has voluntarily agreed to relinquish its CSP [l]icense."[6] The Report further finds that English Biomass' CSP license should be canceled and recommends this case be dismissed as moot.[7] Any comments to the Report were permitted to be filed on or before September 2, 2021.[8]

On August 23, 2021, Appalachian filed a letter stating that it supports the Hearing Examiner's findings. No other comments were filed in response to the Hearing Examiner's Report.

NOW THE COMMISSION, upon consideration of the Hearing Examiner's recommendation, finds that License No. E-30 granted to English Biomass should be canceled based on its request to voluntarily relinquish its CSP license, that Case No. PUE-2014-00102 should be closed; and that the Complaint proceeding should be dismissed as moot.

Accordingly, IT IS SO ORDERED, and these cases are DISMISSED.

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[1] 20 VAC 5-312-10 *et seq.*

[2] *Application of English Biomass Partners-Ferrum, LLC, For a license to conduct business as a competitive service provider for electricity*, Case No. PUE-2014-00102, 2014 S.C.C. Ann. Rept. 488, Order Granting License (Nov. 25, 2014).

[3] Complaint at 4-7.

[4] Report at 3.

[5] *Id.*

[6] *Id.*

[7] *Id.*

[8] *Id.*

CASE NO. PUE-2015-00049
MARCH 2, 2021

PETITION OF
BAUMANN FARM, LLC and KRISTOPHER K. BAUMANN
v.
VIRGINIA ELECTRIC AND POWER COMPANY

FINAL ORDER

On May 1, 2015, Baumann Farm, LLC, and Kristopher K. Baumann (collectively, "Baumanns" or "Petitioners") filed with the State Corporation Commission ("Commission") a Petition for Injunctive and Other Relief ("Baumanns Petition") against Virginia Electric and Power Company ("Dominion" or "Company").

On June 17, 2015, James W. Gercke ("Gercke") filed a Petition for Injunctive and Other Relief against Dominion. On June 18, 2015, Gercke filed a second Petition for Injunctive and Other Relief against Dominion. On July 21, 2015, Gercke filed a Petition for Revocation of Certificates Issued in PUE-2013-00118 on Constitutional Grounds and Request for Injunctive and Other Relief against Dominion and the Commission. On August 13, 2015, Gercke filed a Petition to Void Certificates issued in PUE-2013-00118, *Ab Initio*, and Other Relief against Dominion and the Commission (collectively, "Gercke Petitions").[1]

The Baumanns and Gercke Petitions concern Dominion's Dooms-Lexington transmission line, which consists of: (i) a rebuilt 500 kilovolt ("kV") transmission line, approved by the Commission in Case No. PUE-2012-00134,[2] and (ii) a 230 kV transmission line underbuilt on the same structures as the 500 kV line, approved by the Commission in Case No. PUE-2013-00118.[3]

On October 30, 2015, the Commission issued a Preliminary Order that, among other things, assigned a Hearing Examiner to conduct further proceedings limited to the following issues: (1) whether Dominion violated the Commission's certificate orders, and/or the terms of the certificates approved in the 500 kV Rebuild Order and the 230 kV Underbuild Order, and (2) whether Dominion willfully made a misrepresentation of a material fact in obtaining such certificates in violation of § 56-265.6 of the Code of Virginia. The Commission directed that "[t]hese further proceedings shall also address the potential remedies in the event the Commission finds against Dominion on either issue."[4] In addition, the Commission directed that the Baumanns Petition be combined (though not consolidated) with the Gercke Petitions for purposes of judicial efficiency and sent to a Hearing Examiner for further proceedings.

On November 9, 2015, Gercke filed an Objection to Dispositive Rulings of the State Corporation Commission and Petition for Reconsideration of the Commission's Preliminary Order. On November 19, 2015, the Baumanns filed a Petition for Partial Reconsideration and a Motion to Sever asking that the Baumanns Petition and the Gercke Petitions be considered in separate proceedings.

On November 23, 2015, the Commission issued an Order in which it held that its Preliminary Order of October 30, 2015, was not a final order and denied the petitions for reconsideration filed by Gercke and the Baumanns.

On November 23, 2015, Gercke filed a Notice of Appeal from the Commission's Preliminary Order of October 30, 2015 ("Gercke Appeal").

On December 3, 2015, the Baumanns filed: (i) an agreement signed by the Baumanns, Gercke, and Dominion regarding procedures for the Baumanns and Gercke Petitions; and (ii) a Motion to Withdraw Petitioners' Motion to Sever.

On December 9, 2015, the Commission issued an Order Staying Case Nos. PUE-2015-00073, PUE-2015-00074, PUE-2015-00080, and PUE-2015-00087, in which the Commission (i) stayed the Gercke Petitions pending the Gercke Appeal, (ii) separated the Baumanns and Gercke Petitions into two detached proceedings, and (iii) directed the Baumanns Petition to continue as currently scheduled.

On December 14, 2015, Chief Hearing Examiner Alexander P. Skirpan, Jr. issued a ruling directing the Baumanns, Staff, and the Company to continue with discovery. The Chief Hearing Examiner conducted telephonic prehearing conferences on August 22, 2016, August 25, 2016, and October 18, 2016, to receive updates on the progress of settlement discussions. The parties ultimately reported settlement talks were unsuccessful and that the parties would be proceeding with discovery.

On September 24, 2019, the Chief Hearing Examiner directed the parties to provide a pleading on or before October 25, 2019, concerning (i) the current status of this case, and (ii) an answer to whether this proceeding should be dismissed for lack of activity.

On October 7, 2019, the Baumanns filed a Motion for Stay of Proceedings in which they requested that this matter be stayed until January 13, 2020, and that a conference call be scheduled for that date to review the status of the case and to address any other issues related to the case. Dominion did not object to the motion.

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[1] *See*, consolidated Case Nos. PUE-2015-00073, PUE-2015-00074, PUE-2015-00080 and PUE-2015-00087.

[2] *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities for the Dooms-Lexington 500 kV Transmission Line Rebuild pursuant to §§ 56-46.1 and 56-265.1 et seq. of the Code of Virginia*, Case No. PUE-2012-00134, 2013 S.C.C. Ann. Rep. 331, Final Order (May 16, 2013) ("500 kV Rebuild Order").

[3] *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities for the Dooms-Lexington 230 kV Transmission Line pursuant to §§ 56-46.1 and 56-265.1 et seq. of the Code of Virginia*, Case No. PUE-2013-00118, 2014 S.C.C. Ann. Rep. 329, Order (Mar. 25, 2014) ("230 kV Underbuild Order").

[4] Preliminary Order at 6. The Preliminary Order was filed in Case Nos. PUE-2015-00049, PUE-2015-00073, PUE-2015-00074, PUE-2015-00080, and PUE-2015-00087.

On January 13, 2020, the Chief Hearing Examiner held a virtual prehearing conference, during which the Baumanns and the Company stated that they had scheduled settlement discussions. On December 17, 2020, Dominion and the Baumanns ("Stipulating Parties") requested Commission approval of their Proposed Settlement. The Stipulating Parties advised that on February 16, 2018, the Commission approved a settlement in the Gercke Petitions wherein the Company, through a third-party contractor, applied one coat of Natina® to Tower Nos. 130-182 of the Dooms-Lexington 500/230 kV transmission line during May through September 2018.[5] The Stipulating Parties stated the Baumanns represent that they and other area residents desire additional darkening of the galvanized steel.[6] The Proposed Settlement states that the Stipulating Parties have agreed that the Company would apply an additional coat of Natina® on Tower Nos. 136-183. The Company agreed to ensure that all towers receive two coats of Natina®. Except for good cause shown and a motion filed with the Commission, the Company agreed that full application of the additional coat of Natina®, for a total of two coats, on Towers 130-183 would be completed no later than October 31, 2022.[7]

On December 29, 2020, the Chief Hearing Examiner issued his Report, in which he recommended that the Commission approve the Proposed Settlement. No party objected to the recommendations in the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the recommendations contained in the Chief Hearing Examiner's Report should be accepted and that the Proposed Settlement should be approved.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations set forth in the Chief Hearing Examiner's December 29, 2020 Report are adopted.

(2) The Proposed Settlement filed by the Stipulating Parties is approved.

(3) Within 90 days, the Company shall file with the Clerk of the Commission a plan for the timing and application of the Natina® coating to Towers 130-183.

(4) This docket shall remain open to receive the filing from the Company pursuant to Ordering Paragraph (3).

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[5] Proposed Settlement at 3. The Stipulating Parties noted one tower already received two coats of Natina® so the Company could test application results. *Id*. at 3 n.2. *See also Petition of James W. Gercke v. Virginia Electric and Power Company and State Corporation Commission*, Case Nos. PUE-2015-00073, PUE-2015-00074, PUE-2015-00080, and PUE-2015-00087, 2018 S.C.C. Ann. Rept. 188, Order (Feb. 16, 2018).

[6] *Id*. at 3.

[7] *Id*. at 4-5.

CASE NO. PUE-2015-00066
NOVEMBER 22, 2021

APPLICATION OF
HOSPITAL ENERGY, LLC

For a license to conduct business as an aggregator for electricity and natural gas

ORDER GRANTING LICENSE

On July 29, 2015, the State Corporation Commission ("Commission") issued to Hospital Energy, LLC ("Hospital Energy" or "Company") License No. A-42 to conduct business as an aggregator for electricity and natural gas to serve eligible commercial and governmental customers throughout the Commonwealth of Virginia.

On November 15, 2021, the Company filed a letter with the Commission to report that Hospital Energy had changed its name to Environ Energy, LLC ("Environ Energy") as of October 20, 2021. Environ Energy included a copy of the Restated Certificate of Formation from the State of New Hampshire as verification of Hospital Energy's name change. Additionally, Environ Energy included a copy of the Amended Application for a Certificate of Registration to transact business in Virginia.

NOW THE COMMISSION, upon consideration of this matter, finds that License No. A-42 authorizing Hospital Energy to conduct business as an aggregator of electricity and natural gas to commercial and governmental customers throughout Virginia should be cancelled and reissued in the name of Environ Energy, LLC.

Accordingly, IT IS ORDERED THAT:

(1) License No. A-42 authorizing Hospital Energy to provide competitive aggregation service for electricity and natural gas to eligible commercial and governmental customers throughout the Commonwealth of Virginia is hereby cancelled and shall be reissued as License No. A-42A in the name of Environ Energy, LLC.

(2) Environ Energy, LLC shall operate under the license pursuant to the same terms and conditions as set forth in our Order Granting License entered into this docket on July 29, 2015. This license to act as an aggregator remains subject to the provisions of the Commission's Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 et seq.; this Order; and other applicable law.

(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 the license granted herein.

CASE NO. PUE-2015-00075
APRIL 27, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of the proposed Greensville 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 GV, pursuant to § 56-585.1 A 6 of the Code of Virginia

CORRECTING ORDER

On July 1, 2015, Virginia Electric and Power Company ("Dominion") filed with the State Corporation Commission ("Commission") an application and supporting documents for approval of electric generation and related transmission facilities and for approval of a rate adjustment clause.

On March 29, 2016, the Commission issued a Final Order in this proceeding. In Ordering Paragraph (1) of the Final Order, the Commission inadvertently issued an incorrect certificate number to Dominion for the construction and operation of the Greensville County Power Station. The Final Order also dismissed the case from the Commission's docket of active proceedings.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that this case should be reopened for the limited purpose of correcting and amending Ordering Paragraph (1) of the Commission's March 29, 2016 Final Order.

Accordingly, IT IS ORDERED THAT:

(1) This docket is reopened for the limited purpose set forth in this Order.

(2) Ordering Paragraph (1) of the Commission's March 29, 2016 Final Order hereby is corrected and amended to read as follows: Subject to the findings and requirements set forth in the Final Order, Dominion is granted approval and Certificate of Public Convenience and Necessity No. EG-DEV-GVL-2016-A to construct and operate the Greensville County Power Station as set forth in this proceeding.

(3) All other provisions of the March 29, 2016 Final Order shall remain in full force and effect.

(4) This case is dismissed.

CASE NO. PUR-2017-00002
SEPTEMBER 8, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND 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*.

ORDER ON MOTION

On September 8, 2017, the State Corporation Commission ("Commission") entered a Final Order in this case, authorizing Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") to construct and operate the Rebuild Project, which consists of rebuilding, relocating, and replacing a number of facilities and lines in and around Dominion's existing Idylwood Substation in Falls Church, Virginia.[1] The Final Order required the Rebuild Project to be constructed and in service by May 31, 2020, but granted the Company "leave to apply for an extension for good cause shown."[2]

On April 27, 2020, the Company filed the Motion of Virginia Electric and Power Company for Relief from May 31, 2020 In-Service Date ("Motion for Relief").

[1] 2017 S.C.C. Ann. Rept. 430. For a description of the Rebuild Project, *see id*.

[2] *Id*. at 434.

On May 12, 2020, the Fairfax County Board of Supervisors ("County") and the Commission's Staff ("Staff") filed responses to the Motion for Relief. Neither the County nor Staff objected to a limited extension of the previously ordered in-service date of May 31, 2020. The County and Staff, among other things, proposed specific requirements for determining a new appropriate in-service date.

On May 28, 2020, the Commission entered an order assigning the matter to a Hearing Examiner to determine the manner by which Dominion shall request by motion a new in-service date for the Rebuild Project, to receive responses and replies on such motion, and to provide a report and recommendation to the Commission thereon.

On June 2, 2020, the Senior Hearing Examiner issued a ruling that directed, in part, the Company to file a New In-Service Date Motion proposing a new in-service date for the Rebuild Project and detailing a new proposed construction schedule.

On February 11, 2021, the Company filed the Motion of Virginia Electric and Power Company for a New In-Service Date ("Motion"). In its Motion, the Company requested a new proposed in-service date of December 31, 2026, for the Rebuild Project.

On February 23, 2021, Staff filed a Response and Motion to Remand stating that the Company's support of its Motion is insufficient for the Commission to make an informed decision on the Motion, and requesting the Senior Hearing Examiner remand the case to take evidence on the implications of the proposed extension, among other things. Comments and responses to the Motion were also filed by the Holly Crest Community Association, Maryl A. Kerley, and the County, respectively. In its response, the County asserted that an additional local public hearing should be conducted to hear testimony from the parties and any interested other persons concerning the Company's new proposed construction schedule.

On February 26, 2021, the Company filed Virginia Electric and Power Company's Response to Motion to Remand and Reply in Support of its Motion for New In-Service Date.

On March 3, 2021, the Senior Hearing Examiner issued a ruling that, among other things, directed that Dominion file a Supplemental Information Report and took under advisement the County's request for an additional local public hearing.

On March 26, 2021, the Company filed its Supplemental Information Report. Responses to the Supplemental Information Report were filed on April 9, 2021, by the County and Staff.

On April 30, 2021, the Senior Hearing Examiner issued a ruling directing, among other things, the scheduling of a telephonic hearing on June 10, 2021, for the receipt of testimony from public witnesses on the new construction schedule proposed for the Rebuild Project.

The hearing was conducted, as scheduled, on June 10, 2021. The Company, Staff, the County, and Ms. Kerley appeared at the hearing, and three public witnesses offered testimony.[3]

On July 14, 2021, the Report of A. Ann Berkebile, Senior Hearing Examiner, was issued ("Report"). In her Report, the Senior Hearing Examiner found that the Commission should grant the Motion, extend the Company's deadline for the Rebuild Project to be constructed and in service to December 31, 2026, and require the Company to file quarterly construction status updates until the Rebuild Project is completed.[4]

On August 4, 2021, comments on the Report were filed by the Company and the County, respectively. Both the Company and the County supported the findings and recommendations in the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company's Motion should be granted. We agree with the Hearing Examiner that the Company has provided support for its request to use December 31, 2026, as the new in-service date for the Rebuild Project and that Dominion should provide quarterly construction status updates.[5] The Commission also recognizes the public witness testimony expressing frustration with the lengthy timeline for the Rebuild Project as well as their skepticism of the Company's veracity.[6] Therefore, the Commission further finds that Dominion shall take certain actions to provide updated information to the public on a continuing basis.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Motion is hereby granted.

(2) The Rebuild Project approved herein must be constructed and in service by December 31, 2026.

(3) The Company shall submit quarterly construction status updates regarding the Rebuild Project to the Director of the Commission's Division of Public Utility Regulation until the Rebuild Project is completed or until further order of the Commission.

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[3] Tr. at 10-24.

[4] Report at 6-7.

[5] Report at 6. Rather than having these updates filed with the Commission, we direct their submission to the Director of the Commission's Division of Public Utility Regulation.

[6] *Id; see also* Tr. at 10-22.

(4) The Company shall post each quarterly construction status update on the Company's website: www.DominionEnergy.com/shreve.

(5) The Company shall post its Construction Timeline on the website noted in Ordering Paragraph (4). The Company shall update this Construction Timeline as needed to maintain accuracy.

(6) This case is hereby dismissed.

CASE NO. PUR-2017-00163
NOVEMBER 23, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to establish a companion tariff, designated Schedule RG, pursuant to § 56-234 of the Code of Virginia

ORDER GRANTING MOTION

On December 1, 2017, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or the "Company"), pursuant to § 56-234 of the Code of Virginia and Rule 5 VAC 5-20-80 of the Rules of Practice and Procedure[1] of the State Corporation Commission ("Commission"), filed with the Commission an application for approval to establish a voluntary companion tariff, Schedule RG - Renewable Generation Supply Service ("Schedule RG"), whereby participating large, non-residential customers may elect to purchase, in an amount up to 100% of their energy needs, the net energy output from renewable energy resources, as well as the renewable and environmental attributes associated with such renewable energy.[2] On November 6, 2018, the Commission approved Schedule RG for a period of three years.[3] On November 1, 2021, the Company filed a Motion to Continue Schedule RG ("Motion") for a period of two years.[4]

In its Motion, the Company stated that while no customers have yet participated, the Company continues to believe Schedule RG is a viable renewable energy option for non-residential customers seeking ways to support renewable energy development.[5] Dominion asserted that continuing Schedule RG for an additional two years will allow the Company to continue offering a suite of renewable energy options to customers and to continue to explore and talk with customers about potential modifications to make Schedule RG a more attractive option, while not harming non-participating customers.[6] Dominion confirmed that the public policy objectives of Schedule RG remain the same: to provide options to encourage renewable energy development in Virginia.[7]

The Company represented that it had shared a copy of the Motion with Commission Staff and the respondents in this proceeding.[8] According to the Company, counsel for Wal-mart Stores East, LP and Sam's East, Inc., and the Mid-Atlantic Renewable Energy Coalition did not oppose the Motion.[9] Counsel for Commission Staff did not oppose the Motion.[10] Counsel for Advanced Energy Economy, Virginia Advanced Energy Economy, and Culpeper County did not represent a position on the Motion at the time of its filing.[11]

On November 5, 2021, the Commission entered its Order on Motion, which, among other things, allowed Dominion to continue to offer Schedule RG during the pendency of the Motion; invited participants to respond to the Motion by November 12, 2021; and permitted the Company to reply to any response by November 17, 2021.[12] No responses to the Motion were filed. On November 17, 2021, the Company filed a letter requesting that the Commission extend Schedule RG an additional two years.[13]

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[1] 5 VAC 5-20-10 *et seq.*

[2] Application at 1.

[3] 2018 S.C.C. Ann. Rept. 318, 322, Order Approving Tariff (Nov. 6, 2018).

[4] Motion at 1.

[5] *Id.* at 3.

[6] *Id.*

[7] *Id.*

[8] *Id.* at 3-4.

[9] *Id.* at 4.

[10] *Id.*

[11] *Id.*

[12] Order on Motion at 3.

[13] Letter Response at 1.

NOW THE COMMISSION, upon consideration of this matter, finds that Dominion's Motion should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Dominion may continue to offer Schedule RG for a period of two (2) years. Any request to continue or modify Schedule RG shall be filed on or before October 1, 2023.

(2) On or before January 7, 2022, Dominion shall file Schedule RG, as approved by the Commission's November 6, 2018 Order Approving Tariff and extended by this Order, 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 in person and on the Commission's website: scc.virginia.gov/pages/Case-Information.

(3) Dominion shall continue to track key metrics and shall file an annual report with the Commission pertaining to Schedule RG on or before November 1, 2022, and on or before November 1, 2023, until the proposed customer cap of fifty (50) customers is reached, to allow for further evaluation of Schedule RG by the Company, the Commission, and other stakeholders. This report shall include, at minimum, the tracking of actual costs associated with the solicitation and negotiation process, and the actual costs associated with all fees and charges related to Schedule RG. The annual report also shall include information and all relevant discoveries regarding how well Schedule RG meets the expectations of participating customers and what discussions with customers have revealed about potential modifications to make Schedule RG a more attractive option, all of which information can be used to guide proposals to modify and/or improve Schedule RG.

(4) The Company shall track and maintain data that Renewable Energy Certificates associated with Schedule RG have been retired on behalf of participating customers. Such data shall be made available to Staff upon request.

(5) The Company shall track and record the Schedule RG revenues using accounting protocols similar to those used to isolate other rate adjustment clause-eligible revenues, costs, and investments.

(6) This case is continued.

CASE NO. PUR-2017-00168
SEPTEMBER 10, 2021

APPLICATION OF
ENGLISH BIOMASS PARTNERS - FERRUM, LLC — CASE NO. PUE-2014-00102

For a license to conduct business as a competitive service provider for electricity

and

APPALACHIAN POWER COMPANY,
Petitioner,
v. — CASE NO. PUR-2017-00168
ENGLISH BIOMASS PARTNERS-FERRUM, LLC,
Defendant

DISMISSAL ORDER

By its Order dated November 25, 2014, the State Corporation Commission ("Commission") issued License No. E-30 to English Biomass Partners – Ferrum, LLC ("English Biomass") to conduct business as a competitive service provider ("CSP") for electric service to Ferrum College subject to the provisions of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules")[1] and other applicable law.[2] The Commission further directed that the case remain open for consideration of any subsequent amendments or modifications to English Biomass' license.

On December 11, 2017, Appalachian Power Company ("Appalachian") filed a complaint ("Complaint") requesting that the Commission revoke the CSP license of English Biomass based upon its alleged violation of the Retail Access Rules. Specifically, Appalachian asserts that English Biomass violated Rules 20 VAC 5-312-70 and 20 VAC 5-312-80. In particular, Appalachian asserts, among other things, that: (1) English Biomass failed to complete registration with the local distribution company before offering to enroll a customer; (2) English Biomass provided electricity to its customer without warning; and (3) English Biomass' letter agreement with its customer omitted certain requirements of the Retail Access Rules for contracts.[3]

On December 19, 2017, the Commission issued an Order Docketing Petition that docketed the Complaint proceeding, assigned it Case No. PUR-2017-00168, and directed the filing of additional pleadings. On May 23, 2018, the Commission entered an Order Appointing Hearing Examiner directing a Hearing Examiner to conduct all further proceedings in the Complaint proceeding on behalf of the Commission.

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[1] 20 VAC 5-312-10 *et seq.*

[2] *Application of English Biomass Partners-Ferrum, LLC, For a license to conduct business as a competitive service provider for electricity*, Case No. PUE-2014-00102, 2014 S.C.C. Ann. Rept. 488, Order Granting License (Nov. 25, 2014).

[3] Complaint at 4-7.

On August 12, 2021, the Hearing Examiner filed the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report") in the Complaint proceeding. The Report states that on June 3, 2021, counsel for English Biomass filed a letter representing that the settlement of a related contract dispute pending in the Circuit Court of Franklin County ("Contract Case") would be finalized on July 1, 2021, at which time English Biomass would relinquish its CSP license.[4] Further, the Report states that on August 10, 2021, English Biomass filed a copy of the Order from the Circuit Court of Franklin County entered on July 23, 2021, dismissing the Contract Case based on an agreed settlement.[5] Because the settlement is now final, and based on the representations made by English Biomass' counsel in various filings, the Hearing Examiner "conclude[s] English Biomass has voluntarily agreed to relinquish its CSP [l]license."[6] The Report further finds that English Biomass' CSP license should be canceled and recommends this case be dismissed as moot.[7] Any comments to the Report were permitted to be filed on or before September 2, 2021.[8]

On August 23, 2021, Appalachian filed a letter stating that it supports the Hearing Examiner's findings. No other comments were filed in response to the Hearing Examiner's Report.

NOW THE COMMISSION, upon consideration of the Hearing Examiner's recommendation, finds that License No. E-30 granted to English Biomass should be canceled based on its request to voluntarily relinquish its CSP license, that Case No. PUE-2014-00102 should be closed; and that the Complaint proceeding should be dismissed as moot.

Accordingly, IT IS SO ORDERED, and these cases are DISMISSED.

[4] Report at 3.

[5] *Id.*

[6] *Id.*

[7] *Id.*

[8] *Id.*

CASE NO. PUR-2019-00058
JUNE 16, 2021

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*.

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"). On January 28, 2020, the Commission issued a Final Order on APCo's IRP. In its Final Order, the Commission found APCo's IRP to be reasonable and in the public interest for the specific and limited purpose of filing the planning document as mandated by Code § 56-597 *et seq*.[1] However, the Commission also directed the Company to include additional analyses, as described in the Final Order, in its future IRP filings ("Future IRP Filing Requirements").[2]

On May 25, 2021, Commission Staff ("Staff") filed a motion to amend and supplement APCo's Future IRP Filing Requirements ("Motion"). In its Motion, Staff requested the Commission to direct APCo, in its May 1, 2022 IRP filing, to contemplate and fully account for the directives set forth in the Virginia Clean Economy Act ("VCEA"),[3] the Clean Energy and Community Flood and Preparedness Act,[4] and the Virginia Environmental Justice Act,[5] and to:

- Model the VCEA's mandatory renewable energy portfolio standard ("RPS") program requirements, as set forth in Code § 56-585.5 C, in lieu of the 2019 IRP Final Order requirement to model a "30% renewable power by 2030" plan, a "75% renewable power by 2040" plan, and a "100% renewable power by 2050" plan;
- Model the annual energy savings targets set forth in Code § 56-596.2 B 1 that APCo must achieve between 2022 and 2025 through the implementation of energy efficiency programs and measures;
- Model reasonable energy efficiency targets after 2025;

[1] Final Order at 2.

[2] *Id*. at 3-8.

[3] 2020 Va. Acts ch. 1193, 1194.

[4] 2020 Va. Acts ch. 1219, 1280.

[5] 2020 Va. Acts ch. 1212, 1257.

- Model the impacts of carbon regulations as required by the Regional Greenhouse Gas Initiative and incorporate the mandatory Code § 56-585.5 C RPS program requirements as part of the Company's least-cost plan;
- Update its forecasts of future commodity prices to reflect the passage of the VCEA;
- Address electric system reliability impacts of the VCEA's renewable energy resource mandates;
- Address the Company's plans related to banking renewable energy certificates; and
- Address environmental justice.[6]

On June 8, 2021, APCo filed a response to the Motion ("Response"). In its Response, APCo stated that it did not oppose the Motion and that the Company will be able to comply with the proposed requests.[7]

NOW THE COMMISSION, having considered Staff's Motion, hereby finds the Motion should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This docket is reopened for the limited purpose of considering Staff's Motion, and APCo's response thereto.

(2) The Motion is granted.

(3) This case is dismissed.

[6] Motion at 6. Staff requested that APCo continue to incorporate all past Commission directives in its May 1, 2022 IRP filing, excepting those from the 2019 IRP Final Order that Staff asked to be amended as a result of recent legislation. *Id*. at 6, n.14.

[7] Response at 1.

CASE NO. PUR-2019-00154
JUNE 14, 2021

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 MOTION

On September 30, 2019, Virginia Electric and Power Company ("Dominion" or "Company") filed a petition with the State Corporation Commission ("Commission") for approval of Phase IB of the Company's plan for electric distribution grid transformation projects pursuant to Code § 56-585.1 A 6 ("Petition"). Phase IB projects included, among other things, proposals to harden 11 mainfeeders and to mitigate two voltage islands.[1] On March 26, 2020, the Commission issued a Final Order on the Petition. In its Final Order, the Commission found Dominion's Phase IB mainfeeder hardening and voltage island mitigation proposals to be reasonable and prudent.[2] The Commission further found that Phase IB mainfeeder hardening should be approved as a pilot-type program, "targeting customers with the worst reliability records, to validate the projected reliability improvements resulting from this type of program."[3]

[1] *See* Final Order at 17, 20.

[2] *Id*. at 18, 20-21.

[3] *Id*. at 18.

On May 24, 2021, Dominion filed a motion for limited adjustment to two previously approved Phase IB grid transformation projects ("Motion"). In its Motion, Dominion states that since the issuance of the Final Order, the Company has encountered easement acquisition, land acquisition, and permitting issues related to one mainfeeder and one voltage island for which it has been unable to identify cost-effective and timely solutions.[4] The Company therefore requests to substitute comparable projects for these two originally approved projects.[5] Specifically, Dominion seeks to substitute Mainfeeder 26340 for Mainfeeder 42535 and the Chase City voltage island for the St. John's voltage island.[6] Dominion asserts these proposed substitutions would assist the Company in achieving its original goals of improved reliability for customers while staying within the Commission's previously approved cost caps.[7] Dominion seeks expedited treatment of its Motion.[8] The Company also states that it shared its Motion with Commission Staff ("Staff") and that Staff does not oppose the Motion.[9]

On May 25, 2021, the Commission issued an Order reopening this docket for the limited purpose of considering the Company's Motion and providing participants in this matter an opportunity to respond to the Motion.

On June 4, 2021, the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"), a respondent in this proceeding, filed a response to the Motion ("Response"). In its Response, Consumer Counsel states that it does not oppose the substitution of the Chase City voltage island for the St. John's voltage island, provided the Company stays within the Commission-approved cost cap for voltage island mitigation projects.[10] Consumer Counsel, however, does oppose the request to substitute Mainfeeder 26340 for Mainfeeder 42535.[11] Specifically, Consumer Counsel asserts that, "[b]ecause approval of the mainfeeder hardening program was as a 'pilot-type program,' information related to why the Company has been unable to complete the project for Mainfeeder 42535 will be relevant to the Commission's review of the pilot to validate the projected reliability improvements resulting from this type of program."[12]

On June 9, 2021, Dominion filed a reply to the Response ("Reply"). In its Reply, the Company continues to support the requests in its Motion, stating, "[t]he objective of the mainfeeder hardening pilot program is to evaluate the reliability benefits produced by mainfeeder hardening – not to only study the costs of the specific project."[13] Dominion argues that to provide the Commission sufficient data to fully evaluate the pilot program, the Company should be permitted to harden 11 mainfeeders.[14]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that Dominion's Motion should be granted.

First, based on the Company's assertions, we find the unopposed substitution of the Chase City voltage island for the St. John's voltage island is reasonable and will assist the Company in achieving improved reliability for customers within the overall cost cap previously established for the voltage island mitigation projects.

Next, with respect to Dominion's request to substitute Mainfeeder 26340 for Mainfeeder 42535, we find as follows. As noted above, the Commission approved Phase IB mainfeeder hardening "as a pilot-type program as proposed by the Company, targeting customers with the worst reliability records, to validate the projected reliability improvements resulting from this type of program."[15] We explained that "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."[16] In addition, the Commission stated that it "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."[17]

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[4] Motion at 3.

[5] *Id*.

[6] *Id*. at 3-7.

[7] *Id*. at 4, 6.

[8] *Id*. at 1.

[9] *Id*. at 7.

[10] Response at 2-3.

[11] *Id*. at 3-4.

[12] *Id*. at 3.

[13] Reply at 2.

[14] *Id*.

[15] Final Order at 18.

[16] *Id*.

[17] *Id*.

We find that the proposed mainfeeder substitution may assist in the determination of whether there are demonstrative improvements in reliability from hardening mainfeeders and in the collection of actual data to analyze the specific impacts of mainfeeder hardening, while also staying within the originally approved cost cap for this program. We therefore find, based on the specific facts and circumstances before us, that Dominion's request to substitute Mainfeeder 26340 for Mainfeeder 42535 is reasonable and should be approved.[18]

We concur with Consumer Counsel that "details of the easement problems associated with Mainfeeder 42535 should be included in the review of the pilot" and "costs thus far incurred associated with Mainfeeder 42535 should be identified and included in the review of the pilot."[19] We therefore direct Dominion to include this information in its future annual reporting on mainfeeder hardening, which Dominion did not oppose.[20]

In all other respects, the Commission's March 26, 2020 Final Order and April 27, 2020 Order on Reconsideration remain in full force and effect, including all previously approved cost caps.

Accordingly, IT IS ORDERED THAT:

(1) Dominion's Motion is granted as set forth herein.

(2) This case is dismissed.

[18] Granting the Motion in no way predetermines or guarantees additional future approvals associated with the Company's full ten-year mainfeeder hardening program.

[19] Response at 3.

[20] Reply at 2.

CASE NO. PUR-2019-00191
APRIL 5, 2021

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

ORDER ON MOTION

On May 22, 2020, the State Corporation Commission ("Commission") entered a Final Order in this case, authorizing Virginia Electric and Power Company ("Company") to construct and operate new transmission facilities ("Project") in Loudoun County, Virginia.[1] The Final Order required the Project to be constructed and in service by May 1, 2021, but provided that "[n]o 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."[2]

On February 1, 2021, the Company filed the Motion of Virginia Electric and Power Company for Extension of Construction and In-service Date ("Motion"), seeking an extension to the in-service date of the Project from May 1, 2021, to July 31, 2021.

On February 4, 2021, the Commission's Staff ("Staff") filed its Response and Motion to Remand ("Motion to Remand"). On February 19, 2021, the Company filed Virginia Electric and Power Company's Reply and Response in Support of its Motion for Extension of the Construction and In-Service Date.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company's Motion should be granted. The Commission further finds that the Staff's Motion to Remand should be denied.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Motion is granted, and the Staff's Motion to Remand is denied.

(2) Part A of the proposed Project, as approved in the Final Order, must be constructed and in service by July 31, 2021.

(3) This matter is dismissed.

[1] *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,* Case No. PUR-2019-00191, Doc. Con. Cen No. 200550051, Final Order (May 22, 2020). For a description of the Project, *see id.*

[2] *Id.* at 12.

CASE NO. PUR-2019-00218
APRIL 26, 2021

APPLICATION OF
TOLL ROAD INVESTORS PARTNERSHIP II, L.P.

For an increase in the maximum level of tolls

FINAL ORDER

On January 23, 2020, Toll Road Investors Partnership II, L.P. ("TRIP II" or "Company"), the operator of the Dulles Greenway, completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for an increase in the maximum level of tolls pursuant to the Virginia Highway Corporation Act of 1988, § 56-535 *et seq.* of the Code of Virginia ("Code").[1]

Code § 56-542 D provides that the Commission has the duty and authority to approve or revise toll rates charged by the Dulles Greenway. This Code section further provides that, upon application and after investigation, the Commission may order new tolls that (i) are reasonable to the user in relation to the benefit obtained; (ii) will not materially discourage use of the roadway by the public; and (iii) will provide the Company no more than a reasonable return as determined by the Commission.

TRIP II requests approval of "a toll schedule that provides for small increases in the maximum two-axle vehicle peak and off-peak tolls over a five year period."[2] Specifically, the Company requests approval of increases in the maximum two-axle toll as follows:[3]

	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
Maximum two-axle toll for all off-peak traffic	$5.00	$5.25	$5.55	$5.85	$6.15
Implied % increase	*5.3%*	*5.0%*	*5.7%*	*5.4%*	*5.1%*
Maximum two-axle toll for peak traffic (weekday traffic in peak time and direction)	$6.15	$6.55	$6.95	$7.40	$7.90
Implied year-on-year increase	*6.0%*	*6.5%*	*6.1%*	*6.5%*	*6.8%*

TRIP II also proposes that the maximum toll for three-axle vehicles be established at double the two-axle maximum and that the maximum toll for vehicles with four to five axles be equal to the maximum toll for three-axle vehicles plus an amount equal to 50% of the two-axle maximum toll for each additional axle above three axles.[4] The Company proposes that vehicles with more than five axles will pay the same toll as vehicles with five axles.[5] TRIP II asserts that "[t]he proposed tolls will allow TRIP II to continue to provide a safer, more efficient, and well-maintained alternative travel route for drivers."[6] The Company further states that the requested toll rate increases satisfy the criteria in Code § 56-542 D,[7] and that the proposed tolls

> will allow TRIP II to undertake major capital improvement projects to further improve the Greenway and adjoining public roads which will, among other things: (1) reduce congestion in the surrounding road network; (ii) improve the travel time and experience for TRIP II customers; and (iii) ensure TRIP II remains in compliance with the Comprehensive Agreement [between TRIP II and the Virginia Department of Transportation].[8]

On January 27, 2020, the Commission issued an Order for Notice and Hearing that, among other things, directed the Company to provide public notice of its Application; established a procedural schedule; directed the Staff of the Commission ("Staff") to investigate the Application and file testimony and exhibits containing Staff's findings and recommendations; permitted interested persons to file written or electronic comments on the Application[9] or to participate in this proceeding as a respondent; and appointed a hearing examiner to conduct all further proceedings on behalf of the Commission, including filing a report containing the Hearing Examiner's findings and recommendations.

By Ruling issued March 2, 2020, the Hearing Examiner scheduled local public witness hearings to convene in Leesburg, Virginia, and Ashburn, Virginia, on May 11-12, 2020.

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[1] Supporting testimony and other documents also were filed with the initial Application on December 20, 2019. The Company filed Supplemental Direct Testimony on January 23, 2020.

[2] Ex. 2 (Application) at 1-2.

[3] *Id.* at 2.

[4] *Id. See also* Exhibit 2 to the Application.

[5] *Id.* at 2, Exhibit 2.

[6] *Id.* at 2.

[7] *See id.* at 3-8.

[8] *Id.* at 2-3.

[9] The Commission received approximately 730 public comments. All but one opposed the proposed toll increases.

On March 16, 2020, the Board of Supervisors of Loudoun County (the "Loudoun Board") filed a notice of participation. On March 24, 2020, the Loudoun Board filed the "Motion of the Board of Supervisors of Loudoun County for an Extension of Time to File Direct Testimony and to Amend the Procedural Schedule" ("Motion"). In its Motion, the Loudoun Board requested an expedited ruling modifying the procedural schedule due to the public health emergency declared in response to the novel coronavirus ("COVID-19") pandemic.

On April 9, 2020, after filing of responses by TRIP II and Staff and the Loudoun Board's reply, the Hearing Examiner issued a Ruling granting in part and denying in part the Loudoun Board's Motion. Specifically, the Hearing Examiner's Ruling: (1) extended the dates for filing respondent, Staff and rebuttal testimonies; (2) rescheduled the evidentiary hearing; (3) cancelled the in-person local public witness hearings; and (4) extended the public comment period.

On May 29, 2020, the Hearing Examiner issued a Ruling scheduling a public witness hearing to receive public witness testimony telephonically. The public witness hearing was held on June 30, 2020. The Hearing Examiner received testimony from approximately 60 public witnesses, all in opposition to the Application.

Testimony was filed in the case by the Loudoun Board on June 26, 2020, and the Staff on July 10, 2020. On July 24, 2020, TRIP II filed rebuttal testimony.

On July 24, 2020, a Hearing Examiner's Ruling converted the evidentiary hearing from an in-person hearing to an electronic format, due to the ongoing public health emergency associated with COVID-19.

The hearing in this matter was convened via Skype for Business, with no party present in the Commission's physical courtroom, on August 13-14, 2020. TRIP II, the Loudoun Board and Staff participated in the hearing. On September 28, 2020, the parties and Staff filed post-hearing briefs.

The Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report"), was filed on October 13, 2020. In his Report, the Hearing Examiner summarized the record and made the following findings and recommendations:[10]

1. Under the "reasonable to the user in relation to the benefit obtained" standard of Code § 56-542 D, conclusions about the Greenway's quantifiable user benefits are significantly influenced by value inputs and traffic assumptions;

2. Based on the Hearing Examiner's recommended value inputs, and assuming 2019 traffic levels, the Greenway's quantifiable user benefits exceed the cost of the proposed tolls compared to the Greenway's primary alternative and a composite alternative;

3. Based on the Hearing Examiner's recommended value inputs, and assuming April 2020 or July 2020 traffic levels, the Greenway's user benefits exceed the cost of the proposed tolls compared to the Greenway's composite alternative, but not its primary alternative;

4. Given the range of value inputs and traffic levels in the record, TRIP II has demonstrated that the Greenway provides positive quantified net user benefits under a wide range of conditions;

5. To estimate the Greenway's user benefits, using (a) speculative projected benefit data is not required and (b) aggregate data is appropriate, if not necessary;

6. If the Commission finds that recent roadway projects designed to alleviate congestion warrant revisiting the concept of distance-based pricing, the Commission should direct TRIP II to confer further with [the Virginia Department of Transportation] to determine whether such pricing warrants further study and analysis;

7. As it has previously, the Commission can consider regression model analysis in its evaluation of the "not materially discourage" standard under Code § 56-542 D;

8. The COVID-19 pandemic made TRIP II's regression analysis in the instant case unreliable. Extrapolating the historic relationships produced by a regression model into the future depends on a future with no significant economic restructuring that substantially reduces traffic or travel patterns, as has occurred this year in Northern Virginia;

9. If the Commission prefers that future evaluations under the "not materially discourage" standard include travel demand model analysis, the Commission should direct TRIP II to conduct and file such analysis with its applications to facilitate regulatory review of such analysis;

10. TRIP II's proposed toll increases would provide no more than a reasonable return;

11. The [Reinvested Earnings Account ("REA")] balance grew significantly – from approximately $3.0 billion to approximately $7.5 billion - during the seven-year rate period of Code § 56-542 I that expired on December 31, 2019;

12. The REA balance is unlikely to ever be substantially recovered by equity investors;

13. While the REA has some limited ongoing value, supplemental financial measures should be used to assess the reasonableness of TRIP II's return;

14. If the Commission decides to adjust the Greenway's [Return on Equity ("ROE")] prospectively, Staff's recommended ROE range of 11-12% is supported by the record;

[10] Report at 97-99.

15. If the Commission agrees with the statutory findings above, the Commission should consider – absent any constitutional concerns - (a) denying the Application; or (b) deferring the effective date of the proposed toll increases until traffic on the Greenway returns to pre-COVID-19 levels;

16. The Takings Clauses under the U.S. Constitution and Virginia Constitution appear to protect TRIP II from confiscatory rates that do not allow TRIP II the opportunity to recover its costs;

17. If the Commission agrees that TRIP II's rates must provide it with the opportunity to recover its costs, the Commission should approve TRIP II's proposed off-peak toll increases for 2021, 2022, and 2023; and

18. While approval of TRIP II's proposed off-peak, but not peak, toll increases would lower the Greenway's congestion premium, level of service analysis and recent Greenway improvements indicate the Greenway has available peak capacity.

The Hearing Examiner recommended that the Commission adopt the findings in the Report, approve TRIP II's proposed off-peak toll increases for 2021, 2022, and 2023, and otherwise deny the Application.[11]

On November 4, 2020, TRIP II, the Loudoun Board and Staff filed comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

The Commission has fully considered the record in this proceeding, including the Hearing Examiner's detailed and thorough analysis of the evidence and the issues presented herein.[12] The instant proceeding is governed by Code § 56-542 D, which provides in part as follows:

> …the Commission, upon application, complaint or its own initiative, and after investigation, *may* order substituted for any toll being charged by the operator, a toll which is set at a level [1] which is reasonable to the user in relation to the benefit obtained and [2] which will not materially discourage use of the roadway by the public and [3] which will provide the operator no more than a reasonable return as determined by the Commission. (Emphasis and numbers added.)

The Commission finds that there is evidence in this record to support the conclusion that the three criteria quoted above have been met for approval of certain peak and off-peak toll increases.[13]

This finding, however, is not the end of the Commission's discretion in this matter. Code § 56-542 D does not mandate that the Commission increase toll rates if the three criteria are met. As expressly held by the Supreme Court of Virginia:

> Subsection (D) does not set forth any circumstances under which the Commission is required to order the "substitut[ion]" of new toll rates. Code § 56-542(D). Rather, subsection (D) provides that the Commission "*may*" do so "after investigation" – limited solely by the condition that any new toll rates that "*may*" be set are to comply with the provision's three criteria….[14]

In exercising our "may" discretion under Code § 56-542 D, the Commission finds that *peak* tolls should not be increased at this time due to the changes and uncertainty brought about by the COVID-19 pandemic, as extensively addressed in the instant record.[15]

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[11] *Id*. at 99.

[12] The Commission has 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).

[13] *See, e.g.*, Report at 69-75, 78-79, 83-86, 88, 90. This finding includes vehicles with 3+ axles. *See, e.g.*, Report at 75 (discussing the weighted-average benefits for all categories of users and additional benefits to vehicles with 3+ axles not captured numerically by the benefit-cost model).

[14] *Board of Supervisors*, 292 Va. at 454 (emphasis in original).

[15] *See, e.g.*, Report at 31-32, 37, 47, 51; Ex. 55 (Carsley) at 25, 27; Ex. 61c (Armstrong Confidential), Appendix B at 1-9; Staff's Post-Hearing Brief at 6-9.

We further find, however, that there are offsetting considerations to support the exercise of the Commission's "may" discretion in a different manner for approval of *off-peak* toll increases. There is evidence in this record showing that it is reasonable to reduce the differential between peak and off-peak tolls.[16] In addition, the Supreme Court of Virginia has affirmed the Commission's authority to consider the Company's cost recovery in exercising our discretion under this statute;[17] in consideration thereof, we agree with Staff's expert accounting witness that increasing off-peak tolls in this manner would permit TRIP II to recover operating costs and debt obligations.[18] Finally, the Commission has not disregarded COVID-related changes and uncertainty in exercising our discretion herein for off-peak tolls and, indeed, has found that such consideration supports limiting approval of off-peak increases resulting from this proceeding to the proposed increases for 2021 and 2022 only.[19]

In conclusion, we have determined that the findings herein are within the Commission's statutory discretion, have a rational basis, and are supported by the record.[20]

Accordingly, IT IS ORDERED THAT:

(1) The Company's proposed increase to the maximum off-peak tolls for the year 2021 is approved effective with the date of this Final Order.

(2) The Company's proposed increase to the maximum off-peak tolls in 2022 is effective January 1, 2022.

(3) The Company's Application is otherwise denied.

(4) TRIP II shall file forthwith a revised tariff consistent with the findings in this Final Order.

(5) This matter is dismissed.

[16] *See, e.g.*, Report at 97; Ex. 55 (Carsley) at 20-23; Tr. 519-526; Ex. 56 (Dulles Greenway Service Level Designations); Ex. 57 (Average Weekday Traffic by Time of Day).

[17] *See, e.g., Board of Supervisors*, 292 Va. at 459 (discussing the Commission's consideration of whether proposed tolls would permit recovery of operating costs and debt service obligations).

[18] *See, e.g.*, Ex. 63c (Dulles Greenway Projected Coverage Ratios Under Two Toll Scenarios); Tr. 570-71.

[19] *See, e.g.*, Ex. 60 (Armstrong) at 10 ("[T]he same financial impetus behind the proposed increases through 2022 does not necessarily exist for the increases proposed beyond then. Subsequent toll levels could be better evaluated at a more contemporaneous time to when new tolls would become effective and the effects of COVID-19 are abated or are better understood.").

[20] We also agree with the Hearing Examiner that it is reasonable to consider supplemental financial measures to assess the reasonableness of TRIP II's return. *See, e.g.*, Report at 93. The parties may propose financial measures as alternatives to the REA in future proceedings involving a requested toll increase. In addition, although the Commission, like the Hearing Examiner, is not directing the Company to make an annual filing of a regulatory income statement, as Staff requested, the participants are free to request such in the next proceeding. Finally, to the extent that additional requests are not discussed herein, the Commission hereby exercises its discretion not to address such for purposes of this Final Order.

CASE NO. PUR-2019-00225
SEPTEMBER 10, 2021

APPLICATION OF
REFLECTIVE ENERGY SOLUTIONS LLC

To amend competitive service provider license to conduct business as a natural gas aggregator

ORDER AMENDING LICENSE

On March 17, 2020, the State Corporation Commission ("Commission") granted Reflective Energy Solutions LLC ("Reflective" or "Company") a license, License No. A-89, to act as an aggregator for electricity service to eligible commercial, industrial, governmental, and residential customers throughout Virginia.

On July 8, 2021, Reflective filed an application ("Application") with the Commission seeking authority to provide natural gas aggregation services to eligible commercial, industrial, governmental, and residential customers in all eligible service territories throughout Virginia.[1] 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").[2]

[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.

[2] 20 VAC 5-312-10 *et seq*.

On July 28, 2021, 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 August 5, 2021, to each of the companies listed on Attachment A of the Procedural Order, and to file proof of service on or before August 12, 2021. On August 4, 2021, Reflective 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 19, 2021. No comments were filed on the Application.

The Procedural Order directed Commission Staff ("Staff") to investigate the Application and present its findings in a report ("Report"). Staff filed its Report on August 24, 2021. In the Report, Staff provided an overview of the Company and evaluated Reflective's financial condition and technical fitness.[3] Based on its review of the Application, Staff recommended that Reflective be granted a license to provide natural gas aggregation services to eligible commercial, industrial, governmental, and residential customers in all eligible service territories throughout Virginia.[4]

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Reflective's Application for a license to provide natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) License No. A-89 is cancelled and shall be reissued as License No. A-89A authorizing Reflective to provide competitive aggregation service of electricity and natural gas to eligible commercial, industrial, governmental, and residential customers in all eligible service territories 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.

[3] *See* Report at 4-5.

[4] *Id*. at 5.

CASE NO. PUR-2020-00001
DECEMBER 17, 2021

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For Approval of an Electric Vehicle Smart Charging Pilot Program

FINAL ORDER

On April 12, 2021, Rappahannock Electric Cooperative ("REC" or "Cooperative"), pursuant to Rule 40 of the State Corporation Commission's ("Commission") Rules Governing Cost/Benefit Measures Required for Demand-Side Management Programs,[1] filed an amended application ("Amended Application") for approval of an electric vehicle smart charging pilot program ("EV Pilot").[2] REC seeks approval of its EV Pilot "to encourage off-peak electric vehicle charging," which REC anticipates would help the Cooperative, among other things, to manage its related capacity costs, load factor, and the upward pressure on residential rates that could occur when charging is done during on-peak hours.[3]

The Cooperative specifically requests a voluntary experimental two-year EV Pilot that would provide a fixed monthly bill credit of $7.00 for the charging of electric vehicles during off-peak hours.[4] The EV Pilot initially would be limited in scope to 200 residential customers the first year and up to 400 residential customers the second year.[5] REC states that it plans to introduce the EV Pilot to customers through REC's website, social media outlets, *Cooperative Living Magazine*, and other promotional methods.[6] As proposed by REC, to be eligible to participate in the EV Pilot, customers must: (i) be served on one of the Cooperative's residential rate schedules other than Schedule R-TOU; (ii) own or lease an all-electric plug-in or plug-in hybrid vehicle; and (iii) be enrolled as a MyRECSmartHub user via smartphone or computer.[7] Per the Cooperative, participation in the EV Pilot would be voluntary, and there would be no fees to enroll or participate in the EV Pilot.[8] Participants could elect to withdraw from the EV Pilot at any time without penalty.[9]

[1] 20 VAC 5-304-10 *et seq*.

[2] The Amended Application replaces the application filed by REC on January 2, 2020. Amended Application at 1.

[3] *Id*. at 2.

[4] *Id*. at 5-6.

[5] *Id*. at 2.

[6] *Id*. at 3.

[7] *Id*. at 12.

[8] *Id*.

[9] *Id*.

Through its proposed EV Pilot, REC states that it seeks to avoid what it perceives as two drawbacks to introducing a rate for a yet-to-exist load using separate metering and a new rate: (i) the additional cost incurred by the utility and participating customers for the separate metering; and (ii) the risk that the presumed load profile is incorrect and thus the new rate is insufficient to recover costs, or is overly burdensome or punitive.[10] REC states that the EV Pilot avoids these drawbacks by providing a fixed monthly bill credit for off-peak electric vehicle charging.[11] REC further states that the EV Pilot should allow all electric vehicle owners to participate in the EV Pilot regardless of the make or model of the electric vehicle or the type of charger used.[12]

REC represents in its Amended Application that the EV Pilot would not harm non-participating customers because: (i) the avoidance of increased capacity-related costs resulting from charging during the EV Pilot's designated Smart Hours would offset the cost of bill credits REC plans to pay participants; and (ii) each participant would pay the full distribution rate, Electricity Supply Service rate, and all applicable riders for all electricity consumed at their residence.[13] The Cooperative states that its proposed bill credit amount will effectively remove demand-related wholesale costs from the amount billed for electric charging while still fully recovering the energy-based wholesale power costs.[14] However, REC further represents that it plans to analyze wholesale power costs annually to determine if the bill credit amount for the EV Pilot is appropriate.[15]

The Cooperative believes the EV Pilot will provide an opportunity for REC to monitor both the volume of energy consumed by electric vehicle chargers and the time it was consumed, and to integrate that consumption data into the design of future rate offerings.[16] In addition, REC believes the EV Pilot will assist the Cooperative in: (i) developing and testing an innovative program that further utilizes the Cooperative's existing Customer Information System, Advanced Metering Infrastructure, and Meter Data Management systems; (ii) determining the effect of residential charging on REC's distribution system; and (iii) encouraging beneficial electrification.[17]

REC asserts that once it has implemented the EV Pilot, the Cooperative may need to adjust certain EV Pilot features.[18] REC proposes that the Commission allow the Cooperative to submit to Staff, for administrative review and approval, necessary adjustments to features such as hours designated as Smart Hours, the amount of the bill credit, the term of the EV Pilot, adjustments to specific tariff terms and conditions, as well as other adjustments that may be necessary for the EV Pilot.[19]

REC also proposes to provide Staff with a report at the end of 12 months of operation of the EV Pilot, to include certain metrics of the EV Pilot for each month of the reporting period.[20]

On April 27, 2021, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed REC to provide notice to the public of its Amended Application; provided interested persons an opportunity to comment and request a hearing on the Cooperative's Amended Application; and directed Staff to conduct an investigation of the Amended Application and file a report ("Staff Report"). On July 30, 2021, the Cooperative filed proof of notice and proof of service in accordance with the Scheduling Order. The Board of Supervisors of Culpeper County, Virginia filed a Notice of Participation. No comments or requests for hearing on the Cooperative's Amended Application were filed.

On September 13, 2021, Staff filed its Staff Report summarizing the results of its investigation of the Amended Application. In its Staff Report, Staff recommended that the Commission approve the EV Pilot with certain revisions and additional information, including:[21]

- That REC begin to educate customers on the impact increased EV charging during on-peak hours may have on capacity costs and the potential impact on electric rates.
- That the Cooperative train customer service representatives on the benefits of off-peak EV charging and the EV Pilot by using existing training procedures including in-person meetings, presentations, and job aids;

[10] *Id.* at 5-6.

[11] *Id.* at 6.

[12] *Id.*

[13] *Id.* at 11.

[14] *Id.* The Cooperative states that "[t]he intent is for the bill credits to be recovered through avoided or reduced wholesale power costs. To the extent they are not, the costs of the bill credits will be recovered through annual adjustments in the PCA [Power Cost Adjustment] factor." Direct Testimony of Thomas P. Handley at 10.

[15] Amended Application at 7. REC indicates that it will submit any necessary changes to the Commission Staff ("Staff") for administrative review and approval. *Id.*

[16] *Id.* at 12.

[17] *Id.* at 12-13.

[18] *Id.* at 15.

[19] *Id.*

[20] *Id.* at 13.

[21] Staff Report at 15.

- That REC perform and include, in its proposed annual report, an analysis of load profiles for participating customers who have purchased an EV and have load data for the year prior to participation in the EV Pilot. Individual participant load profile data pre- and post-participation in the Pilot may then be analyzed and compared. Additionally, Staff recommended REC determine the amount of participant EV charging that occurred during Smart Hours for the year prior to participation in the EV Pilot; and

- That the Cooperative continue to investigate cost-effective methods of using metrology, such as meter disaggregation or collection of consumption data directly from EVs, to more accurately measure EV charging load and energy consumption in the future.

Staff did not support REC's proposal to recover costs of bill credits through an adjustment of the Cooperative's Power Cost Adjustment Factor.[22]

On October 4, 2021, the Cooperative filed its Response to the Staff Report ("Response"). Therein, REC stated that it is in agreement with Staff regarding most aspects of the EV Pilot.[23] The Cooperative agreed with Staff's recommendation to educate customers by publicizing the benefits of the EV Pilot, including the reduction of the Cooperative's wholesale power costs, on its website, through social media, and in *Cooperative Living* magazine.[24] Further, REC agreed to educate its member service representatives about the benefits of electric vehicle ownership, off-peak charging, and the EV Pilot, and to conduct Staff's recommended load profile analysis in addition to its participant survey.[25] The Cooperative noted that, should the amount of participating customers' bill credits exceed the Cooperative's net savings in power costs, REC will absorb the difference as a distribution expense for this EV Pilot.[26] Additionally, REC stated that, although data collection methods using metrology are too expensive to be cost effective at this time, the Cooperative will continue investigating these and other methods of data collection.[27] The Cooperative also agreed to track any incremental labor expense to the implementation or administration of the EV Pilot with a distinct code.[28] Finally, REC requested that the Commission approve its proposal to submit any adjustments to the components of the EV Pilot to Staff for administrative review and approval.[29]

On October 27, 2021, Staff and REC filed a Joint Motion to Approve Stipulation ("Joint Motion") with an attached Stipulation.[30] The Stipulation purports to resolve all issues between REC and Staff for purposes of this case.[31] According to the Stipulation, REC and Staff agree as follows:[32]

1. Staff recommends approval of the Cooperative's EV Pilot Program subject to the findings and recommendations in its Staff Report as clarified in the Stipulation.

2. The Cooperative agrees to withdraw its request for Staff's administrative approval of certain design changes to its EV Pilot Program.

3. The Cooperative agrees to track all credits and administrative costs directly related to the administration and execution of the EV Pilot Program, including internal labor.

4. The Cooperative agrees to educate its members on the impact of electric vehicle charging during on-peak hours and during off-peak hours, including the effect on the Cooperative's wholesale power costs and members' bills.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the Joint Motion and the Stipulation are approved. The Commission hereby adopts the recommendations made by Staff in its Staff Report as modified and added to by the agreements contained in the Stipulation. Based on the foregoing, REC's EV Pilot is approved as modified herein.

Accordingly, IT IS ORDERED THAT:

(1) The Cooperative's Amended Application, as modified herein, is approved.

(2) REC is authorized to begin offering the EV Pilot to member-consumers as of March 1, 2022, up to and through February 29, 2024.

(3) Within thirty (30) days of the date of this Order, REC shall file with the Clerk of the Commission tariffs that conform to this Order. REC shall provide copies of such tariffs to the Commission's Division of Public Utility Regulation ("PUR").

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[22] *Id*.

[23] Response at 9.

[24] *Id*.

[25] *Id*.

[26] *Id*.

[27] *Id*.

[28] *Id*. at 9-10.

[29] *Id*. at 10.

[30] *Rappahannock Electric Cooperative, For Approval of a Smart Charging Electric Vehicle Pilot Program*, Case No. PUR-2020-00001, Doc. Con. Cen. No. 211040210, Joint Motion to Approve Stipulation and Stipulation (Oct. 27, 2021).

[31] Stipulation at 1.

[32] *Id*.

(4) REC shall file an annual report on the EV Pilot as described in the Staff Report. Such annual report shall be filed with the Clerk of Commission, with a copy to the Division of PUR, no later than June 1 of each year that follows a full year of EV Pilot implementation, or when the Company files for any amendment(s) to its EV Pilot, whichever occurs first. REC's annual report shall include, but not be limited to, all reporting items agreed to by REC and Staff, as listed in the Amended Application,[33] the Staff Report,[34] REC's Comments[35] and the Stipulation.[36]

(5) The EV Pilot is approved for a period of two (2) years, after which it shall cease, unless extended by written order of this Commission. REC shall make any filing requesting extension and/or any other modifications to the EV Pilot no less than eight (8) months prior to the EV Pilot's February 29, 2024 cessation date.

(6) This matter is continued.

[33] Amended Application at 13-14.

[34] Staff Report at 12-15.

[35] REC's Comments at 7.

[36] Stipulation at 1.

CASE NO. PUR-2020-00015
MARCH 26, 2021

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 ON RECONSIDERATION

On November 24, 2020, the State Corporation Commission ("Commission") issued a Final Order in this docket.

On November 25, 2020, Appalachian Power Company ("Appalachian," "Company," or "APCo") filed a Notice of Appeal to the Supreme Court of Virginia.

On December 14, 2020, Appalachian filed a Petition for Reconsideration ("Company's Petition"), and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a Petition for Reconsideration, Clarification, and Rehearing ("Consumer Counsel's Petition") (collectively, "Petitions for Reconsideration").

The Company's Petition states as follows:

> (1) Appalachian requests that the Commission clarify whether, in its Final Order, the Commission made a finding on whether the Company's current base rates will allow it to earn a fair rate of return going forward, and if the Commission made such a finding, Appalachian requests that the Commission articulate the basis for that finding.
>
> (2) If the Commission did not make such a finding, Appalachian requests that the Commission address that issue now given the clear evidence in the record that the rates allowed by the Final Order will not allow Appalachian to earn a fair rate of return.
>
> (3) Appalachian further requests that the Commission clarify whether the Commission found that, as a result of its findings related to the earnings test, the Commission is without authority to permit an increase in the Company's going-forward rates. If the Commission so found, the Company requests that the Commission reconsider this decision or find that the statute violates state and federal constitutional protections.
>
> (4) Appalachian requests that the Commission reconsider its decision to deny proposed tariff changes that appropriately align rates with underlying costs.[1]

Consumer Counsel's Petition states as follows:

> Consumer Counsel requests reconsideration and clarification of several findings related to the Final Order's approval of a new regulatory asset for costs associated with the retirement of generating units in year 2015. First, Consumer Counsel requests reconsideration of the Commission's decision to approve a new regulatory asset without first subjecting the deferred amount to an earnings test. Second, if the Commission declines to apply an earnings test, Consumer Counsel requests clarification on whether the Commission is abandoning its longstanding practice of subjecting costs proposed for regulatory asset treatment to an earnings test before approving deferred cost recovery. If the Commission is not abandoning this longstanding practice, Consumer Counsel requests that the Commission clarify its rationale for not applying the threshold earnings test to the original amortization balance before rewarding the Company with the extraordinary relief of regulatory asset treatment.

[1] Company's Petition at 11.

Consumer Counsel requests that the Commission reconsider its decision to use the 2011 Benchmark Study to measure the replacement value of capacity for purposes of ratemaking for rate years 2017, 2018, and 2019. In the event that the Commission maintains that the 2011 Benchmark Study is an appropriate measure for replacement costs of purchased power, Consumer Counsel requests that the Commission clarify the rationale for its inconsistent treatment of the replacement cost of purchased power for the rate years at issue. Consumer Counsel further requests that the Commission confirm that APCo, and not Consumer Counsel, had the burden for proving that the Company's affiliate costs were at the lower of cost as compared to market prices.

Consumer Counsel requests that the Commission clarify whether it has changed its standard for determining the reasonableness of investment in Advanced Meter Infrastructure ("AMI").[2]

On December 15, 2020, Consumer Counsel filed a Notice of Appeal to the Supreme Court of Virginia.

On December 15, 2020, the Commission issued an Order Granting Reconsideration, which suspended the Final Order and granted reconsideration for the purpose of continuing the Commission's jurisdiction over this matter and considering the Petitions for Reconsideration.

On January 4, 2021, the Commission issued an Order for Pleadings, which permitted the participants to file briefs on the Petitions for Reconsideration.

On January 29, 2021, the following filed briefs as permitted: Appalachian; Consumer Counsel; Virginia Poverty Law Center ("VPLC"); Old Dominion Committee for Fair Utility Rates ("Committee"); Sierra Club; and the Commission's Staff ("Staff").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Earned Return

The Final Order explains how the Commission applied the plain language of Code § 56-585.1 in this triennial review after determining Appalachian's reasonable earned return.[3] The General Assembly has established highly prescriptive directives that the Commission "shall" follow in this specific proceeding dependent upon the Company's earned return over the triennial period.[4] Based thereon, the Commission did not perform a going-forward rate review and, contrary to Appalachian's characterization, did not "set" or otherwise establish going-forward rates.[5] Having not performed a going-forward review, the Commission likewise did not determine whether the evidence supported a rate *increase* (as requested by Appalachian) or a rate *decrease* (as requested by Consumer Counsel).[6]

[2] Consumer Counsel's Petition at 1-2.

[3] *See, e.g.*, Final Order at 2-5, 24-26.

[4] *See, e.g., id.*; Code § 56-585.1 A 8.

[5] *See, e.g.*, Appalachian's Jan. 29, 2021 Brief at 1. In addition, Staff explains that, also contrary to the Company's characterization, Staff did not ask the Commission "to implement rates for Appalachian that Staff knows will create a revenue deficiency." Staff's Jan. 29, 2021 Response at 3 (quoting Appalachian's Post-hearing Brief at 2-3).

[6] As directed by statute, the Commission also determined in this triennial review the Company's fair return on equity ("ROE") to be used for rate adjustment clauses approved under Code §§ 56-585.1 A 5 and A 6 and for Appalachian's next triennial review. *See* Final Order at 27-33; Code §§ 56-585.1 A 2 and A 8 a. The Commission found that a fair ROE for this purpose was any point within the range of 8.3% to 9.3% and chose 9.2% for this purpose. *See* Final Order at 28; Consumer Counsel's Jan. 29, 2021 Brief at 18.

The Company, however, claims that both the statute and the Supreme Court of Virginia require the Commission to undertake a going-forward rate case – as part of every historical earnings review – regardless of the utility's earned return during the historical period.[7] The Commission finds no such directive in the statutory plain language.[8] The Commission similarly finds no such directive from the Supreme Court of Virginia; there is no Supreme Court precedent holding that the Commission must undertake a going-forward rate case in every earnings review regardless of the statute's instructions related to the utility's earned return during the historical period.[9] Indeed, subsequent to the 2012 Supreme Court decision cited by the Company, in Appalachian's 2014 earnings review, the Company's own cost-of-service study indicated that a going-forward rate case could result in a rate decrease; however, the same "mechanics of the ratemaking law" that are applicable to the instant proceeding prohibited the Commission from having a going-forward rate case in 2014.[10]

Next, because Code § 56-585.1 does not require a going-forward rate case in every historical earnings review, the Company also asks the Commission to find that the statute violates state and federal constitutional protections. Appalachian asserts that "[t]his issue has arisen when, as here, a state statute fixes a utility's rates for a period of years," and that "[i]n such cases, courts have held that the state must *provide a procedure* by which the utility may challenge the rates as confiscatory, and by which the regulatory commission may address such a challenge and grant appropriate relief."[11] The General Assembly, however, has provided such procedures for the utility. Specifically, Code § 56-585.1 B states as follows:

> Nothing in this section shall preclude an investor-owned incumbent electric utility from applying for an increase in rates pursuant to § 56-245 or the Commission's rules governing utility rate increase applications; however, in any such filing, a fair rate of return on common equity shall be determined pursuant to subdivision A 2. Nothing in this section shall preclude such utility's recovery of fuel and purchased power costs as provided in § 56-249.6.

As explained by Staff and the Committee, this provision allows the Company to apply for (1) emergency rate relief under Code § 56-245, and (2) a rate increase under Chapter 10 of Title 56 of the Code pursuant to the Commission's rate case rules.[12]

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[7] *See, e.g.*, Appalachian's Jan. 29, 2021 Brief at 5. The Company also argues that the Final Order violates "the Commission's broader responsibilities [under the Virginia constitution and other parts of the Code] as Virginia's public utilities regulator." *Id*. at 5-6. As the Supreme Court of Virginia has explained, however, the General Assembly can modify the Commission's specific responsibilities by statute, which it has necessarily done in this instance prescribing express directives as to the existence, timing, and requirements of the instant historical triennial earnings review. *See, e.g., Old Dominion Comm. for Fair Util. Rates v. State Corp. Comm'n*, 294 Va. 168, 178-81 (2017).

[8] Moreover, Code § 56-585.1 A 8 directs the Commission to have a going-forward rate case if the historical earned return is below, or above, the authorized return by "more than 70 basis points." Code § 56-585.1 A 2 g also allows the utility to request an increase in rates if the historical earned return is less than the authorized return by *any* amount. Thus, Code §§ 56-585.1 A 8 and A 2 g would appear to be meaningless if the General Assembly already required the Commission to implement a going-forward rate case in *every* triennial review regardless of the historical earnings outcome.

[9] The 2012 Supreme Court decision cited by the Company involved a biennial earnings review required at that time under the Code. *Virginia Elec. & Power Co. v. State Corp. Comm'n*, 284 Va. 726, 744 (2012) (holding that the "Commission's construction of Code § 56-585.1 was based upon the proper application of legal principles, and … that the Commission did not abuse the discretion afforded to it under that statute"). That decision did not involve the instant question, and the Court did not hold that the Commission must implement a going-forward rate case in every earnings review regardless of the utility's historical earned return.

[10] VPLC's Jan. 29, 2021 Brief at 7. *See also* VPLC's Post-hearing Brief at 12; Ex. 70 (Smith) at 21.

[11] Company's Petition at 8 (emphasis added) (citations omitted).

[12] *See, e.g.*, Staff's Jan. 29, 2021 Response at 11-13; Committee's Jan. 29, 2021 Brief at 4-5.

Finally in this regard, although the Commission has discussed the Company's arguments on these issues, those arguments appear barred under approbate-reprobate principles. That is, the Company has taken successive positions that are either inconsistent with each other or mutually contradictory.[13] Contrary to Appalachian's current assertion that the Commission *must* undertake a going-forward rate case in this triennial review, the Company previously argued at multiple points during the instant proceeding that the Commission necessarily "cannot" increase going-forward rates if Appalachian earned more than its authorized return.[14] As referenced above, in its 2014 earnings review under the same statutory framework that is applicable herein, the Company also did *not* take the position that a going-forward rate case was required in every earnings review.[15] In addition, contrary to its current constitutional position, Appalachian previously argued to this Commission (and to the Supreme Court of Virginia) that the General Assembly's decision to prohibit going-forward rate cases for a period of years, while still permitting rate increases through emergency rate relief under Code § 56-245, is a policy decision within the General Assembly's constitutional authority.[16]

Retired Units

Background

Both Consumer Counsel and Appalachian object to the Commission's findings related to the Company's retirement of certain coal-fired generating units in 2015 ("Retired Units").[17] Each of these parties stresses how the Commission's findings significantly affect the ultimate statutory outcome of the earnings review and the concomitant impact on potential refunds and rates. The Company stresses how certain Commission findings on this matter prevent a rate increase in the instant triennial review, while Consumer Counsel stresses how other findings related thereto may prevent refunds and rate decreases.[18] The Commission is acutely cognizant, as it has been since the first statutorily required earnings review a decade ago, of how the results of an earnings review may impact both the utility and its customers.[19] The Commission's obligation is to exercise its delegated discretion in a rational, non-arbitrary manner when making each distinct finding on the myriad of issues raised for purposes of determining the utility's reasonable earned return during the historical period.[20]

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[13] *See, e.g., Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 455 n.11 (2016) ("Under approbate-reprobate principles, as we recently explained, a litigant may not take successive positions in the course of litigation that are either inconsistent with each other or mutually contradictory. … Accordingly, will we not consider the merits of Appellants' argument on this issue." (citations and internal quotation marks omitted)); *Eilber v. Floor Care Specialists*, 294 Va. 438, 442 (2017) ("a party is prohibited from assuming successive positions in an action or series of actions, regarding the same fact or state of facts, which are inconsistent with each other or are mutually contradictory" (citations and internal quotation marks omitted)).

[14] *See, e.g.,* Appalachian's Post-hearing Brief at 8 (If Appalachian's earned return is "just above the Company's authorized return, … it *prevents* the Commission from awarding a rate increase." (emphasis added)); *Id*. at 20-21 (If Appalachian's earned return is "in the upper portion of the earnings band established by Section 56-585.1, from 9.42% to 10.12%, … by statute, the Commission *cannot* grant the Company an increase in rates." (emphasis added) (footnotes omitted)); Ex. 133 (Castle Rebuttal) at 3 ("If the Commission accepts Staff's recommendation [and finds that Appalachian earned above its authorized return], the Commission *cannot* increase rates in this proceeding." (emphasis added)); Ex. 1 (Application) at 6 ("If the Company's earnings during the three years under review fall within that [140 basis point] band, the Code *does not permit* the Company to request, or the Commission to grant, an adjustment to the Company's base rates." (emphasis added)). *See also* VPLC's Jan. 29, 2021 Brief at 5-6.

[15] *See, e.g.,* VPLC's Jan. 29, 2021 Brief at 7-8.

[16] *See, e.g.,* Staff's Jan. 29, 2021 Response at 13-15 (quoting the Company's arguments supporting the constitutionality of the General Assembly's policy decision to implement a four-year rate freeze with exceptions for emergency rate relief and rate adjustment clauses).

[17] Final Order at 5-15.

[18] *See, e.g.,* Appalachian's Jan. 29, 2021 Brief at 2-4; Consumer Counsel's Petition at 10.

[19] *See, e.g., 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, 457-58, Final Order (Nov. 30, 2011) ("*VEPCO 2011 Biennial Review*") (explaining (1) how the result of this "first-of-its-kind proceeding" would impact rate changes and refunds, and (2) that to reach such result, the Commission must "address specific contested proposals submitted separately by the Company and others for purposes of determining the earned return under § 56-585.1 A 8 of the Code").

[20] As evidenced by the five prior earnings reviews under Code § 56-585.1, this exercise of discretion has resulted in various statutory outcomes, including refunds, no refunds, rate changes, and no rate changes. *See 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, Final Order (Nov. 30, 2011) (no refunds and a rate increase); *VEPCO 2011 Biennial Review* (refunds and no rate change); *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*, Case No. PUE-2013-00020, 2013 S.C.C. Ann. Rept. 371, Final Order (Nov. 26, 2013) (no refunds and no rate change); *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, Final Order (Nov. 26, 2014) ("*APCo 2014 Biennial Review*") (refunds and no rate change); and *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, Final Order (Nov. 23, 2015) (refunds and no rate change).

As with the other issues raised in this proceeding, the Commission has thoroughly considered the law and facts attendant to the participants' positions on the Retired Units. On reconsideration, the Commission continues to conclude that the findings in the Final Order represent a reasonable and rational exercise of our delegated discretion under the statute. In short, the Commission chose among competing amortization proposals for the Retired Units. As illustrated by the variety of prior Commission decisions cited in the record related to this issue, this is the type of decision for which the Commission has always been required to exercise its discretion. Those prior decisions were necessarily guided by their own particular set of circumstances. The instant case is no different in that regard.

Based on the particular circumstances in this matter, the Commission exercised its discretion and approved the specific amortization recommended by Staff's expert accounting witness: (1) 10 years; (2) beginning the year the units were retired; and (3) for the full remaining net book value.[21] The Commission provides additional discussion herein in response to certain allegations contained in the pleadings on reconsideration associated with this issue.[22]

Asset Impairment

In 2011, the Company decided to retire specific generating units in 2015.[23] In 2015, Appalachian retired the units as planned, which had a remaining net book value of $88.3 million (Virginia jurisdictional).[24] Upon retirement, the Company ceased booking any depreciation expense for these units.[25] At that time, Appalachian could have recorded a one-time $88.3 million expense if it determined that the units were impaired; the Company, however, did not conclude that the units were impaired when retired.[26] Having concluded that the units were not impaired, Appalachian could have replaced the depreciation expense with a regulatory asset amortization expense until the next rate case or earnings review; the Company, however, chose to cease booking *any* expense for the units.[27]

The Company continued to conclude that the Retired Units were not impaired, and continued not to book any expense for these units, until December 2019.[28] In December 2019, Appalachian concluded that the units were impaired because, according to the Company, the remaining net book value became "no longer probable of future recovery."[29] At that point, Appalachian expensed the entire $88.3 million on its books for financial reporting purposes.[30] In the Final Order, however, the Commission found 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."[31]

An asset impairment involves two distinct, sequential steps. First, there is a triggering event: "Under generally accepted accounting principles, an asset is considered impaired if changes in circumstances indicate the current net book value of the asset is overstated relative to its fair value. That change in circumstance is called a *triggering event*."[32] Second, after the triggering event, the utility records an expense (*i.e.*, incurs a cost charged to earnings) for the difference between the net book value and the fair value.[33]

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[21] *See, e.g.*, Ex. 100 (Welsh) at 24-29. Staff also recommended, and the Commission approved, that the Company be permitted to earn a return on the remaining net book value. *See, e.g., id.* at 25; Tr. 938-39 (Welsh).

[22] *See, e.g., Wal-Mart Stores East, LP v. State Corp. Comm'n*, 299 Va. 57, 844 S.E.2d 676, 686 (2020) ("A motion to reconsider ordinarily asks a court to reconsider a holding because, in the opinion of the movant, the holding was erroneous. *See* Black's Law Dictionary 1218 (11th ed. 2019).").

[23] *See, e.g.*, Ex. 100 (Welsh) at 13, Appendix B at 82.

[24] *See, e.g.*, Ex. 100 (Welsh) at 15-17, Appendix B at 82; Ex. 132 (Allen Rebuttal) at 3; Tr. 934-35, 974 (Welsh); Ex. 104 (Retired Units Net Book Value Over Time).

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

[26] *See, e.g.*, Ex. 100 (Welsh) at 20, Appendix B at 36, 82.

[27] *See, e.g.*, Tr. 1241 (Castle); Tr. 1218-19 (Allen); Ex. 132 (Allen Rebuttal) at 3-4.

[28] *See, e.g.*, Ex. 100 (Welsh) at 20-23.

[29] Appalachian testified that it considered the Retired Units impaired in December 2019 because, at that specific point in time, it "determined that the remaining net book values of the Retired Units were *no longer probable of future recovery*…." Ex. 132 (Allen Rebuttal) at 4 (emphasis added).

[30] *See, e.g.*, Ex. 132 (Allen Rebuttal) at 4.

[31] Final Order at 12.

[32] Tr. 932 (Welsh) (emphasis added).

[33] *See, e.g.*, Ex. 100 (Welsh) at 21-22, Appendix B at 77-78; Ex. 132 (Allen Rebuttal) at 10.

For the first step, as noted above, Appalachian asserts that the triggering event occurred when it concluded the $88.3 million was "no longer probable of future recovery" (making the net book value overstated relative to its fair value). The Company testified that it reached this determination based on its internal earnings evaluations in December 2019.[34] At that point, Appalachian took the second step and expensed the full $88.3 million net book value as an asset impairment cost.[35]

The Commission agrees that it is reasonable to impair an asset if there is a change that makes it no longer probable of future recovery.[36] We continue to find, however, that the Company has not established these units were "no longer probable of future recovery" *before* Appalachian recorded the asset impairment cost. The Company's determination in 2019 of its triennial earnings did not make the Retired Units no longer probable of future recovery.[37] That is, at the time Appalachian recorded such cost, there had been no change or triggering event causing an impairment; *i.e.*, the Retired Units were still probable of future recovery, just as they had been since 2015.[38]

The purpose of this historical earnings review is to determine the utility's reasonable earned return during the historical period. To do that, the Commission must determine the utility's reasonable expenses during that period. In making that determination, we find that it was not reasonable for the Company to incur an asset impairment cost for an otherwise *unimpaired* asset, and that neither reasonable regulatory accounting, nor the statute, requires the Commission to permit otherwise.[39]

Code § 56-585.1 A 8

We reference "the statute" in the above sentence, because Appalachian asserts that Code § 56-585.1 A 8 removes the Commission's authority and discretion to make the above finding. Code § 56-585.1 A 8 directs that certain costs, "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." The types of costs listed in Code § 56-585.1 A 8 include "costs associated with asset impairments related to early retirement determinations made by the utility."[40]

Appalachian asserts that because the asset impairment cost was "recorded per books by the utility for financial reporting purposes," the Commission has no discretion to review the Company's action in this regard.[41] The Company claims that if it chooses to record "for financial reporting purposes" any of the types of costs referenced in Code § 56-585.1 A 8, then the Commission does not have the authority to determine whether that specific cost was reasonable or prudent in the first instance.[42] The Commission disagrees.

Beginning with the first statutorily required historical earnings review in 2011, the Commission has explained that Code § 56-585.1 does not require the Commission to include *unreasonable* costs in determining the earned return thereunder.[43] Quite the opposite, Code § 56-585.1 D provides as follows (emphases added):

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[34] The Company testified that based on its "earnings evaluations in connection with the provisions of [Code § 56-585.1 A 8] regarding asset impairments, APCo management concluded that that the remaining Virginia share of the Retired Units were *no longer probable of future recovery* and expensed such costs on the books in the triennial period as an asset impairment in accordance with the language of [Code § 56-585.1 A 8]." Ex. 132 (Allen Rebuttal) at 11 (emphasis added).

[35] *See, e.g.*, Ex. 132 (Allen Rebuttal) at 4.

[36] *See, e.g.*, Ex. 100 (Welsh) at 21-22; Tr. 932, 957-58 (Welsh).

[37] The Company also states that its alleged triggering event includes amendments to Code § 56-585.1 A 8, and Staff's depreciation position, from 2018. Ex. 133 (Castle Rebuttal) at 5. These events, however, (taken separately or combined with Appalachian's earnings conclusion in 2019) did not make the units no longer probable of future recovery. *See, e.g.*, Final Order at 9-11; Staff's Post-hearing Brief at 13-15. Furthermore, neither the Commission (nor its Staff) had directed (nor recommended) that Appalachian be denied recovery of the $88.3 million. *See, e.g.*, Final Order at 10-11; Staff's Post-hearing Brief at 14-15; Tr. 936 (Welsh); Ex. 100 (Welsh), Appendix B at 1.

[38] *See, e.g.*, Final Order at 5-12; Tr. 936 (Welsh); Ex. 100 (Welsh), Appendix B at 1, 36, 41, 46, 82.

[39] Appalachian charges that the Commission "takes pains" to couch its earnings review in terms of "regulatory accounting." Appalachian's Jan. 29, 2021 Brief at 14 n.38. As discussed in the Final Order, however, the Commission has consistently phrased its historical earnings reviews over the past decade – in cases involving both Appalachian and Virginia Electric and Power Company ("Virginia Power") – in terms of "regulatory accounting." Final Order at 3-5. The Commission also observes that the Company's accounting witness testified to "regulatory accounting" as well. *See, e.g.*, Ex. 132 (Allen Rebuttal) at 11 (using "data as adjusted for Virginia regulatory accounting purposes" and adjusted "to a Virginia regulatory accounting basis").

[40] Code § 56-585.1 A 8 provides in part as follows:

> In any 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 for utility generation facilities fueled by coal, natural gas, or oil or for automated meter reading electric distribution service meters; 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 the utility does not petition to recover through a rate adjustment clause pursuant to subdivision 5 e; costs associated with severe weather events; and costs associated with natural disasters.

[41] *See, e.g.*, Appalachian's Jan. 29, 2021 Brief at 14.

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

[43] *See, e.g.*, Final Order at 3-5.

> 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.).

Nothing in Code § 56-585.1 A 8 removes the Commission's authority to determine the reasonableness of costs in a historical earnings review. Code § 56-585.1 A 8 directs how the Commission must treat (*i.e.*, deem fully recovered in the period recorded) certain costs. Code § 56-585.1 A 8, however, does not remove the Commission's authority to determine the reasonableness of such costs in the first instance. Contrary to Appalachian's assertion, the statute does not state that once a utility decides to record any of the types of costs listed therein "for financial reporting purposes," the Commission becomes prohibited from determining if that specific cost was reasonable and prudent. Rather, if the cost was reasonable, then Code § 56-585.1 A 8 deems such fully recovered "as recorded per books for financial reporting purposes."

Appalachian also stresses that Code § 56-585.1 A 8 does not define, or otherwise establish specific criteria for, an "asset impairment." The Company concludes that, as a result, the General Assembly intended to give Appalachian the autonomous right to self-determine what is, and what is not, a reasonable "asset impairment."[44] The Commission again disagrees. In performing earnings reviews under Code § 56-585.1, the Commission is exercising a legislative function delegated to it by the General Assembly.[45] Virginia jurisprudence is clear that in a situation such as this, where the General Assembly did not define or otherwise limit the criteria for a reasonable asset impairment, "it intended for the Commission, as an expert body, to exercise sound discretion."[46]

Staff's Proposed Amortization

Having found that the one-time $88.3 million asset impairment cost was not reasonable, the Commission next had to determine how to treat the remaining net book value of the Retired Units. As recommended by Staff, the Commission found it was reasonable to amortize recovery of the full $88.3 million, as a regulatory asset, over a 10-year period beginning in 2015 (the year the units were retired and Appalachian ceased recording any expense therefor).[47]

In Appalachian's 2014 biennial review, the Company proposed a 25-year amortization for the soon-to-be-Retired Units, and Staff proposed up to five years.[48] In that 2014 case, however, the Commission adopted neither proposal and found that the issue should be addressed in Appalachian's 2016 biennial review.[49] The General Assembly then froze the Company's base rates and canceled that biennial review.[50] As a result, this is the first time the Commission has been required to determine the appropriate regulatory treatment of the $88.3 million remaining net book value since the units were retired.

The Commission continues to find Staff's proposed 10-year amortization period reasonable. Staff witness Welsh testified that "a ten-year amortization period represents a reasonable recovery period that is not overly burdensome to ratepayers while also minimizing the inter-generational inequity created by a longer recovery period."[51] Staff also explained that it previously agreed to a 10-year recovery period for the Company's Clinch River generation assets.[52] We similarly find a rational basis to begin the amortization in 2015. After retirement in 2015, the remaining net book value of the units still remained in the Company's regulated rate base.[53] In addition, regulatory asset amortization could begin at that time to start expensing that remaining net book value (pending subsequent approval by the Commission, such as in the instant case).[54] Thus, we likewise find that Staff's proposal to begin amortization in 2015 reasonably aligns the amortization expense with the retirements.

Both Appalachian and Consumer Counsel assert that this decision was in error, albeit for opposing reasons. As discussed next, Appalachian objects to the length and timing of the amortization period,[55] and Consumer Counsel objects to amortizing the full $88.3 million remaining net book value.[56]

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[44] *See, e.g.*, Ex. 132 (Allen Rebuttal) at 11.

[45] *Virginia Elec. and Power Co.*, 284 Va. at 741.

[46] *Id.*

[47] *See, e.g.*, Final Order at 12.

[48] *See, e.g.*, Ex. 100 (Welsh) at 14-15; Tr. 937-38, 988-99 (Welsh).

[49] *See APCo 2014 Biennial Review*, 2014 S.C.C. Ann. Rept. at 405.

[50] *See* Code § 56-585.1:1 (2015 Va. Acts ch. 6) (The statute directed that "no adjustment to an investor-owned incumbent electric utility's existing tariff rates … shall be made …," and that "[n]o biennial review of the rates, terms, and conditions for any service of a Phase I Utility, as defined in § 56-585.1, shall be conducted at any time by the Commission for the three successive 12-month test periods beginning January 1, 2014, and ending December 31, 2016."). Appalachian is the Phase I Utility under the terms of Code § 56-585.1 A 1.

[51] Ex. 100 (Welsh) at 27. *See also* Tr. 987, 989, 1010 (Welsh).

[52] Ex. 100 (Welsh) at 27 n.31.

[53] *See, e.g.*, Tr. 1224-25 (Allen).

[54] *See, e.g.*, Tr. 1240-41 (Castle).

[55] *See, e.g.*, Appalachian's Jan. 29, 2021 Brief at 3.

[56] *See, e.g.*, Consumer Counsel's Petition at 10.

Appalachian

The Company asserts that the Commission erred by adopting a 10-year amortization as proposed by Staff, instead of Appalachian's requested three-year amortization. Appalachian posits that the Commission abused its discretion by not basing this decision (as well as our finding above on the asset impairment) on how it would impact the ultimate statutory outcome of the instant earnings review.[57] We reject this premise. Since the inception of statutorily mandated earnings reviews, this Commission has refused to manipulate its regulatory findings and earnings adjustments in order to achieve the ultimate statutory outcome desired by any participant; our constitutional and statutory obligations warrant no less. As noted above, the Commission has repeatedly explained that we are required in these cases to exercise discretion and to make findings on numerous, individual regulatory issues that, taken together, determine reasonable revenues, expenses, and rate base for the historical period in order to calculate earned return as required by statute.[58] Once the Commission exercises its discretion in making those findings, the statute then dictates the ultimate outcome.

Indeed, examples of how such individual determinations may impact the ultimate statutory outcome are easy to find. In the instant proceeding alone, if the Commission adopts Consumer Counsel's evidence and arguments on the Inter-Company Power Agreement ("ICPA") (discussed below), the ultimate statutory outcome could shift to customer refunds and rate decreases.[59] Just like the other issues in these proceedings, however, the Commission exercises its discretion to make findings on reasonableness based on the specific circumstances attendant to each individual issue, not based on achieving any particular participant's preferred statutory outcome.[60]

The Company also claims that the Commission's findings are reversible error because they retroactively "change facts in a historical period."[61] This claim is similar to the Company's assertion in its 2014 earnings review, where it also argued that the Commission was prohibited from making adjustments to certain historical costs and revenues.[62] A *historical* earnings review, however, necessarily requires the Commission to determine the reasonable costs and revenues during the *historical* period in order to calculate the utility's reasonable earned return during that period. The Commission has been required to do this in every historical earnings review since 2011. This is not changing historical facts. Rather, as the Commission explained in rejecting the Company's argument in 2014, "[t]his is a necessary step in determining [historical] earned return under the statute."[63]

Next, the Commission also disagrees with Appalachian's argument that, because the General Assembly canceled base rate changes and reviews for 2015 and 2016, the amortization expense cannot commence upon retirement in 2015. As discussed by Consumer Counsel and Staff, the General Assembly suspended *base rate* changes and reviews, not *cost* incurrence.[64] Consumer Counsel aptly illustrated the difference. That is, if cost incurrence was also suspended, then the Company could have deferred expensing *all* of its generation assets during those years and moved *all* of those costs to some future period to offset overearnings.[65] The statute, however, did not suspend expenses. Staff also notes that the Commission has previously found (as recommended by Staff and affirmed by the Supreme Court of Virginia) that attributing an asset amortization expense to a prior period for which it is incurred is neither a rate change nor retroactive ratemaking; rather, it prevents unreasonable distortion of expenses for future periods.[66]

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[57] *See, e.g.,* Appalachian's Jan. 29, 2021 Brief at 2-3, 21.

[58] *See, e.g., APCo 2014 Biennial Review*, 2014 S.C.C. Ann. Rept. at 393 (explaining that the Commission must exercise its discretion and make findings on a myriad of regulatory issues that, taken together, are used to "determine the Company's reasonable revenues, expenses, and rate base for the historical" period in order to "calculate earned return").

[59] *See, e.g.,* Ex. 70 (Smith), Exhibit LA-3, page 24 of 30; Tr. 923-24 (Welsh).

[60] Staff similarly rejected Appalachian's allegation that Staff's 10-year amortization was manipulated to reach a particular statutory outcome. *See, e.g.,* Staff's Post-hearing Brief at 7; Tr. 930 (Welsh). In addition, as noted below, Staff did not support Consumer Counsel's request to deny recovery of ICPA costs.

[61] Appalachian's Jan. 29, 2021 Brief at 4.

[62] As previously noted, the Commission has rejected the Company's premise in this regard since the inception of earnings reviews in 2011. In Appalachian's 2014 review the Commission further explained as follows:

> Section 56-585.1 in no manner requires the Commission to include unreasonable items in determining the earned return thereunder. The biennial 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 biennium. 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 two successive 12-month periods immediately prior to such review[]."

APCo 2014 Biennial Review, 2014 S.C.C. Ann. Rept. at 393 (citation omitted). The Commission also notes that the General Assembly has not amended Code § 56-585.1 to provide otherwise, even though it has amended it for other purposes every year since 2011.

[63] *Id*.

[64] *See, e.g.,* Consumer Counsel's Post-hearing Brief at 38; Staff's Jan. 29, 2021 Response at 18-21.

[65] *See, e.g.,* Consumer Counsel's Post-hearing Brief at 36-37.

[66] *See, e.g.*, Staff's Post-hearing Brief at 24-25 (citing *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); *Washington Gas Light Co.* v. *State Corp. Comm'n*, Record No. 040878, Opinion (Oct. 8, 2004) (unpublished)).

Consumer Counsel

Consumer Counsel claims the Commission erred for a different reason than those alleged by Appalachian. Consumer Counsel supports beginning the amortization in 2015. Consumer Counsel, however, asserts that before such amortization commences, the Commission must reduce the $88.3 million remaining net book value with the Company's alleged overearnings from years 2015 and 2016.[67] According to Consumer Counsel, the Commission's finding both "silently shed[s]," and "rests uncomfortably" on, prior precedent.[68] We again disagree.

As explained by Staff, due to the rate freeze during those years, the Company's reported regulatory earnings in 2015 and 2016 have never been audited or litigated, and, thus, the Commission has never determined Appalachian's reasonable regulatory earnings for those years.[69] Thus, there is no record, and no factual findings by the Commission, concluding that the Company over-earned by any specific amount in 2015 and 2016.[70] Under these circumstances, Staff recommended that it was reasonable not to force the Company to write-off any of the $88.3 million prior to commencing the 10-year amortization.

Indeed, Consumer Counsel witness Smith similarly testified that the General Assembly's canceling of biennial reviews created a "gap" period of years (including 2015 and 2016) that must be separately considered, because the Commission was prohibited during that time from determining Appalachian's reasonable regulatory earnings.[71] Contrary to Consumer Counsel's preference, however, the Commission has adopted Staff's recommendation *not* to make a regulatory accounting adjustment based on unaudited and unlitigated earnings updates received for 2015 and 2016. We continue to conclude that this finding represents a rational exercise of the Commission's discretion under the unique circumstances, and based on the specific record, presented herein.

Conclusion

In sum, the Commission continues to find that Staff's proposal for treating the remaining net book value of the Retired Units is reasonable. As the pleadings and evidence in this extensive record show, the Commission exercises its discretion in such matters based on specific circumstances in each individual proceeding, which we likewise do herein.[72] In opposing the Commission's findings, both Consumer Counsel and Appalachian object to our reliance on Staff's "sound professional judgment."[73] The Commission, however, not only "is entitled to interpret the conflicting evidence and to decide the weight to afford it," we are "also entitled to rely on the [Commission's] staff."[74]

Inter-Company Power Agreement

In the Final Order, the Commission found that capacity costs under the ICPA should not be disallowed for purposes of determining Appalachian's earned return during the triennial period.[75] Consumer Counsel asserts that this finding violates the Commission's order approving the Company's entry into the ICPA. We disagree and find as follows.

The Commission most recently approved Appalachian's request to participate in the amended ICPA, "provided that any purchases made [under the ICPA] to serve its Virginia jurisdictional customers are at the lower of [the supplier's] cost or the market price of non-affiliated power."[76] To implement this requirement, the Commission ordered that the Company "shall maintain records, to be made available to the Commission Staff upon request, showing that, for any purchases made [under the ICPA, Appalachian] paid the lower of [the supplier's] cost or the market price for non-affiliated power."[77] These requirements are consistent with the Commission's initial approval of the ICPA in 2004.[78]

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[67] *See, e.g.*, Consumer Counsel's Petition at 4-10.

[68] *See, e.g., id.* at 4, 8.

[69] *See, e.g.*, Staff's Jan. 29, 2021 Response at 20-21; Tr. 982, 984, 992 (Welsh).

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

[71] Ex. 70 (Smith) at 24.

[72] *See, e.g.*, Staff's Jan. 29, 2021 Response at 18-19.

[73] *See, e.g.*, Final Order at 12; Appalachian's Jan. 29, 2021 Brief at 21; Consumer Counsel's Petition at 3.

[74] *Wal-Mart Stores East, LP*, 844 S.E.2d at 685 (internal quotation marks and citations omitted).

[75] Final Order at 20-21. In response to Consumer Counsel's requested clarification (Consumer Counsel's Petition at 18), the Commission confirms that it finds the Company has met its burden on this issue.

[76] *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) ("*ICPA Order*").

[77] *Id*. Staff did not assert that Appalachian failed to maintain or provide such records, or that any of the Company's ICPA costs should be disallowed in this triennial review.

[78] *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).

The Company purchases both energy and capacity under the ICPA. As to *energy*, the Company may purchase from the market as an alternative to purchasing energy under the ICPA.[79] Consistent with the *ICPA Order*, Appalachian presented evidence in this proceeding contrasting its actually incurred ICPA energy costs with comparable PJM Interconnection, L.L.C. ("PJM") market energy costs, which showed that the Company's ICPA energy costs were approximately $49 million below comparable market energy prices.[80] This is the type of comparison contemplated in the *ICPA Order*; *i.e.*, if Appalachian chose to continue purchasing energy under the ICPA when less expensive energy was available through the market, the increment paid above market prices could be disallowed for ratemaking purposes.

The Company, however, did not provide similar evidence for market *capacity* prices, asserting that comparable capacity market price data does not exist.[81] Conversely, "Consumer Counsel compared ICPA capacity related charges to PJM capacity market prices."[82] The Commission has considered the evidence and arguments of both parties on this issue and finds – as testified to by Company witness Vaughan – that PJM capacity market prices are not reasonably comparable to ICPA capacity charges for purposes of the *ICPA Order*.[83] The ICPA represents a long-term baseload generation capacity asset that extends through 2040.[84] Conversely, PJM's capacity market generally reflects a single-year construct,[85] using a reliability pricing model ("RPM") that includes a three-year delivery period.[86] In addition, the Company is not a participant in PJM's *capacity* market, because Appalachian "meets its PJM capacity obligations through its fixed resource requirement (FRR) plan, not in PJM's short-term RPM construct."[87]

Having found that, unlike energy costs, current market data does not exist to reasonably compare ICPA capacity costs, the Commission considered and found sufficient other evidence presented by the Company to establish the reasonableness of such costs for purposes of the triennial review and the *ICPA Order*. When the Commission approved the amended ICPA in 2011, Appalachian's benchmark study showed that the cost thereof was lower than least cost alternatives for comparable baseload power plants.[88] For the historical triennial review period, the actual ICPA costs indeed proved lower than the benchmarked alternatives.[89] Moreover, the Company also showed that the ICPA costs compared favorably to baseload generation options contained in its 2019 integrated resource plan.[90]

Finally, Consumer Counsel also asserts that the result herein necessarily portends future findings (such that PJM capacity auction prices must be unreasonable for all ratemaking purposes for all utilities), that it conflicts with the Commission's use of PJM prices for other purposes, and that the Commission has "abandon[ed] its own precedent for the same rate year."[91] We disagree. The findings herein are limited to this specific issue, are based on the particular circumstances of the ICPA and the instant record, and do not prohibit or conflict with the Commission's reasonable use of PJM prices for other distinguishable purposes.

Advanced Metering Infrastructure

In the Final Order, the Commission did not address "Consumer Counsel's request for a ruling – 'without prejudice' – on Appalachian's advanced metering infrastructure ('AMI') replacement program," explaining that because this issue "does not change the statutory outcome of the instant triennial review, any findings on this matter *without prejudice* is not necessary."[92] Based on the Commission's understanding of Consumer Counsel's request at the time, this "approach [was] consistent with our effort to decide cases on the best and narrowest grounds available."[93]

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[79] *See, e.g.*, Appalachian's Post-hearing Brief at 74 ("Under the ICPA, Appalachian has the ability to schedule or not schedule energy…. The nearly $49 million in savings demonstrates that it has prudently managed the energy available to it under the ICPA.").

[80] *See, e.g.*, Ex. 32 (Vaughan Direct), Sched. 1; Appalachian's Post-hearing Brief at 74.

[81] *See, e.g.*, Ex. 128 (Vaughan Rebuttal) at 2; Appalachian's Post-hearing Brief at 72.

[82] Consumer Counsel's Petition at 12 n.50.

[83] *See, e.g.*, Ex. 128 (Vaughan Rebuttal) at 2-4; Tr. 1141, 1145 (Vaughan). *See also Wal-Mart Stores East, LP*, 844 S.E.2d at 685 (The differing assertions of the witnesses for Appalachian and Consumer Counsel "do little more than show that the parties' experts disagreed, which does not render the Commission's findings contrary to the evidence…. The Commission is entitled to interpret the conflicting evidence and to decide the weight to afford it." (citations, internal quotation marks, and alterations omitted)).

[84] *See, e.g.*, Ex. 128 (Vaughan Rebuttal) at 2-3.

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

[86] *See, e.g.*, Consumer Counsel's Petition at 12.

[87] *See, e.g.*, Ex. 128 (Vaughan Rebuttal) at 2.

[88] *See, e.g., id.* and Rebuttal Schedule 1.

[89] *See, e.g., id.* at 3-4 and Rebuttal Schedule 1.

[90] *See, e.g., id.* at 4.

[91] *See, e.g.*, Consumer Counsel's Petition at 13-15, 17.

[92] Final Order at 25 n.107 (emphasis in original).

[93] *Board of Supervisors of Loudoun County*, 292 Va. at 453 n.8 (citations and internal quotation marks omitted).

On reconsideration, however, Consumer Counsel explains it requested a ruling "without prejudice" because the Commission previously denied "without prejudice" Virginia Power's proposals to recover AMI costs.[94] Consumer Counsel also posits that any decision by the Commission *not* to rule on the reasonableness of historical AMI expenditures as part of this triennial review would be legal error as arbitrary.[95] Finally, Consumer Counsel's Petition warrants that if the Commission includes the specific AMI costs in this triennial review as reasonable, Consumer Counsel does not seek reconsideration of such finding.[96]

Having considered Consumer Counsel's clarification on this issue, the Commission finds as follows regarding the Company's AMI costs for purposes of the instant triennial review. Based on the specific facts and circumstances in this record regarding Appalachian's decision to replace its old automated meter reading ("AMR") fleet with AMI, the Commission finds that the Company has shown its decision to incur such costs was reasonable at the time the decision was made, such that these expenses should not be disallowed for determining Appalachian's earnings during the triennial review period.

The Company's decision in 2016 – to replace its AMR meters with AMI – was based on reasonable information regarding the expected service life of its AMR meters and the uncertainty regarding the continued manufacturing and support of AMR meters.[97] The Commission also notes that Staff accepted as reasonable the Company's expected AMR service life reflected in its 2017 depreciation study and did not object to Appalachian's AMI replacement costs herein.[98] In addition, Appalachian selected an AMI manufacturer based on the results of a competitive bidding process, utilized volume-based pricing, took advantage of economies of scale in deployment, and demonstrated that its total meter cost per customer compares favorably with other industry experience.[99]

In further response to Consumer Counsel's Petition, the Commission clarifies that it has not established an indiscriminate standard for reviewing AMI requests. That is, in the Virginia Power cases cited by Consumer Counsel, the Commission made findings based on the specific facts and circumstances attendant to those cases. The Commission has done the same herein based on separate, distinguishable evidence in the record of the instant triennial review. In short, we find that Appalachian has established it needed to replace its existing AMR meters, and that based on the uncertainty surrounding the continued manufacturing and support of AMR technology, the Company reasonably chose to replace them with AMI meters.

Tariff Adjustments

On reconsideration, both Appalachian and the Committee emphasize that the General Assembly expressly gave the Commission the authority to make revenue-neutral tariff adjustments in a triennial review if rates are not changed.[100] The Commission agrees.[101] The General Assembly, however, also did not *mandate* that the Commission make such changes. Rather, the Commission has the authority to exercise its discretion based on the record. Indeed, in the Final Order, the Commission both approved, and rejected, various revenue-neutral tariff adjustments in this proceeding based on the record developed attendant to each such proposal.[102]

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[94] Consumer Counsel's Petition at 19.

[95] *Id*. at 20 n.87. For example, having been duly raised consistent with other requests by participants in this case, Consumer Counsel suggests not ruling thereon would be arbitrary because all proposed earnings adjustments (raised by any participant) are equally relevant to determining earned return under the statute.

[96] *Id*. at 18 ("Consumer Counsel does not seek reconsideration of the Final Order's assessment that the AMI investment was reasonable, if indeed that is the Commission's finding in this case.").

[97] *See, e.g.,* Ex. 25 (Johnson) at 18.

[98] *See, e.g.,* Ex. 100 (Welsh) at 49.

[99] *See, e.g.,* Ex. 25 (Johnson) at 21-22; Ex. 119 (Johnson Rebuttal) at 8-9.

[100] *See, e.g.,* Company's Petition at 10; Committee's Jan. 29, 2021 Brief at 7.

[101] *See, e.g.,* Final Order at 34 n.137.

[102] *Id*. at 34-36.

As to cost allocation and revenue apportionment, the Commission found that it is not reasonable to reallocate revenue based on the instant record.[103] The Company did not submit a revenue-neutral rate design proposal that would be implemented absent a rate increase.[104] Thus, the record does not establish the specific impacts on individual customer classes if the Commission were to approve the proposed changes.[105] This lack of evidence is not trivial; the potential swing in rates for individual customers could differ considerably depending upon the allocation methodology relied upon.[106] Accordingly, the Commission continues to find on reconsideration that the potential detrimental rate impacts that could be imposed on residential and other customer classes support rejection of the proposed changes to cost allocation and revenue apportionment based on the instant record.[107]

Accordingly, IT IS SO ORDERED, the Final Order is modified as set forth herein and is no longer suspended, and this case is DISMISSED.

[103] *Id.* at 36.

[104] *See, e.g.,* Staff's Jan. 29, 2021 Response at 17.

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

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

[107] To the extent that additional requests not discussed herein are contained in the reconsideration pleadings, the Commission hereby exercises its discretion not to address such for purposes of this Order on Reconsideration. In addition, as a result of the instant Order on Reconsideration, Appalachian's March 8, 2021 Motion for Authority to Implement Uncontested Tariff Provisions is deemed moot.

CASE NO. PUR-2020-00035
FEBRUARY 1, 2021

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.*

FINAL ORDER

On March 9, 2020, the State Corporation Commission ("Commission") issued an Order ("March 9 Order") docketing this proceeding and directing Virginia Electric and Power Company ("Dominion" or "Company") to include certain additional information in its 2020 Integrated Resource Plan ("IRP") related to the passage of the Virginia Clean Economy Act ("VCEA") by the 2020 General Assembly.[1]

On April 6, 2020, the Commission issued an Order Establishing Schedule for Proceedings that, among other things: established a procedural schedule; set an evidentiary hearing date; 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.

On May 1, 2020, Dominion filed its 2020 IRP with the Commission. On May 8, 2020, the Company filed a letter informing the Commission that Dominion intended to supplement its 2020 IRP filing on or before May 15, 2020. On May 14, 2020, Dominion filed supplemental information to complete its 2020 IRP filing.[2]

On May 18, 2020, the Commission issued an Order for Notice that directed Dominion to provide public notice of its IRP. On June 4, 2020, the Commission issued an Order Scheduling Public Witness Testimony providing that, due to the ongoing public health emergency related to the spread of COVID-19, a telephonic hearing would be convened for the receipt of testimony from public witnesses on Dominion's IRP on October 22, 2020. On October 5, 2020, the Commission issued an Order Modifying Hearing wherein it directed, among other things, that the evidentiary hearing scheduled to be held in the Commission's courtroom on October 27, 2020, would be held remotely.

Notices of participation were filed by Appalachian Voices; Mr. Glen Besa; Sierra Club; the Board of Supervisors of Culpeper County, Virginia ("Culpeper County"); MAREC Action ("MAREC"); the Natural Resources Defense Council ("NRDC"); and the Virginia Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel").

On October 22, 2020, the Commission convened a telephonic hearing for the receipt of public witness testimony. The Commission received the testimony of four public witnesses.[3] On October 27, 2020, the Commission convened the evidentiary hearing on the Company's 2020 IRP.[4] The Commission received testimony and exhibits from Dominion, respondents, and Staff. The hearing concluded, after closing arguments, on October 30, 2020. On December 18, 2020, as directed at the close of the hearing, hearing participants filed a list of issues for the Commission's consideration.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

[1] 2020 Acts ch. 1193 and ch. 1194.

[2] In accordance with 5 VAC 5-20-160, a memorandum of completeness was filed on May 14, 2020, finding the IRP complete as of that date. Thus, pursuant to Code § 56-599 C, the Commission's final order in this matter is due on or before February 15, 2021.

[3] Tr. 9-26.

[4] Commission Staff ("Staff") and all parties except Culpeper County participated in the hearing.

Legal Sufficiency of Dominion's 2020 IRP

Pursuant to Code § 56-599 C, the Commission must, after giving notice and an opportunity to be heard, determine whether Dominion's IRP is reasonable and in the public interest. With the passage of the VCEA, Dominion is subject to many new requirements and mandates that will significantly impact its future resource mix, as well as the electric bills paid by Dominion's customers. Among other things, the VCEA directs:

- "By December 31, 2045, [Dominion][5] shall retire all [] electric generating units located in the Commonwealth that emit carbon as a by-product of combusting fuel to generate electricity."[6]

- "[Dominion] shall participate in a renewable energy portfolio standard program ["RPS Program"] that establishes annual goals for the sale of renewable energy . . . . To comply with the RPS Program, [Dominion] shall procure and retire Renewable Energy Certificates ["RECs"] originating from renewable energy standard eligible sources."[7]

- "By December 31, 2035, [Dominion] shall petition the Commission for necessary approvals to (i) construct, acquire, or enter into agreements to purchase . . . 16,100 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind . . . and (ii) pursuant to § 56-585.1:11, construct or purchase one or more offshore wind generation facilities located off the Commonwealth's Atlantic shoreline or in federal waters interconnected directly into the Commonwealth with an aggregate capacity of up to 5,200 megawatts."[8]

- "By December 31, 2035, [Dominion] shall petition the Commission for necessary approvals to construct or acquire 2,700 megawatts of energy storage capacity."[9]

- "Notwithstanding any other provision of law, each investor-owned incumbent electric utility shall implement energy efficiency programs and measures to achieve the following total annual energy savings: . . . For [Dominion]: . . . [i]n calendar year 2025, at least 5.0 percent of the average annual energy jurisdictional retail sales by that utility in 2019."[10]

Enactment Clause No. 9 of the VCEA also directs that "nothing in [the VCEA] shall require the utilities or the [Commission] to take any action that, in the [Commission's] discretion and after consideration of all in-state and regional transmission entity resources, threatens the reliability or security of electric service to the utility's customers."

The Commission's March 9 Order referenced the significance of the passage of the VCEA and the Commission's previous recognition that an IRP is a planning document and it is "within [the] Commission's regulatory authority to direct public utilities covered by the IRP statute to *plan* for future contingencies."[11] Consistent with that authority, the Commission directed Dominion to include certain VCEA-related analyses in its 2020 IRP. As pertinent herein, the March 9 Order directed Dominion's 2020 IRP to:

1. 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;

2. Calculate separately the net present value costs to customers of the least cost plan, the VCEA, and other relevant legislation including not only generation costs but also transmission and distribution costs;

3. 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 customers using 1,000 kilowatt-hours per month as of May 1, 2020, including not only generation costs but also transmission and distribution costs;

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[5] Pursuant to Code §§ 56-585.1 A and 56-585.5 A, Dominion is a Phase II Utility. Code § 56-585.1 A provides that "[f]or purposes of this section, a Phase I Utility is an investor-owned incumbent electric utility that was, as of July 1, 1999, not bound by a rate case settlement adopted by the Commission that extended in its application beyond January 1, 2002, and a Phase II Utility is an investor-owned incumbent electric utility that was bound by such a settlement."

[6] Code § 56-585.5 B 3. Dominion "may petition the Commission for relief from the requirements of this subsection on the basis that the requirement would threaten the reliability or security of electric service to customers." Code § 56-585.5 B 4.

[7] Code § 56-585.5 C. "The RPS Program requirements shall be a percentage of the total electric energy sold in the previous calendar year . . . ." *Id.* For Dominion, the percentage grows over time, reaching 100% by 2045. *Id.*

[8] Code § 56-585.5 D 2.

[9] Code § 56-585.5 E 2. As required by Code § 56-585.5 E 5, the Commission promulgated regulations to achieve the deployment of energy storage, including regulations that set interim targets, in Case No. PUR-2020-00120. *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*, Case No. PUR-2020-00120, Doc. Con. Cen. No. 201230015, Order Adopting Regulations (Dec. 18, 2020).

[10] Code § 56-596.2 B. "For the time period 2026 through 2028, and for every successive three-year period thereafter, the Commission shall establish new energy efficiency savings targets." Code § 56-596.2 B 3.

[11] March 9 Order at 1-2 (quoting *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-2019-00058, Doc. Con. Cen. No. 200130181, Final Order at 4 (Jan. 28, 2020)).

5. Include an engineering analysis of the effects of the mandates and requirements of the VCEA and other relevant legislation on reliability of service to customers and identify any Company concerns regarding the impact of the mandates and requirements of the VCEA and other relevant legislation on the reliability of the Company's service;

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At the time of the March 9 Order, the VCEA had been passed by the 2020 General Assembly, but not yet signed by the Governor, which subsequently occurred on April 11, 2020. The VCEA became effective on July 1, 2020.

Under the VCEA, Dominion must engage in robust planning to achieve the policy goals therein in a cost-effective manner. The Commission recognizes that Dominion did not have an extended opportunity to conform its 2020 IRP to address all the interrelated aspects of recent legislation. The Commission, however, cannot conclude, based on the record in this proceeding and issues discussed further below,[12] that Dominion's 2020 IRP, as filed, is reasonable and in the public interest for purposes of a planning document.[13] Further in this regard, the participants in this matter have raised significant issues, the resolution of which may not come into full focus until after gaining actual experience in implementing the Commonwealth's new policy goals in the context of specific resource proposals.[14]

The Commission's determination in this proceeding, however, is not the end of the Company's continuing and ongoing integrated resource planning activities. Under the Commission's Integrated Resource Planning Guidelines,[15] Dominion must file updates to its 2020 IRP in 2021 and 2022. Thereafter, under Code § 56-599, the Company must file a full IRP by May 1, 2023. Based on the record in this case, and not by way of limitation,[16] the Commission directs that future IRPs and updates thereto reflect the following.

Modeling of Alternative Plans. In addition to Plan A, which Dominion asserts is a least cost plan that does not comply with the VCEA,[17] the 2020 IRP included four plans to comply with the VCEA ("VCEA Plans").[18] Respondents and Staff took issue with the Company's modeling of the VCEA Plans as well as the reasonableness of the results. Among other things, participants criticized the following aspects of the VCEA Plans:

- The VCEA Plans substantially overbuild for purposes of meeting peak load and energy requirements.[19] For example, the Company's analysis shows that Plan B_{19} includes capacity in excess of projected load requirements of approximately 1,800 megawatts ("MW") by 2027; 5,700 MW by 2035, and 7,400 MW by 2045.[20] Plan B_{19} similarly produces energy in excess of forecasted PJM[21] energy requirements of 1,600 gigawatt-hours ("GWh") in 2033; 5,100 GWh in 2035; and 15,700 GWh in 2045.[22]

- Dominion forced all resource additions and retirements to be selected by the model rather than allowing the model to select optimal eligible resources on a least cost basis.[23]

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[12] 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).

[13] We took objections to Exhibit 32 under advisement during the evidentiary hearing. Exhibit 32 consists of a legislative bill offered as a substitute to the VCEA that was not adopted. Tr. 305-306, 318, 332-334. Upon further consideration thereof, the objection is over-ruled, and we admit Exhibit 32.

[14] The VCEA requires Dominion to file annually plans for the development of new solar, onshore wind, and energy storage resources. Code § 56-585.5 D 4. Dominion's first RPS filing is currently pending before the Commission. *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 201060058, Petition (Oct. 30, 2020). Unlike an IRP proceeding, which does not involve the approval of any specific resource, these RPS filings may include "any request for approval to construct such facilities pursuant to subsection D of § 56-580 and a request for approval or update of a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1 to recover the costs of such facilities." Code § 56-585.5 D 4.

[15] *Commonwealth of Virginia, ex rel. State Corporation Commission, Concerning Electric Utility Integrated Resource Planning Pursuant to §§ 56-597 et seq. Code of Virginia*, Case No. PUE-2008-00099, 2008 S.C.C. Ann. Rept. 606, Order Establishing Guidelines for Developing Integrated Resource Plans (Dec. 23, 2008).

[16] With respect to issues raised by participants not expressly addressed by the Commission herein, the Commission finds that resolution of such issues is not necessary to the Commission's decision in this proceeding, but that such issues may be raised again in future proceedings, as appropriate.

[17] *See* Ex. 4 (IRP) at 3. As discussed by the Company, Senate Bill 1349 passed by the 2015 General Assembly required the Commission to submit certain reports to the General Assembly addressing the impacts of federal carbon emission guidelines during the Transitional Rate Period, which has now concluded. Tr. 1229-1233. *See also* 2015 Acts ch. 6; Code § 56-585.1:1 F 1. As a result, as supported by the Company, the NRDC and Appalachian Voices, we will no longer require Dominion to file a least cost plan that does not take into consideration applicable environmental laws and regulations. *See, e.g.*, Ex. 44 (Levin) at 38-39; Ex. 31 (Rábago) at 9; Ex. 82 (Kelly Rebuttal) at 39.

[18] Ex. 4 (IRP) at 3-4; Ex. 5 (IRP Supplement) at 1.

[19] *See, e.g.*, Ex. 58 (Norwood) at 19-20; Ex. 64 (Dalton) at 33-34, 41-42.

[20] Ex. 64 (Dalton) at 33.

[21] PJM Interconnection, L.L.C., regional transmission organization.

[22] Ex. 64 (Dalton) at 34.

[23] *See, e.g.*, Ex. 54 (R. Wilson) at 10-11; Ex. 58 (Norwood) at 14-19; Ex. 82 (Kelly Rebuttal) at 8.

- With few exceptions, Dominion's VCEA Plans are substantially similar and do not model multiple paths to compliance with the VCEA.[24]
- The Company conducted few sensitivity analyses to evaluate changes to modeling inputs on the VCEA Plans.[25]
- The VCEA Plans produce RECs in excess of the requirements of the RPS Program.[26] For example, the Company's analysis shows that Plan B_{19} and Plan D exceed RPS requirements in each year from 2027 through 2042.[27]
- Dominion's modeling of the VCEA's RPS Program requirements did not consider monetizing or banking excess RECs or model the RPS Program deficiency payments.[28]
- The Company did not update its forecasts of future commodity prices, such as energy, capacity and fuel prices, to reflect the passage of the VCEA, the implementation of which will significantly impact future commodity prices.[29]

In response to many of these criticisms, the Company asserts it had insufficient time following the passage of the VCEA to re-configure and validate its modeling in PLEXOS to incorporate many provisions of the VCEA.[30] The Company explains that it is working to reconfigure its modeling to be able to incorporate the requirements of the VCEA.[31] We agree that the Company should work expeditiously to refine its modeling processes so that it may fully model the VCEA in future IRPs and updates. As discussed by the Company, we also direct Dominion to provide an update on the status of its efforts to reconfigure its modeling in its IRP update to be filed this year.[32]

Reliability concerns. The large-scale transition from traditional fossil fuel generation to cleaner intermittent renewable generation raises potential reliability concerns that must be carefully considered and addressed.[33] The General Assembly explicitly preserved the Commission's authority in this regard in Enactment Clause No. 9 of the VCEA, which is quoted above. The Commission takes very seriously its obligation to take necessary actions to protect the security and reliability of the electric system, upon which many aspects of modern life depend.

In response to the requirements of the March 9 Order, the Company filed a preliminary high-level transmission system reliability analysis as part of the 2020 IRP.[34] The 2020 IRP acknowledges that "[t]ransmission planning work has begun, but more planning analysis is necessary to model the grid under different conditions to assure system reliability, stability, and security with the retirement of traditional generation."[35] The Company states additional reliability analyses are ongoing and will be included in future IRP-related proceedings.[36] The Commission directs the Company to include in future IRPs and updates the up-to-date reliability analyses of the impacts of retiring traditional fossil generation and adding growing amounts of renewable energy resources on the Company's electric system.

Several parties, including Appalachian Voices and Sierra Club, criticized the 2020 IRP for modeling 970 MW of new natural gas-fired combustion turbines to be placed in-service between 2023 and 2024 in all VCEA Plans, particularly given the clean energy policy goals of the VCEA.[37] The Company asserts that these resources were included as "placeholders" to address potential system reliability issues resulting from the addition of large amounts of intermittent resources to the Company's system.[38] In the future, the Company should also include one or more plans without such "placeholder" additions to address reliability concerns for comparison purposes and to improve transparency in the Company's planning processes.[39]

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[24] *See, e.g.*, Ex. 31 (Rábago) at 8-9; Ex. 64 (Dalton) at 8-9, 37-38; Tr. 691, 774.

[25] *See, e.g.*, Ex. 35 (J. Wilson) at 12; Ex. 67 (Abbott) at 11-16; Ex. 82 (Kelly Rebuttal) at 14. In future IRPs and updates, the Company shall, at a minimum, include the following sensitivities: (i) high and low PJM energy prices; (ii) high and low PJM capacity prices; (iii) high and low REC prices; (iv) high and low construction costs; (v) high and low fuel prices; (vi) high and low load forecast scenarios; and (vii) the impact of not meeting legislatively-mandated energy efficiency savings targets. Ex. 67 (Abbott) at 16; Ex. 82 (Kelly Rebuttal) at 14 and Rebuttal Schedule 1; Ex. 75 (Hall Rebuttal) at 8.

[26] *See, e.g.*, Ex. 64 (Dalton) at 44-47.

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

[28] *See, e.g., id*. at 44-48; Ex. 82 (Kelly Rebuttal) at 15-16.

[29] *See, e.g.*, Ex. 67 (Abbott) at 23; Ex. 59 (Johnson) at Enverus Report, pp. 6, 27-29; Tr. 928.

[30] Ex. 82 (Kelly Rebuttal) at 8.

[31] *See, e.g., id*. at 11-12, 27, and Rebuttal Schedule 1.

[32] Tr. 1221.

[33] *See, e.g.*, Ex. 4 (IRP) at 6; Ex. 12 (Cizenski) at 16-23.

[34] *See, e.g.*, Ex. 12 (Cizenski) at 22-23; Ex. 79 (K. Thomas) at 8-11; Tr. 1021.

[35] Ex. 4 (IRP) at 6.

[36] Ex. 79 (K. Thomas Rebuttal) at 7-8.

[37] Tr. 192. *See, e.g.*, Ex. 31 (Rábago) at 6-7; Ex. 54 (R. Wilson) at 29-34.

[38] *See, e.g.*, Ex. 79 (K. Thomas) at 11-12.

[39] Further in regard to transparency, we direct the Company to provide in future IRP proceedings, upon request, the PLEXOS input files necessary for Staff or respondents to reproduce the Company's modeling results. Ex. 67 (Abbott) at 16.

Retirements. The 2020 IRP's consideration of retirements was a significant issue in this proceeding. The VCEA contains a timeline for the required retirement of various types of carbon emitting generation, subject to certain exceptions, with all such generation retired by 2045, unless the retirement of a particular unit would threaten grid reliability and security.[40] The Company's VCEA Plans retire all the same units in the same years, with the exception that two plans model the continued operation of 9,500 MW of natural gas fired resources beyond 2045.[41] Outside the IRP modeling, the Company performed a 10-year resource-specific economic analysis of the Company's coal fired, heavy-oil fired, and large combined cycle units under market conditions.[42]

Participants, including Staff, Consumer Counsel and Sierra Club, took issue with how the results of the 10-year economic analysis were incorporated into the VCEA Plans.[43] In response, among other things, the Company committed to modeling retirements within the PLEXOS model going forward.[44] According to the Company, such modeling will permit the determination of an optimum retirement date based on economics and qualitative benefits of dispatchable resources.[45] We agree that it is appropriate to model retirements as part of the PLEXOS modeling; however, we will also require the Company, for the time being, to continue to file a separate retirement analysis comparable to the economic analysis performed in this case.[46]

Load Forecast. As part of the 2018 IRP proceeding, the Commission directed the Company to use the Dominion Zone PJM coincident peak load forecast and energy sales forecast, scaled down to the Dominion load serving entity level.[47] We also directed energy efficiency spending to be modeled separately as (1) an impact on the PJM peak load and energy sales forecast, and (2) a supply-side resource.[48] Dominion and Appalachian Voices suggested the Commission revisit this decision for various reasons.[49] At this time, however, we will continue to require use of the PJM forecast as directed in the 2018 IRP.[50]

To address reliability issues, the Company also made certain adjustments to its load forecast modeling to reflect that PJM forecasts the winter peak demand for the Dominion Zone to exceed the summer peak demand during its forecast period.[51] The Company asserts that such adjustments were necessary to evaluate the Company's capacity and energy needs in winter when solar production is lower than during the summer.[52] We do not find the record sufficiently developed to rule on the specific adjustments made by the Company at this time. In future IRPs and updates, the Company should study and report separately on its summer and winter capacity and energy needs, and its alternative plans' ability to meet those requirements. The Company should also give due consideration to market purchases during the winter from the PJM wholesale market,[53] which remains a summer peaking entity.[54]

Energy Efficiency Programs. Certain parties, including the NRDC and Appalachian Voices, criticized the Company for modeling no energy efficiency targets after 2025.[55] Under the VCEA, specific savings targets are established through 2025 and the Commission is required to set energy efficiency targets after 2025.[56] The Commission has not yet set the post-2025 energy efficiency targets. We agree, however, that assuming those targets would be zero after 2025 was unreasonable and direct the Company to continue to model energy efficiency targets after 2025.

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[40] Code § 56-585.5 B.

[41] *See, e.g.,* Ex. 4 (IRP) at 27-29; Ex. 64 (Dalton) at DJD-1, pp. 1-6.

[42] Ex. 4 (IRP) at 83.

[43] *See, e.g.,* Ex. 54 (R. Wilson) at 11, 16-17; Ex. 58 (Norwood) at 22-25; Ex. 64 (Dalton) at 11-17.

[44] *See, e.g.,* Ex. 82 (Kelly Rebuttal) at Rebuttal Schedule 1.

[45] Tr. 1089-1091.

[46] Tr. 1089-1090. Company witness Kelly acknowledged that the Company planned to continue to perform the separate economic analysis in order to understand the economics of individual resources in different years. Tr. 1090. Such analysis shall continue to evaluate Company's coal fired, heavy-oil fired, and large combined cycle units under market conditions.

[47] *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, 2019 S.C.C. Ann. Rept. 190, 195, Final Order (June 27, 2019) ("2018 IRP Final Order"); *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, 2018 S.C.C. Ann. Rept. 415, 417, Order (Dec. 7, 2018) ("2018 IRP December 7 Order").

[48] 2018 IRP Final Order, 2019 S.C.C. Ann. Rept. at 195.

[49] *See, e.g.,* Tr. 815-818; Ex. 35 (J. Wilson) at 20-33.

[50] Staff recommended and the Company did not object to providing certain capacity-related information in future IRPs and updates, and we so direct as agreed by Staff and the Company. Ex. 63 (White) at 14, 22; Ex. 82 (Kelly Rebuttal) at 51; Tr. 635.

[51] *See, e.g.,* Ex. 4 (IRP) at 40-41; Ex. 7 (IRP Corrections) at 41; Tr. 168-174.

[52] Tr. 168-174, 764

[53] This consideration should include market purchases from merchant generators located within the Dominion Zone that are not subject to a transmission import capacity constraint.

[54] Tr. 169-170, 656, 764.

[55] *See, e.g.,* Ex. 31 (Rábago) at 17-18; Ex. 44 (Levin) at 15-16; Ex. 75 (Hall Rebuttal) at 7-8.

[56] Code § 56-596.2 B.

Solar Capacity Factor. The solar capacity factor modeled by the Company was a significant issue in the Company's 2018 IRP proceeding. In that proceeding, the Commission directed the Company to "model future solar PV tracking resources using two alternative capacity factor values: (a) the actual capacity performance of Dominion's Company-owned solar tracking fleet in Virginia using an average of the most recent three-year period; and (b) 25%."[57] At Dominion's request, the Commission further clarified that the Company may model a solar capacity factor as a sensitivity; however, if the Company chooses to do so, it shall model the actual capacity performance of Dominion's Company-owned solar tracking fleet as the baseline assumption and use 25% as the sensitivity.[58] In the 2020 IRP, the average three-year solar capacity factor achieved by the Company's solar fleet between 2017 and 2019 was 19%.[59] The Company and MAREC requested the Commission no longer require the Company to model the solar capacity factor based on actual historical experience in future IRPs.[60] The Commission declines to revisit its previous directives with respect to modeling the solar capacity factor.

Least Cost Planning. Staff and respondents, including the NRDC, Sierra Club, and Consumer Counsel, were generally critical of the Company for failing to include a least cost VCEA compliant plan.[61] Mr. Besa took issue with the Company's inclusion of a 300 MW pumped storage facility in all VCEA Plans, arguing that the resource is uneconomic.[62] Notably, parties took varying views of what should be included in a "least cost" VCEA compliant plan. For example, Staff argued that Dominion's second tranche of offshore wind is not mandated under the statute.[63] Appalachian Voices argued that the Commission is not required to approve many of the resources in the VCEA and retains authority to disallow resources if the associated costs are not reasonable and prudent.[64] Consumer Counsel similarly argued that the VCEA allows for the Commission to apply a "reasonableness and prudence test" in determining the recoverability of costs of resource additions under the VCEA.[65]

To address this issue, Dominion proposes that future IRPs and updates include a least cost VCEA plan that would meet (i) applicable carbon regulations and (ii) the mandatory RPS Program requirements of the VCEA.[66] For this plan, the Company proposes not to force the model to select any specific resource nor exclude any reasonable resource and allow the model to optimize the accompanying resource plan.[67] Based on the record in this proceeding, we find this proposal to be reasonable at this time.

Environmental Justice. The 2020 IRP is the first opportunity for Dominion to address environmental justice in the context of long-term planning. We agree with Commission Staff that the IRP is one venue for examining Dominion's plans to address environmental justice.[68] We note that the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."[69] Accordingly, in addition to addressing environmental justice in more specific contexts, such as requests for certificates of public convenience and necessity for particular facilities at known locations, the Commission finds that the Company should address environmental justice in future IRPs and updates, as appropriate. As one example, the Company may consider the impact of unit retirement decisions on environmental justice communities or fenceline communities.[70]

Bill Impact Analysis. The Commission has previously explained that "[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."[71] In its March 9 Order, the Commission directed Dominion to provide residential customer bill impacts of the 2020 Plan over the next 10 years. Based on Dominion's analysis, residential bills may increase by between $52.40

[57] 2018 IRP Final Order, 2019 S.C.C. Ann. Rept. at 195. In the original 2018 IRP, Dominion modeled a projected 26% solar capacity factor. At that time, the Company's solar resources had experienced actual capacity factors of approximately 20% on average over the past five years. 2018 IRP December 7 Order, 2018 S.C.C. Ann. Rept. At 418.

[58] *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, 2019 S.C.C. Ann. Rept. 196, 197, Order on Reconsideration (July 19, 2019).

[59] Ex. 4 (IRP) at 67.

[60] *See, e.g.*, Tr. 1159-1161; Ex. 73 (Mitchell Rebuttal) at 6-7.

[61] *See, e.g.*, Ex. 44 (Levin) at 6-7; Ex. 54 (R. Wilson) at 11; Ex. 58 (Norwood) at 14-19; Ex. 64 (Dalton) at 36-38; Tr. 1121.

[62] *See, e.g.*, Ex. 10 (Cusick) at 5, 22-25.

[63] *See*, e.g., Ex. 64 (Dalton) at 36-38.

[64] Tr. 1121-1133.

[65] Ex. 58 (Norwood) at 4, 21-22.

[66] *See, e.g.*, Ex. 82 (Kelly Rebuttal) at 39. *See also* Tr. 1106-1107. The Company states such plans would also be subject to what Dominion terms "commonsense build constraints." Ex. 82 (Kelly Rebuttal) at 39. One such build constraint was subject to dispute in this proceeding. Ex. 64 (Dalton) at 35. While the Commission recognizes that certain build constraints may be necessary under certain circumstances, the reasonableness of any such build constraints will be subject to Commission review in future proceedings.

[67] Ex. 82 (Kelly Rebuttal) at 39-40.

[68] Tr. 637-638.

[69] Code § 2.2-234.

[70] *See* Code §§ 2.2-234 and -235.

[71] 2018 IRP Final Order, 2019 S.C.C. Ann. Rept. at 191.

and $55.02 per month by 2030.[72] Staff's analysis found that Dominion's projected bill impacts understate likely increases, because the Company's analysis projects that it will recover a declining percentage of its costs from the residential class over the next 10 years.[73] Based on current allocation factors, Staff estimates that residential bills will increase between $64.27 and $67.32 per month based on the Company's plans to comply with the VCEA.[74]

Given the issues identified above regarding the Company's 2020 Plan, and the uncertainty attendant to the precise resources that will be added in the future, the Commission will require Dominion to file an updated bill analysis by plan in future IRPs and updates with the following modifications:

- The Company shall provide bill impacts over the next ten years for the least cost VCEA plan, the Company's preferred plan, and any additional plans presented, including residential, small general service and large general service customer bills. Each update shall include an additional year of projections beyond 2030 as each year passes and should consistently be compared back to the actual bill as of May 1, 2020.[75]

- As proposed by Staff, the Company shall use class allocation factors and projected sales recently used to set rate adjustment clause rates in the bill analysis.[76]

- In addition to projections, the analysis shall include actual bill impact information as each year passes.[77] For example, in the 2021 update filing, the Company would include the actual bill information as of December 31, 2020 in the bill analysis.

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

Commissioner Angela L. Navarro did not participate in this matter.

[72] *See, e.g.,* Ex. 6 (based on 1,000 kilowatt-hours ("kWh") usage per month); Ex. 66 (Myers) at 5.

[73] *See, e.g.,* Ex. 66 (Myers) at 9-10. By necessity, if a smaller percentage of total costs is paid by the residential class, then remaining costs are transferred to other classes (such small business, other commercial, and industrial classes); these costs do not go away. *See, e.g.,* Tr. 703.

[74] *See, e.g.,* Ex. 66 (Myers) at 11 (based on 1,000 kWh usage per month).

[75] Tr. 705. The Commission recognizes that the Company did not provide bill impact information for classes other than the residential class as part of the 2020 IRP filing; however, the Commission finds that small general service and large general service information should be provided in future IRPs and updates.

[76] Ex. 66 (Myers) at 16-17.

[77] Staff and Consumer Counsel also raised concerns in this proceeding regarding the format and information provided on residential bills. Ex. 67 (Abbott) at 34-44; Tr. 1193, 1206-1207. In response, the Company states its intent to redesign the customer bill as part of the implementation of its new customer information platform ("CIP"), which was approved as part of the Company's grid transformation plan. The Company states its core CIP project will be completed in 2023 and the bill redesign will be completed in 2024. Ex. 80 (Trexler Rebuttal) at 8. In this regard, we direct the Company to address the following in its next grid transformation plan filing: (1) the Company's plan and progress towards the redesign of the residential bill; (2) whether the current bill format continues to be sufficient under 20 VAC 5-312-90; and (3) alternative bill format proposals for the Commission's consideration. Given the uncertainty of the timing of the Company's next grid transformation plan filing, the Commission shall, should it see fit, address this issue in a future stand-alone proceeding, or triennial review (after 2021). *See* Tr. 721-722.

CASE NO. PUR-2020-00039
NOVEMBER 3, 2021

APPLICATION OF
MASSANUTTEN PUBLIC SERVICE CORPORATION

For an expedited increase in water and sewer rates

FINAL ORDER

On April 8, 2020, Massanutten Public Service Corporation ("Massanutten" or "Company") completed the filing with the State Corporation Commission ("Commission") of an application for an expedited increase in its water and sewer rates, together with certain schedules filed under seal pursuant to 5 VAC 5-20-170, *Confidential information*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),[1] and testimonies and exhibits ("Application").[2] The Company filed its Application pursuant to Chapter 10 of Title 56 of the Code of Virginia ("Code")[3] and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings.[4] Massanutten also filed a Motion for Entry of a Protective Order in accordance with 5 VAC 5-20-170 of the Rules of Practice.

[1] 5 VAC 5-20-10 *et seq.*

[2] The Company initially filed its Application on March 11, 2020. It was deemed incomplete by the Staff of the Commission ("Staff") on March 24, 2020.

[3] Code § 56-232 *et seq.*

[4] 20 VAC 5-201-10 *et seq.* Subsequently, these rules were revised and renamed the Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Gas and Water Utilities. *See 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*, Case No. PUR-2020-00022, 2020 S.C.C. Ann. Rept. 439, Order Adopting Regulations (Nov. 23, 2020).

The Company requests authority to increase its rates for water and sewer service to produce an increase in water revenues of $415,868 and in wastewater revenues of $323,449.[5] The Company indicates that this rate request is based on a 9.25% return on equity ("ROE").[6] Massanutten proposes to allocate the revenue increase for water and wastewater to five[7] customer classes producing the following average monthly bill impacts by class:[8]

Class	Water Average Monthly Bill Increase	Wastewater Average Monthly Bill Increase
Residential	49.75%	28.62%
Low Income Residential	-20.24%	-34.86%
Commercial	8.89%	-2.92%
Hospitality	22.78%	13.41%
Water Park	-19.68%	-18.20%

Massanutten also proposes increases (i) to the monthly basis facilities charges for water and wastewater services, (ii) in water and wastewater charges per 1,000 gallons of usage, and (iii) in water and wastewater availability fees.[9] The Company's Application reflects proposed rates with an effective date of May 1, 2020.[10]

On April 27, 2020, the Commission entered an Order for Notice and Hearing ("Procedural Order") in this proceeding, which, among other things, docketed the Company's Application, directed Massanutten to provide notice of its Application, provided interested persons the opportunity to comment or participate in the proceeding, directed Staff to investigate the Application, scheduled an evidentiary hearing, and assigned a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission. Pursuant to the Procedural Order, the Company implemented its proposed rates on an interim basis, subject to refund with interest, on October 5, 2020.[11]

Notices of participation were timely submitted by Great Eastern Resort Corporation, Great Eastern Resort Management, Inc., Great Eastern Waterpark, LLC, Great Eastern Purveyors, Inc., Peak Construction Company, Inc., Woodstone Time-Share Owners Association, Shenandoah Villas Owners Association, The Summit at Massanutten Owners Association, Regal Vistas at Massanutten Owners Association, Eagle Trace Owners Association (collectively, "Massanutten Resort Customers" or "MRC"), Massanutten Water and Sewer Authority ("Authority"), Orris R. Hambleton ("Hambleton"), James C. Powell ("Powell"), Andrew M. Jezioro ("Jezioro"), Jeffrey Scott Laurion, Linda S. Hoover, and Thom Bailey ("Bailey").

The Hearing Examiner remotely convened public and evidentiary hearings on January 7 and 8, 2021. Massanutten, the Authority, Bailey, Hambleton, Powell, Jezioro, Staff, and Massanutten Resort Customers participated in the hearing. On February 26, 2021, Massanutten, Staff, Powell, and MRC filed post-hearing briefs.

On May 17, 2021, the Report of Mary Beth Adams, Hearing Examiner ("Report") was filed. On June 7 and 8, 2021, Massanutten, the Massanutten Resort Customers, and Staff timely filed comments to the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that a revenue requirement increase of $361,018 for water service, and an increase of $275,487 for wastewater service, for a total annual increase of $636,505, is approved as set forth herein. We further adopt the Hearing Examiner's Report except as modified herein.

Applicable Law

Section 56-264.3 of the Code reads:

> A. The provisions of this section shall apply in any proceeding in which the Commission is required to determine, pursuant to § 56-234, if (i) rates charged by water and sewerage companies with fewer than 10,000 customer accounts, inclusive of their subsidiaries, are reasonable and just and (ii) customers using water and sewerage services under like conditions are being charged uniformly for such services.
>
> B. Any rate application or proposal submitted to the Commission that would allocate the revenue requirement of a water or sewerage company with fewer than 10,000 customer accounts, inclusive of their subsidiaries, among more than one class of customers shall be supported by a class cost-of-service study that is designed to allocate revenues on the basis of cost causation and to assign credit for contributions in aid of construction, not previously addressed in a utility acquisition transaction or the most recent approved rate case application, to the customer class that made the contributions.

[5] Ex. 1 (Application) at 2.

[6] *Id.*; Ex. 9 (Guttormsen Direct) at 3.

[7] *See* Ex. 11 (Dickson Direct) at 8-10. The Company is proposing a new rate for both water and wastewater services to low income residential customers. In testimony, this new rate is sometimes referred to as a "lifeline" rate. *See, e.g., id*.

[8] *Id*. at Schedule 43.

[9] *Id*. at Schedules 43 and 50.

[10] Ex. 9 (Guttormsen Direct) at 7; Ex. 10 (Guttormsen Supplemental Direct) at 7.

[11] Tr. 28.

C. In setting rates, the Commission shall not find that any allocation of the revenue requirement to a particular class of customers that is greater than the portion of the revenue requirement that can be attributed to that class on the basis of a cost-of-service study of the type described in subsection B is just and reasonable unless the allocation is otherwise supported by substantial evidence.

D. In any proceeding pursuant to § 56-234 regarding the rates charged by water and sewerage companies, the revenues to be produced by rates as designed for any particular class of customers shall not provide an anticipated return on equity more than 25 percent greater or less than the return on equity used to set rates for the company as a whole, unless otherwise supported by clear and convincing evidence. The effect of this provision on class rate design shall not be considered in establishing the return on equity used to set rates for the company as a whole.

ROE

The Hearing Examiner found that an ROE range of 8.5% - 9.5% is appropriate, with a midpoint of 9.0% for setting rates in this case.[12] Based on the facts and circumstances of this case, we find that an ROE of 9.25% is appropriate.

RATE DESIGN ISSUES

Class ROEs and Movement Towards Parity

We find that any revenue allocation should be calculated using the rate base, ROE, and capital structure approved herein. We further find that rates should be designed so that the Residential rate class is moved no closer to parity than what is necessary to meet the minimum requirements of Code § 56-264.3 D while also using the rate base, ROE, and capital structure approved herein. Specifically, Code § 56-264.3 D sets forth that "the revenues to be produced by rates as designed for any particular class of customers shall not provide an anticipated return on equity more than 25 percent greater or less than the return on equity used to set rates for the company as a whole, unless otherwise supported by clear and convincing evidence." Limiting the movement to parity in this manner in this case will mitigate the magnitude of the rate impact felt by Residential customers.

Treatment of Contributions in Aid of Construction

Massanutten, Staff, and MRC all agree that Massanutten directly assigned contributions in aid of construction ("CIAC") to the contributing classes to offset the classes' allocated net plant in service.[13] The Company next adjusted and re-assigned the general plant accounts to the contributing classes that paid for and use that associated utility plant.[14] Staff agreed with this methodology,[15] and the Hearing Examiner found that this methodology comports with the requirements of Code § 56-264.3 B.[16]

MRC, on the other hand, argues that that the Company did not properly credit the full value of CIAC to the classes that have contributed it to the Company.[17] MRC argues that nonresidential customer classes, including the Commercial, Hospitality, and Water Park classes, are not directly assigned full value of their net CIAC contributions as an offset to their allocated net plant in-service.[18]

Based on the evidence presented in this case, we find that MRC's methodology more accurately "assign[s] credit for contributions in aid of construction, not previously addressed in a utility acquisition transaction or the most recent approved rate case application, to the customer class that made the contributions."[19] We hereby adopt MRC's methodology for purposes of setting rates in this case and direct the Company to confirm with Commission Staff its rates that result from implementing this methodology.

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[12] Report at 60, 69.

[13] Tr. 203-204.

[14] Ex. 41 (Gravely) at 10.

[15] *Id*.; Staff Post-Hearing Brief at 11.

[16] Report at 63. The Hearing Examiner found that MRC's methodology overstates the Residential rate base by $3.2 million and understates the Commercial, Hospitality, and Waterpark rate bases, in total, by the same amount. *Id.*

[17] Tr. 205-206.

[18] Tr. 203. *See also* MRC Post-Hearing Brief at 16-17.

[19] Code § 56-264.3 B. *See also* MRC Post-Hearing Brief at 13-17; MRC Comments at 2-10.

Revenue Allocation –Fixed Charges

We find that the fixed monthly base facilities charges shall be increased by 50% of the overall jurisdictional percentage increase approved herein for water and wastewater revenues, with the remaining increase being applied to volumetric charges.[20] Since the overall jurisdictional percentage increase in water revenues approved herein is 24.28%, the fixed monthly base facilities charges for water service is increased by 12.14%. Similarly, since the overall jurisdictional percentage increase in wastewater revenues approved herein is 13.28%, the fixed monthly base facilities charge revenue for wastewater service is increased by 6.64%. As noted by the Hearing Examiner, while higher fixed customer charges provide more revenue stability for the Company, they also shift more costs to low usage customers.[21] Further, there has been no functionalized class cost of service study entered into the record of this proceeding or any previous proceeding to support the Company's proposed fixed charges.[22]

Lifeline Rates

As part of its Application, Massanutten proposed "lifeline," or discount, water and sewer rates for those customers whose income falls below the federal poverty level.[23] The Hearing Examiner found that whether the lifeline rates should be approved is a policy decision for the Commission and made certain recommendations in the event the Commission were to approve such rates.[24] The Commission declines to approve a lifeline rate at this time. We note that the Commission recently carried out a mandate from the General Assembly to distribute $100 million of Virginia's portion of funds received under Public Law 116-136: Coronavirus Aid, Relief, and Economic Security Act, to electric, gas, water and sewer utilities in the Commonwealth, including Massanutten, to offset utility customer billing arrearages due to COVID-19.[25] At the direction of the General Assembly,[26] the Commission also is in the process of distributing $120 million, received through the American Rescue Plan Act,[27] to these utilities, including Massanutten, to further offset residential customer arrearages (over 60 days as of August 31, 2021). Among other customers, these funds should help the population that is the target of the proposed lifeline rates.[28]

RESIDENTIAL RESPONDENT ISSUES

Cost of Debt

We find the 5.094% overall cost of debt, as updated by Staff, is reasonable and should be approved. We note that the Commission has approved use of a parent company's debt and capital structure in prior cases, including the Company's last rate case.[29]

Number of Rate Classes

We find that the continued use of four rate classes is appropriate and should be approved. The classes were based on identifiable differences in demand behavior, building type, and other characteristics that are descriptive of how a customer is likely to use water.[30] The proposed assignment of costs to four rate classes is consistent with the rate classes approved in prior Company rate cases.[31]

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[20] Report at 64. *See also* Ex. 41 (Gravely Direct) at Attachment KG-6.

[21] Report at 64.

[22] Tr. 360.

[23] Ex. 11 (Dickson Direct) at 8-10.

[24] Report at 65-66.

[25] *See* House Bill 1800, 2021 Va. Acts, Special Session I, ch. 552.

[26] *See* House Bill 7001, 2021 Va. Acts, Special Session II, ch. 1.

[27] H.R.1319 - 117th Congress (2021-2022): American Rescue Plan Act of 2021, H.R.1319, 117th Cong. (2021), https://www.congress.gov/bill/117th-congress/house-bill/1319.

[28] The Commission also is aware that the American Rescue Plan Act of 2021, *supra*, establishes a program, known as the Low Income Household Water Assistance Program ("LIHWAP"), whereby grants to states are available from the federal government to assist low-income households "by providing funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services." Should LIHWAP be implemented, funds from this program also may assist Massanutten's low-income customers with their water and sewer bills.

[29] *See Application of Massanutten Public Service Corporation, For an increase in water and sewer* rates, Case No. PUR-2017-00069, 2018 S.C.C. Ann. Rept. 225, 227, Final Order (Dec. 21, 2018) ("2017 Rate Case Final Order").

[30] Ex. 43 (Dickson Rebuttal) at 8.

[31] *See* 2017 Rate Case Final Order; *Application of Massanutten Public Service Corporation, For an increase in water and sewer rates*, Case No. PUE-2014-00035, 2015 S.C.C. Ann. Rept. 213, Final Order (Aug. 25, 2015).

Wells

The evidence in the record supports the need for all of the wells on the Company's system.[32] We note that the Company's system is not built in such a way that one specific well serves one specific customer class.[33] We agree with the Hearing Examiner that the number of wells on the Company's system and the way in which the costs associated with wells are allocated are appropriate and should be approved.[34]

Sewerage Treatment System

We agree with the Hearing Examiner that the Company's Cost of Service study is consistent with the methodology underlying existing rates and assigns costs to the classes based on causal factors.[35] We find that the Company has properly assigned costs related to the sewerage treatment system.

Depreciation Expense

We find that the Company's methodology for the calculation of amortization on CIAC is appropriate and should be approved.[36]

Unaccounted for Water

With regard to unaccounted for water, we find that the Company should continue to track and monitor its unaccounted for water and make any repairs or replacements that are necessary or prudent. We further find that the Company should develop performance requirements with respect to unaccounted for water to be presented to the Commission in the Company's next rate case.

We further note that nothing allows the Commission to consider the possibility of a future sale in the determination of appropriate rates in this proceeding.

Finally, in approving this request for an increase in Massanutten Public Service Corporation's water and sewer rates, the Commission notes its awareness of the ongoing COVID-19 public health issues, which has had negative economic effects that impact all utility customers. The Commission is sensitive to the effects of rate increases, especially in times such as these, but 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 findings and recommendations of the Hearing Examiner's Report are adopted except as modified herein.

(2) An overall annual revenue requirement increase of $361,018 for water service, and an increase of $275,487 for wastewater service, for a total annual increase of $636,505 is hereby approved.

(3) A rate of return on common equity of 9.25%, and a cost of equity range of 8.50% to 9.50% are hereby approved.

(4) The revenue requirement approved herein is based on the Corix Regulated Utilities (US), Inc. capital structure, supported by Staff, and an 9.25% ROE approved herein, which result in an overall cost of capital of 7.028%.

(5) 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 on October 5, 2020. Massanutten forthwith shall 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: scc.virginia.gov/case.

(6) The Company shall refund, with interest, the difference between the interim rates that became effective for service rendered on and after October 5, 2020, and the final rates approved herein. On or before December 31, 2021, the Company shall complete refunds by check or through credits to customer bills, to the extent that such revenues produced by interim rates exceed revenues produced by the rates approved herein.

(7) Refunds, with interest, for current customers may be made by a credit to the customers' accounts and shown on bills. If refunds, with interest, for current customers are made by a credit to the customers' accounts and shown on bills, the bills shall show the refund as a separate item or items.

(8) For former customers, refunds with interest that exceed $1 shall be made by check mailed to the last known address of such customers.

(9) Massanutten may retain refunds owed to former customers when such refund amount is less than $1; however, if refunds owed to former customers in an amount less than $1 are retained by the Company, the Company will prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Code § 55-210.6:2.

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[32] Report at 69.

[33] *Id.* at 68.

[34] *Id.*

[35] *Id.*

[36] Ex. 43 (Dickson Rebuttal) at 7; Report at 68.

(10) Massanutten may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its current customers or customers who are no longer on its system. To the extent the outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion.

(11) Interest upon the ordered refunds shall be computed from the date payments on monthly bills were due as shown on the bills to the date each refund is made at the average prime rate for each calendar quarter, compounded quarterly. The average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the "Bank prime loan" values published in the Federal Reserve Bulletin of the Federal Reserve's Selected Interest Rates (Statistical Release H.15) for the three (3) months of the preceding calendar quarter.

(12) On or before January 31, 2022, Massanutten shall submit to the Divisions of Utility Accounting and Finance and Public Utility Regulation a report showing that all refunds have been made pursuant to this Final Order and itemizing the cost of the refund and accounts charged. The Company shall not recover the interest paid or the expenses incurred in making such refunds from water or wastewater rates and charges subject to the Commission's jurisdiction.

(13) This case is dismissed.

CASE NO. PUR-2020-00044
MARCH 17, 2021

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

FINAL ORDER

On March 9, 2020, Direct Energy Business LLC ("Direct Energy") filed with the State Corporation Commission ("Commission") a Petition for Declaratory Judgment and Request for Expedited Action ("Petition") against Virginia Electric and Power Company ("Dominion") seeking an order finding that a customer of Dominion has the right to purchase 100% renewable energy from a Competitive Service Provider ("CSP") under § 56-577 A 5 ("Subsection A 5") of the Code of Virginia ("Code") as long as the customer 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. The Petition also claimed that Dominion's manner of implementing Commission approved tariffs and rate schedules unlawfully impedes retail customers seeking to purchase electricity from a CSP.[1]

On March 13, 2020, the Commission entered an Order ("March 13th Order") docketing the Petition as Case No. PUR-2020-00044. In addition, the March 13th Order combined this matter with Case No. PUR-2020-00013 ("Subaccount Case")[2] 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.[3]

On March 30, 2020, Calpine Energy Solutions, LLC ("Calpine"), filed a Notice of Participation and, to the Extent Necessary, Motion to Intervene ("Intervention Request"). As reflected by a Joint Statement of Disputed and Undisputed Facts filed on April 3, 2020 ("First Joint Statement"), Direct Energy and Dominion did not oppose the Intervention Request.[4] Direct Energy, Calpine, and Dominion 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 [Subsection A 5 b] 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 been 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]

The case participants also agreed to delay the resolution of certain additional questions raised in the Petition regarding the enrollment of CSP customers ("Ancillary Issues") until after the Threshold Issue was resolved.[6] The parties identified the Ancillary Issues as follows:

1. Whether Section 6.8 of Dominion's CSP Coordination Tariff ("Section 6.8") requiring CSPs to provide a 60-day advance notice prior to initiating a large volume of customer activity violates Subsection A 5 to the extent it results in delay of enrollment of CSP customers and denies them the ability to purchase renewable energy from a CSP under Subsection A 5 b.

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[1] Petition at 1.

[2] *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 No. PUR-2020-00013 (filed January 21, 2020).

[3] On October 2, 2020, the Commission entered an Order dismissing the Subaccount Case at Direct Energy's request.

[4] First Joint Statement at 3.

[5] *Id*.

[6] *Id*.

2. Whether, as part of Dominion's 60-day advance notice requirement, Dominion's requirement that CSPs must provide prospective customers' identities and individual load requirements violates Subsection A 5 to the extent it results in delay of enrollment of CSP customers and denies them the ability to purchase renewable energy from a CSP under Subsection A 5 b.

3. Whether Schedule 10's requirement that customers must switch to a new rate schedule before becoming eligible to purchase from a CSP and may only do so during certain time periods violates Subsection A 5 to the extent it results in delay of enrollment of CSP customers and denies them the ability to purchase renewable energy from a CSP under Subsection A 5 b.

4. Whether Schedule GS-2T's requirement that customers must switch to a new rate schedule before becoming eligible to purchase from a CSP violates Subsection A 5 to the extent it results in delay of enrollment of CSP customers and denies them the ability to purchase renewable energy from a CSP under Subsection A 5 b.[7]

On May 12, 2020, Senior Hearing Examiner A. Ann Berkebile entered a Ruling and Certification on May 12, 2020, making preliminary findings (relative to standing and *res judicata*) and recommending that the Commission enter an Order answering "no" to the Threshold Issue. The Commission entered an Order on July 2, 2020, adopting the Hearing Examiner's findings and recommendations.

On August 17, 2020, Dominion filed an Answer to the Petition. On August 24, 2020, the Hearing Examiner issued a Ruling establishing a procedural schedule for consideration of the Ancillary Issues.

On September 4, 2020, Direct Energy, Dominion, and the Staff of the Commission filed a Joint Statement of Disputed and Undisputed Facts ("Second Joint Statement"). On September 10, 2020, Calpine filed a Notice of Withdrawal of its notice of participation. Pursuant to the procedural schedule established by the Hearing Examiner, Direct Energy and Dominion filed opening briefs on September 18, 2020. On September 25, 2020, Direct Energy and Dominion filed reply briefs.

On October 10, 2020, the Hearing Examiner issued her Report. Regarding Ancillary Issues 1, 3 and 4, the Hearing Examiner found that:

> each of the tariff provisions referenced in [Ancillary Issues 1, 3 and 4] include explicit timing limitations applicable to customers seeking to switch to CSPs, the implementation of which is now being challenged by Direct Energy. It is … undisputed that such provisions were previously approved by the Commission and the time for appealing the associated Commission orders has long passed. In my view, therefore, and consistent with Commission precedent, Direct Energy's attempt to challenge such provisions should be dismissed as an untimely attack on prior Commission orders.[8]

Regarding Ancillary Issue 2, the Hearing Examiner recommended that the Commission enter an order answering "no" on the basis that Direct Energy did not adequately support its contention that the required provision of customer identities and load requirements is unreasonable and results in a delay longer than that resulting from providing a more generalized notice.[9]

On November 10, 2020, Direct Energy and Dominion filed comments responding to the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the findings and recommendations contained in the Senior Hearing Examiner's Report are hereby adopted. We agree with the Hearing Examiner that Direct Energy's challenge to Dominion's tariff provisions is untimely. We further agree that Dominion's requirement that CSPs must provide prospective customers' identities and individual load requirements does not violate Code §56-577 A 5.[10]

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations set forth in the Senior Hearing Examiner's October 10, 2020 Report are adopted.

(2) This case is dismissed.

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[7] Second Joint Statement at 4.

[8] Report at 7 (internal footnotes omitted).

[9] *Id*. at 12.

[10] During the pendency of this case, the Commission approved a 100% renewable energy tariff for Dominion, which, by operation of Code § 56-577 A 5, significantly limited the ability of Dominion customers to purchase 100% renewable energy from CSPs. Specifically, as recognized in our July 2, 2020 Order in this matter, "[o]nce 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." (emphasis in original). Dominion's 100% renewable energy tariff was approved in *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*, Case No. PUR-2019-00094, Doc. Con. Cen. No. 200710052, Order Approving Tariff (July 2, 2020); *effective date affirmed by* Doc. Con Cen. No. 200730145, Order on Additional Requests at 3 (July 23, 2020) ("The Commission clarifies that Dominion offered an approved tariff when [Dominion] filed Rider TRG on July 2, 2020, ...").

CASE NO. PUR-2020-00061
FEBRUARY 1, 2021

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 § 56-77 *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 seeking approval of a First Amended Agreement pursuant to Code § 56-77 *et seq*.[1] On June 30, 2020, the State Corporation Commission ("Commission") issued an order granting approval of the agreement subject to certain revisions and requirements,[2] which included the filing of the executed, approved agreement within 60 days ("Approved Agreement"). On August 26, 2020, the Applicants requested and received a two-week extension in which to file the Approved Agreement. On September 11, 2020, the Applicant requested and received a second extension, until September 30, 2020, in which to file the Approved Agreement.

On September 29, 2020, the Applicants filed a Motion to Accept the Revised Affiliate Agreement in Compliance with the [June 30 Order] ("Applicants' Motion"), requesting that the Commission accept its revised Approved Agreement ("Second Revised Agreement"), which included "changes to provisions not directly addressed by the [June 30 Order]," as evidence of compliance with the June 30 Order.[3] On October 13, 2020, the Commission's Staff ("Staff") filed a Response to Applicants' Motion and Motion to Re-Open the Record ("Staff's Motion") due to certain non-approved changes incorporated into the Second Revised Agreement. On October 22, 2020, the Applicants filed their reply to Staff's Motion.

On November 23, 2020, the Commission issued an Order on Motions, which granted Staff's Motion to re-open the PUR-2020-00061 docket, accepted the Second Revised Agreement in partial compliance of the June 30 Order, granted the Applicants 10 business days in which to make any additional changes to the agreement, and directed that the 60-day statutory Affiliates Act review period would commence when the Applicants filed a further revised agreement or a letter stating that the Second Revised Agreement required no other changes.[4] On December 8, 2020, the Applicants filed a letter stating that no other changes to the Second Revised Agreement were necessary, and the statutory review period began.[5]

Second Revised Agreement

The Second Revised Agreement calls for Virginia-American to provide support services ("Services") to AWR to assist AWR's business of providing home protection service programs ("Programs") to customers within Virginia-American's service territory.[6]

The Applicants represent that AWR will offer three Programs to customers: (1) a Water Line Protection Program; (2) a Sewer Line Protection Program; and (3) an In-Home Plumbing Emergency Program.[7] The Applicants further represent that Virginia-American will provide four Services to AWR to support the Programs: (1) the distribution of promotional materials; (2) repair service coordination; (3) billing and collection services; and (4) distribution of customer satisfaction surveys.[8] With the exception of American Water Works Service Company, Inc., Virginia-American will not separately engage affiliates to provide services on its behalf to AWR.[9] Finally, Virginia-American will charge AWR 115% of its fully distributed costs incurred in providing the services, or market price if ascertainable.[10]

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[1] This is Chapter 4 of Title 56, known as the "Affiliates Act."

[2] *See 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.*, Case No. PUR-2020-00061, Doc. Con. Cen. No. 200650118, Order Granting Approval (June 30, 2020) ("June 30 Order").

[3] *See 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.*, Case No. PUR-2020-00061, Doc. Con. Cen. No. 200940003, Applicants' Motion (Sept. 29, 2020).

[4] *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.*, Case No. PUR-2020-00061, Doc. Con. Cen. No. 201140054, Order on Motions (Nov. 23, 2020).

[5] *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.*, Case No. PUR-2020-00061, Doc. Con. Cen. No. 201210270, Letter to Comply with Commission's Order (Dec. 8, 2020).

[6] Second Revised Agreement at 5-6.

[7] See Applicants' Response to Staff Data Request No. 1-01 attached to Staff's action brief filed concurrently with this order.

[8] See Applicants' Response to Staff Data Request No. 1-02 attached to Staff's action brief filed concurrently with this order.

[9] See Applicants' Response to Staff Data Request No. 1-03 attached to Staff's action brief filed concurrently with this order.

[10] See Section 4 (Compensation) of the Second Revised Agreement.

Pre- and Post-June 30 Order Revisions

The unresolved issues in this case pertain to revisions made to the Approved Agreement by the Applicants subsequent to the June 30 Order that went beyond the revisions directed by the Commission in the June 30 Order. The pre- and post-June 30 Order revisions are summarized below.

June 30 Order Revisions

In the findings paragraph of the June 30 Order, the Commission expressed concerns 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 Virginia, Inc. ("United Water"), which no longer exists as a separate legal entity."[11] Therefore, the Commission directed the Applicants: (1) to strike the Other Services clause; (2) to identify and describe the four specific Support Services to be provided; and (3) to remove United Water as a party to the Approved Agreement.[12]

Post June 30 Order Revisions

The Applicants aver that subsequent to the June 30 Order and the 21 days available for reconsideration under the Code, they realized "numerous [other] revisions were required to appropriately revise the [current] Agreement in compliance with the Commission's [June 30] Order, including changes to provisions not directly addressed by the Commission's [June 30] Order."[13] The additional revisions ("Post June 30 Order Revisions") included removing certain clauses, changing certain terms, and adjusting certain insurance coverage amounts.

First, the Applicants represent that Sections 4.2 and 6.1.2 of the Approved Agreement were revised to reflect that Virginia-American now provides sewer service to customers in part of its service territory as a result of its acquisition of Dale Service Corporation (see Case No. PUE-2013-00150)[14] and that Virginia-American no longer bills sewer charges for non-affiliated third parties.[15]

Second, the Applicants represent that Section 6.1.2 (Repair Service Coordination) of the Approved Agreement was revised to properly "identify and describe the repair coordination service currently provided." The First Amended Agreement included "section b," which removed Virginia-American's obligation to provide wastewater repair service coordination services until it began to operate and maintain a public sewer system. In Case No. PUE-2013-00050, the Commission approved Virginia-American's acquisition of Dale Service Corporation, a public wastewater system. The Second Revised Agreement strikes subsection b in its entirety to reflect that Virginia-American now provides repair coordination services to former Dale Service Corporation customers.[16]

Third, the Applicants represent that they revised Section 6.1.3 (Billing and Collection) of the Approved Agreement from saying "either or both" to "either, both or all" because AWR offers more than two programs to its customers. The Applicants also struck references to the application of payments to third party charges on Virginia-American bills because Virginia-American no longer includes third party sewer charges on its bills.[17]

Fourth, the Applicants represent that Insurance Coverage amounts were reduced for (a) Contractor Commercial General Liability; (b) Contractor Automobile Liability; and (c) Contractor Excess Liability because the Applicants determined that the insurance requirements were unnecessarily high for the type of contractor work contemplated by the Second Revised Agreement. The Applicants represent that seeking to enforce these requirements would impede AWR's ability to engage outside contractors to conduct the home repair services provided under the Second Revised Agreement.[18]

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Staff through its action brief, and having considered Virginia-American's comments thereon,[19] is of the opinion and finds that the proposed Second Revised Agreement is in the public interest and is approved subject to the requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Second Revised Agreement is approved subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is dismissed.

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[11] *Id.*, See Footnote 4.

[12] June 30 Order at 3-4.

[13] See Section 4 (Compensation) of the Second Revised Agreement, See Footnote 7.

[14] *See Joint Petition of Virginia-American Water Company and Dale Service Corporation, For approval of a change of control pursuant to the Utility Transfers Act, Va. Code § 56-88 et seq.*, Case No. PUE-2013-00050, 2013 S.C.C. Ann. Rept. 409, Order Granting Authority (Oct. 30, 2013). The transfer was completed on November 4, 2013.

[15] See Applicants' Response to Staff Data Request No. 1-04 attached to Staff's action brief filed concurrently with this order.

[16] See Applicants' Response to Staff Data Request No. 1-06 attached to Staff's action brief filed concurrently with this order.

[17] See Applicants' Response to Staff Data Request No. 1-07 attached to Staff's action brief filed concurrently with this order.

[18] See Applicants' Response to Staff Data Request No. 1-05 attached to Staff's action brief filed concurrently with this order.

[19] Staff shared a draft of its action brief with the Applicants, and they had no comment on Staff's recommendations.

APPENDIX

1) The Commission's approval of the Second Revised Agreement is limited to five years from the effective date of the order in this case.

2) The Commission's approval shall have no accounting or ratemaking implications.

3) Separate Commission approval shall be required for any changes in the terms and conditions of the Second Revised Agreement.

4) The Commission's approval is limited to the four specific Services identified and described in the Second Revised Agreement. If Virginia-American wishes to provide additional services to AWR other than those described in the Second Revised Agreement, separate Commission approval shall be required.

5) Separate Commission approval shall be required for Virginia-American to provide Services to affiliated third parties (other than AWR) under the Second Revised or any other Agreement.

6) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

7) Virginia-American shall verify ("Verification") that any home protection services provided to Virginia-American's customers pursuant to the Second 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 the Commonwealth of Virginia. The Verification shall be regularly affirmed or updated as appropriate and included in Virginia-American's Annual Report of Affiliate Transactions ("ARAT").[20]

8) Any marketing material sent to Virginia-American's Virginia customers pursuant to the Second 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.

9) 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.

10) Virginia-American shall maintain records demonstrating that the Services it provides 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.[21]

11) Virginia-American shall file with the Commission an executed copy of the approved Second 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").

12) Virginia-American shall include all transactions associated with the Second 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 Second 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.

[20] The form and reporting of the Verification should be consistent with the Commission's Verification requirement in its June 30 Order.

[21] The Applicants' proposed pricing for the Second Revised Agreement is appropriate to the extent that it is consistent with the Commission's higher of cost or market pricing requirement.

CASE NO. PUR-2020-00080
FEBRUARY 11, 2021

APPLICATION OF
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

FINAL ORDER

On May 15, 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 certificates of public convenience and necessity ("CPCNs") to construct and operate electric transmission facilities in Fauquier, Stafford, Spotsylvania, and Caroline Counties, 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 seeks to rebuild, entirely within existing right of way, approximately 36.7 miles of existing 500 kilovolt ("kV") transmission Lines #552 and #581 (collectively, "Rebuild Project").[1] Specifically, the Company proposes:

[1] Ex. 2 (Application) at 2.

(1) to rebuild, entirely within existing right of way, approximately 21.5 miles of existing 500 kV Bristers-Chancellor Line #552, which runs from Dominion's existing Bristers Switching Station in Fauquier County, Virginia, to its existing Chancellor Substation in Spotsylvania County, Virginia;

(2) to rebuild, entirely with existing right of way, approximately 15.2 miles of existing 500 kV Chancellor-Ladysmith Line #581, which runs from Dominion's existing Chancellor Substation in Spotsylvania County, Virginia, to its existing Ladysmith Switching Station in Caroline County, Virginia, and which includes the rebuild of approximately 1.2 miles of 115 kV transmission Chancellor-Spotsylvania Line #198, which is co-located with Line #581 on Structures #581/2 to #581/7; and

(3) to perform minor substation work at the existing Bristers Switching Station, Chancellor Substation, and Ladysmith Switching Station.[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.[3] The Company further states that the Rebuild Project will replace aging infrastructure that is at the end of its service life.[4]

The Company states that the desired in-service date for this project is December 31, 2023.[5] The Company represents that the estimated conceptual cost of the Rebuild Project (in 2020 dollars) is approximately $107.8 million, which includes approximately $98.6 million for transmission-related work and approximately $9.2 million for substation-related work.[6]

On June 15, 2020, 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; 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 July 29, 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 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.
- 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 Division of Natural Heritage regarding its recommendations to protect natural heritage resources and obtain an update on natural heritage information.
- Coordinate with the Department of Wildlife Resources ("DWR") regarding its recommendations to protect listed mussels and other wildlife resources, and conduct mussel surveys.
- Coordinate with the Virginia Outdoors Foundation ("VOF") regarding its recommendation to lower tower heights to reduce the potential negative impact to the viewshed.
- 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 the Department of Historic Resources regarding its recommendations to protect historic and archaeological resources.[7]

[2] *Id.*

[3] *Id.*

[4] *Id.* at 2-3.

[5] *Id*. at 3.

[6] *Id.* at 4.

[7] Ex. 7 (DEQ Report) at 6.

On October 8, 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 Rebuild Project to continue providing reliable electric transmission service.[8] Staff, therefore, did not oppose the issuance of the CPCNs requested in the Company's Application.[9]

On October 29, 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 two of DEQ's recommendations.[10] Dominion also offered clarifications for two aspects of the DEQ Report.[11]

On November 13, 2020, Dominion and Staff (collectively, "Stipulating Participants") filed a Proposed Amended Stipulation enumerating the documents and evidence that they recommended be entered into the evidentiary record for consideration in this case.[12] The Stipulating Participants also recommended that the record for this proceeding close without the necessity of a hearing.[13] On November 17, 2020, upon consideration of the filings in this case, including the Proposed Amended Stipulation, and the fact that no member of the public signed up to testify on the Application, the Hearing Examiner issued a Ruling canceling the November 18, 2020 public witness hearing and the November 19, 2020 evidentiary hearing.

On November 24, 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.[14] No comments opposing the findings and recommendations set forth in the Report were filed.

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."

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[8] Ex. 8 (Dodson Direct) at Staff Report, p. 17.

[9] *Id.*

[10] *See* Ex. 9 (Baka Rebuttal) at 2-3; Ex. 10 (Studebaker Rebuttal) at 3.

[11] *See* Ex. 9 (Baka Rebuttal) at 4; Ex. 10 (Studebaker Rebuttal) at 2-3.

[12] Ex. 12 (Proposed Amended Stipulation) at 1-3. After filing a Proposed Stipulation on November 12, 2020, the Stipulating Participants filed a Proposed Amended Stipulation on November 13, 2020, providing additional information requested by the Hearing Examiner. *Id.* at 1.

[13] *Id*. at 4.

[14] Report at 16.

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, Staff agreed with the Company that the Rebuild Project is needed in order to continue providing reliable electric transmission 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 two of these recommendations.

First, the Company recommends rejection of DWR's recommendation to conduct significant tree removal and ground clearing activities outside of the primary songbird nesting season.[21] Dominion states that it does not expect any ground clearing activities to be "significant."[22] The Company agrees, however, to survey the relevant area for songbird nesting colonies if any significant clearing occurs during nesting season and will coordinate with DWR if any colonies are found.[23] We agree with the Hearing Examiner and find that the Company shall coordinate with DWR to create appropriate construction restrictions in the event significant clearing activities occur and songbird colonies are found during a Company survey of the Rebuild Project area.[24]

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[15] *See* Ex. 2 (Application) at 2-3.

[16] Ex. 8 (Dodson Direct) at Staff Report, pp. 3-7, 17.

[17] *See id.* at 14.

[18] *See* Ex. 2 (Application) at Appendix, p. 50. The Company represented that no alternative routes were thus proposed for the Rebuild Project. *Id*.

[19] *See* Ex. 2 (Application) at Appendix, pp. 213-275; Ex. 8 (Dodson Direct) at Staff Report, pp. 15-17.

[20] *See* Ex. 7 (DEQ Report) at 6. Dominion shall comply with all uncontested recommendations included in the DEQ Report. However, to the extent that 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.

[21] Ex. 7 (DEQ Report) at 21; Ex. 10 (Studebaker Rebuttal) at 3.

[22] Ex. 10 (Studebaker Rebuttal) at 3.

[23] *Id*.

[24] *See* Report at 16.

Second, Dominion objects to VOF's recommendation of a reduction in height to towers 552/201, 552/200, and 552/199 to reduce the potential negative impact to the viewshed that Commonwealth citizens enjoy from the public access easement SPT-02592.[25] The Company states that it developed an alternative engineering design for the rebuild project to address this concern.[26] The Company further represents that it received a letter from VOF stating that upon consideration of this alternative, VOF preferred the design included in the Application.[27] We agree with the Hearing Examiner and reject this recommendation.[28]

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-DEV-FAU-2021-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Fauquier County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00080, cancels Certificate No. ET-80q, issued to Virginia Electric and Power Company in Case No. PUE-2015-00117 on August 29, 2017.
>
> Certificate No. ET-DEV-FBX/SPO-2021-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in the City of Fredericksburg and Spotsylvania County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00080, cancels Certificate No. ET-111h, issued to Virginia Electric and Power Company in Case No. PUE880095 on November 13, 1989.
>
> Certificate No. ET-DEV-KGE/STA-2021-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in the Counties of King George and Stafford, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00080, cancels Certificate No. ET-88g, issued to Virginia Electric and Power Company in Case No. PUE-2011-00113 on October 4, 2012.
>
> Certificate No. ET-DEV-CLN-2021-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Caroline County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00080, cancels Certificate No. ET-70g, issued to Virginia Electric and Power Company in Case No. PUE-2008-00002 on September 5, 2008.

(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 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, 2023. 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.

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[25] Ex. 7 (DEQ Report) at 23; Ex. 9 (Baka Rebuttal) at 2-3.

[26] Ex. 9 (Baka Rebuttal) at 2-3.

[27] *Id.* The Company included this letter with Mr. Baka's rebuttal testimony as Schedule 1. *See id.* at Rebuttal Schedule 1.

[28] *See* Report at 15.

CASE NO. PUR-2020-00083
JUNE 1, 2021

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For a general increase in electric rates

FINAL ORDER

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 stated that a rate increase is needed because the Cooperative recently has experienced low customer growth and increasing costs.[1] NNEC proposed a 3.93% increase in overall jurisdictional sales revenues, which would generate approximately $1.5 million in additional revenue.[2] The Cooperative represented that an increase in jurisdictional sales revenues of $1.5 million would allow it to pay expenses, service debt, fund capital additions, and meet the financial goals established by NNEC's Board of Directors.[3] NNEC stated 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 proposed 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 stated 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 proposed to use a five-year average of monthly consumption, rather than the test year[8] average of monthly consumption.[9]

The Cooperative proposed allocating the requested $1.5 million Rate Year revenue increase to the various rate classes in a manner that addresses parity deficiencies.[10] To that end, NNEC proposed 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]

The Cooperative requested 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.[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 $6.30, from $143.97 to $150.27.[13]

On August 5, 2020, the Commission entered an Order for Notice and Hearing, which among other things, docketed the Application; established a procedural schedule; directed NNEC to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled an evidentiary hearing; directed the Staff of the Commission ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon; appointed a Hearing Examiner to conduct all further proceedings in this matter; and allowed NNEC to implement its proposed rates for bills rendered on and after January 1, 2021, on an interim basis and subject to refund with interest.[14]

On October 19, 2020, the Cooperative filed Supplemental Direct Testimony of Jack D. Gaines.[15] On February 26, 2021, Staff filed testimony describing the results of its investigation of the Application. On March 19, 2021, NNEC filed a letter stating that the Cooperative would not be filing rebuttal testimony. Although no interested persons filed a notice of participation, the Commission received one public comment opposing NNEC's requested rate increase.

On March 24, 2021, NNEC and Staff filed a Joint Motion to Approve Stipulation ("Joint Motion") with an attached Stipulation. The proposed Stipulation provided in part that:

(1) NNEC's Application and the pre-filed testimony and exhibits of the Cooperative's witnesses Bradley H. Hicks, Pamela M. Davis, and Jack D. Gaines shall be made a part of the record without witnesses taking the stand and without cross-examination.

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[1] Ex. 2 (Application) at 3; Ex. 4 (Davis Direct) at 2-3.

[2] Ex. 2 (Application) at 8; Ex. 4 (Davis Direct) at 3.

[3] Ex. 2 (Application) at 3.

[4] NNEC states that the rate year is calendar year 2021 ("Rate Year"). *Id.* at n.4

[5] *Id.* at 3. The Cooperative clarified that it is not requesting that the Commission set a TIER of 2.25x and adjust its proposed rates to that TIER. NNEC requested that the Commission approve the rates as proposed, provided that the resulting TIER is within a reasonable range that would normally be recommended for electric distribution cooperatives in Virginia. *Id.*

[6] *Id.* at 4; Ex. 3 (Hicks Direct) at 5-6; Ex. 5 (Gaines Direct) at 25.

[7] Ex. 2 (Application) at 4.

[8] In its Application, NNEC uses calendar year 2019 as the test year. *Id.* at n. 5.

[9] *Id.* at 4.

[10] *Id.* at 8.

[11] *Id.*; Ex. 5 (Gaines Direct) at 22-23.

[12] Ex. 2 (Application) at 9.

[13] These figures assume a peak demand of 6.40 kilowatts and are based on annualized rates.

[14] On December 17, 2020, Staff filed a motion requesting an extension of the procedural schedule, which was granted by the assigned Hearing Examiner on December 21, 2020.

[15] Ex. 6 (Gaines Supplemental).

(2) The pre-filed testimony of Staff witnesses Madhu S. Mangalam, Turner L. LaBrie, and Kelli B. Gravely shall be made a part of the record without witnesses taking the stand and without cross-examination.

(3) The Cooperative's requested increase of $1,497,809, calculated using NNEC's billing determinants provided in the Application, is reasonable and should be approved.

(4) An increase of $1,497,809 results in a TIER of 2.25x which is within the range of 2 to 2.5x found to be reasonable by Staff.

(5) The Cooperative's class cost of service ("CCOS") study reasonably approximates the cost of serving NNEC's various rate classes, and the Cooperative's proposed revenue apportionment is reasonable and should be approved as set forth in NNEC's Application with no changes.

(6) The Cooperative's proposed access charges, energy delivery charges, and energy supply service charges are reasonable and should be approved as set forth in NNEC's Application with no changes.

(7) The Cooperative's proposed demand charge for Schedule R-6 (Residential Service), Schedule PE-4 (Prepaid Electric Service), Schedule C-9 (Church Service), Schedule T-5 (Non-Demand TOU Service ("Time of Use Service")), and Schedule SGS-1 (Small General Service) is reasonable and should be approved.

(8) The Cooperative's proposal to adjust Schedule EF (Excess Facilities Service) rates to reflect the prevailing fixed charge rates from the CCOS study and to introduce new rates specifically for substation facilities and transmission facilities is reasonable and should be approved.[16]

On March 25, 2021, Senior Hearing Examiner Michael D. Thomas issued a ruling accepting the Stipulation; cancelling the evidentiary hearing scheduled to be held virtually on April 13, 2021; and taking the case under advisement pending the issuance of a Hearing Examiner's Report.

On April 12, 2021, the Report of Michael D. Thomas, Senior Hearing Examiner ("Report"), was filed. In his Report, the Senior Hearing Examiner found that the Stipulation filed by the Cooperative and Staff that resolves all outstanding issues in this case is fair, reasonable, and in the public interest.[17] Accordingly, the Hearing Examiner recommended that the Commission enter an Order that: (1) adopts the findings and recommendations in the Report; (2) adopts the Stipulation proposed by the Cooperative and Staff; (3) approves the Cooperative's requested revenue increase of $1,497,809, calculated using the Cooperative's billing determinants provided in the Application; (4) approves the Cooperative's proposed revenue apportionment as set forth in the Application; (5) approves the Cooperative's proposed access charges, energy delivery charges, and energy supply charges as set forth in the Application; (6) approves the Cooperative's proposed demand charge for its Residential Service, Prepaid Electric Service, Church Service, Time of Use Service, and Small General Service rate schedules; (7) approves the Cooperative's proposal to adjust Schedule EF rates to reflect the prevailing fixed charge rates from the CCOS study and the new rates specifically for substation facilities and transmission facilities; and (8) dismisses the case.[18]

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the findings and recommendations of the Senior Hearing Examiner should be adopted. We further find that the Stipulation satisfies the statutory requirements attendant to this case and should be approved. Accordingly, we find that NNEC'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 1, 2021, should be made permanent.

For clarification, we note that the revenue increase of $1,497,809, agreed upon in the 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. The Commission realizes that the ongoing COVID-19 public health crisis 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 findings and recommendations of the April 12, 2021 Report are adopted.

(2) The Joint Motion filed by Staff and NNEC is granted, and the Stipulation presented in this case 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.

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[16] Ex. 10 (Stipulation) at 1.

[17] Hearing Examiner's Report at 14.

[18] *Id*. at 14-15.

CASE NO. PUR-2020-00092
FEBRUARY 1, 2021

PETITION OF
MICROSOFT CORPORATION
v.
VIRGINIA ELECTRIC AND POWER COMPANY

For an Order Regarding Rate Schedules GS-3, GS-4, MBR-GS-3 and MBR-GS-4

ORDER

On May 19, 2020, Microsoft Corporation ("Microsoft") filed a petition ("Petition") with the State Corporation Commission ("Commission") pursuant to §§ 56-234, 56-235, 56-236, 56-247 and 56-577 of the Code of Virginia ("Code") for an order and declaratory judgment requiring Virginia Electric and Power Company ("Dominion") to amend the minimum charge provisions in its existing large general service rate schedules GS-3, GS-4, MBR-GS-3 and MBR-GS-4 to align with the amended minimum charge provision approved by the Commission in Case No. PUR-2018-00192 ("2018 MBR Proceeding").[1] In its Petition, Microsoft claimed the minimum charge provisions in rate schedules GS-3, GS-4, MBR-GS-3 and MBR-GS-4 are unlawful and therefore must be modified.[2] Microsoft further asserted the Commission has already decided the legal issue presented in this Petition when it "determined that Dominion's minimum charge provision was unlawful" in the 2018 MBR Proceeding and that "the doctrine of collateral estoppel resolves the issue."[3]

On June 9, 2020, Dominion filed an answer, affirmative defenses, and a motion to dismiss the Petition (collectively, "Answer"). In its Answer, Dominion stated that amending the minimum charge provisions in the context of the present proceeding is neither reasonable nor appropriate, but that it does not oppose addressing the issue in its upcoming 2021 triennial review proceeding ("2021 Triennial Review").[4] Dominion also denied Microsoft's assertion that the Commission found the minimum charge provision to be unlawful in the 2018 MBR Proceeding.[5] Moreover, Dominion moved to dismiss the Petition ("Motion to Dismiss"), asserting in part that Code § 56-585.1:1 precludes adjustment of Dominion's existing tariff rates before the conclusion of the 2021 Triennial Review.[6]

On June 22, 2020, Microsoft filed a response opposing Dominion's Motion to Dismiss ("Response"). In its Response, Microsoft asserted that the Commission should decide the issue in the present case, rather than in the 2021 Triennial Review, because the Commission "has already held an identical minimum charge policy to be unlawful."7 Microsoft further claimed that Code § 56-585.1:1 applies only to existing tariff rates and that Dominion's minimum charge is a policy or practice, rather than an existing tariff rate.8 Microsoft also stated that "Dominion's minimum charge policy is not an 'existing tariff rate' because, quite simply, it does not exist in Dominion's tariff."[9]

On July 7, 2020, Dominion filed a reply ("Reply") to the Response. In its Reply, Dominion stated that nothing in the Commission's Final Order in the 2018 MBR Proceeding determined that Dominion's proposed minimum charge was "unlawful."[10] Dominion further stated that the minimum charge constitutes a rate that is included in its approved tariffs filed with the Commission.[11]

NOW THE COMMISSION, upon consideration of the Petition and all other filings made in this docket, is of the opinion and finds as follows.[12]

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[1] Petition at 1-3, 24-25. *See also 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*, Case No. PUR-2018-00192, Doc. Con. Cen. No. 200120040, Final Order (Jan. 14, 2020) ("2018 MBR Proceeding Final Order").

[2] Petition at 13.

[3] *Id*. at 14.

[4] Answer at 4.

[5] *Id*. at 10.

[6] *See id*. at 14-18.

[7] Response at 2 (emphasis in original).

[8] *Id*. at 2, 9-11.

[9] *Id*. at 2. *See also id.* at 7-9.

[10] Reply at 1-5.

[11] *Id*. at 7-10.

[12] 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).

In its Petition, Microsoft states, "After a full, extensive litigation of the legal and factual issues involved, the Commission issued a valid, final ruling finding the minimum charge provision to be unlawful. . . . The Commission should simply extend its decision in the [2018 MBR Proceeding] to the schedules at issue here."[13] Thus, the Commission's determination in the 2018 MBR Proceeding is central to the relief sought in the Petition. As Dominion states in its Reply, the "cornerstone of [Microsoft's] argument both in its Petition and in its [Response] is that the Commission has already found the Company's minimum charge provision to be categorically 'unlawful,' and that all there is left to do now is flow through that finding to invalidate the provision in the remaining rate schedules where it appears."[14]

Indeed, as noted above, in its request for relief Microsoft explicitly asks the Commission "to amend the minimum charge provision in the Large General Service rate schedules to align with the amended minimum charge provision in the New MBR Rate Schedule."[15] That is, Microsoft's request for relief does not seek an evidentiary proceeding through which the Commission would exercise its legislative discretion to establish a just and reasonable minimum charge provision but, rather, requests that the Commission amend such provision by order because, according to Microsoft, the Commission "has already decided the issue presented here" and found such provision unlawful in the 2018 MBR Proceeding.[16]

In this regard, Dominion filed an application with the Commission in the 2018 MBR Proceeding to establish a new voluntary rate schedule, designated Rate Schedule MBR, Large General Service Market-Based Rate.[17] Dominion originally filed its application pursuant to Code § 56-234 A, but later amended its request to seek approval of Rate Schedule MBR as an experimental tariff pursuant to Code § 56-234 B.[18] After evidentiary proceedings for the purpose of exercising the Commission's legislative discretion, and upon consideration of the record in the case, we approved the proposed MBR Rate Schedule subject to certain findings and conditions.[19] In part, we reviewed evidence and arguments relating to the appropriate minimum charge and found that, "based on the record in this case, it is appropriate for the [n]ew 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."[20] We approved certain language applicable to the minimum charges that was set forth in a partial stipulation, and further determined that the tariff should include additional conditions 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.[21]

Finally, we determined that we "will not reach questions that are outside the scope of this proceeding. We decline to make any findings, for example, on … the minimum charges contained in Dominion's other tariffs."[22]

While Microsoft repeatedly asserts that we found Dominion's minimum charge to be unlawful, it has failed to provide any specific citation from the 2018 MBR Proceeding Final Order to support its position.[23] Neither the imposition of the above conditions to Rate Schedule MBR, nor any other finding in the 2018 MBR Proceeding Final Order, can be equated to a determination that Dominion's proposed minimum charge is "unlawful." Further, our approval of the above tariff language does not automatically presuppose that a differing minimum charge is unlawful for purposes of a different tariff. That is, the Commission simply did not find that any other minimum charge provision, applied to any other tariff, would be unlawful.[24]

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[13] Petition at 15.

[14] Reply at 1-2.

[15] Petition at 24.

[16] *Id*. at 13.

[17] *See* 2018 MBR Proceeding Final Order at 1.

[18] *Id*. at 1, 7-8.

[19] *Id*. at 7.

[20] *Id*. at 11.

[21] *Id*. at 12.

[22] *Id*. at 13.

[23] *See* Petition at 14-16; Response at 2, 5; 2018 MBR Proceeding Final Order.

[24] The issue litigated in the 2018 MBR Proceeding concerned the minimum charge for Rate Schedule MBR. The minimum charges for rate schedules GS-3, GS-4, MBR-GS-3 and MBR-GS-4 were not at issue in that case. We therefore reject Microsoft's assertion that the doctrine of collateral estoppel would apply to this issue.

Accordingly, the Commission did not find in the 2018 MBR Proceeding that any other minimum charge provision must be rejected as a matter of law. Evaluation of minimum charge provisions for purposes of other tariffs requires an exercise of the Commission's legislative discretion based on a factual record, just as it did in the 2018 MBR Proceeding. Because this is not the specific relief sought in the Petition, the Commission hereby exercises its discretion to deny the Petition as filed.[25]

Finally, we emphasize that our findings herein are based on the specific Petition as filed in this matter. Nothing herein precludes consideration of alternative minimum charge proposals for rate schedules GS-3, GS-4, MBR-GS-3 or MBR-GS-4 in an appropriate proceeding. Further in this regard, the Commission notes that neither Microsoft nor Dominion contest that Dominion's upcoming triennial review could be one such appropriate proceeding.[26]

Accordingly, IT IS ORDERED THAT: Microsoft's Petition is denied without prejudice; Dominion's Motion to Dismiss is granted; and this case is dismissed.

[25] *See, e.g., Potomac Edison Co. v. State Corp. Comm'n*, 276 Va. 577, 582-583 (2008) (discussing *Potomac Edison Co. v. State Corp. Comm'n*, Record No. 071566 (April 11, 2008) (unpublished), wherein the Court affirmed the Commission's decision to deny a petition that sought a rate change as a matter of law, where the law did not mandate such change absent the Commission's exercise of legislative discretion, and where the petition did not ask the Commission to hold evidentiary proceedings and to act in its legislative capacity).

[26] *See, e.g.*, Petition at 23; Answer at 15-17; Response at 5-6; Reply at 5-7.

CASE NO. PUR-2020-00095
SEPTEMBER 14, 2021

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

FINAL ORDER

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[1] 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's Application advised that the proposed rates and charges were designed to increase the Company's base rate revenues by approximately $60.1 million.[2]

On June 30, 2020, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, among other things, docketed the Application; scheduled a hearing on the Application; established a procedural schedule for interested persons to comment on the Application[3] and for case participants to file testimony and exhibits; permitted the Company to implement its proposed rates on an interim basis, subject to refund with interest, for service rendered on and after October 29, 2020, or alternatively on November 1, 2020, as requested by the Company; and appointed a Hearing Examiner to conduct all further proceedings on behalf of the Commission.[4]

Virginia Industrial Gas Users' Association ("VIGUA") and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed notices of participation in this proceeding.

On February 16, 2021, VIGUA and Consumer Counsel filed testimony in accordance with the Procedural Order. The Commission's Staff ("Staff") filed testimony on March 31, 2021; and VNG filed rebuttal testimony on April 14, 2021. On May 10, 2021, VNG filed a Stipulation and Proposed Recommendation ("Stipulation") with the Commission signed by the Company, Staff, Consumer Counsel, and VIGUA that resolved most of the issues in this case. The Stipulation carved out and did not resolve the issues raised by VIGUA witness Mary Hensley in her direct testimony and exhibits, to which Company witness Kenneth W. Yagelski responded in his rebuttal testimony; the parties instead agreed to proceed to an evidentiary hearing on those issues.[5]

On May 11, 2021, the Hearing Examiner convened an evidentiary hearing and admitted the Stipulation and other evidence into the record. On June 7, 2021, VNG and VIGUA submitted post-hearing briefs.[6]

On July 8, 2021, the Report of Mary Beth Adams, Hearing Examiner ("Report") was issued. Therein, the Hearing Examiner made the following findings:[7]

[1] Code § 56-232 *et seq*.

[2] Ex. 2 (Application) at 1.

[3] Public comments were filed on January 6, 2021, by Diana Smith and on January 27, 2021, by David Reubush.

[4] On July 6, 2020, the Commission issued an Order *Nunc Pro Tunc* to revise the notice provision in Ordering Paragraph (9) of the Procedural Order to reflect the proper case number to be referenced when filing respondent testimony.

[5] Ex. 3 (Stipulation) at 8.

[6] Staff and Consumer Counsel filed letters in lieu of post-hearing briefs.

[7] Report at 51-52.

1. The Stipulation balances the interests of the consumers and the Company, and is fair, reasonable, and in the public interest.

2. The non-gas base revenue requirement should be increased by $43.0 million (comprising a non-SAVE related increase of $28.7 million and a SAVE roll-in related increase of $14.3 million).[8]

3. An authorized return on common equity ("ROE") of 9.50% should be used for earnings test analyses and to determine the revenue requirement in any application or filing, other than an application for a change in base rates, wherein a revenue requirement determination is needed.

4. For purposes of calculating the revenue requirement in any application or filing, other than an earnings test or application for a change in base rates, VNG's overall weighted average cost of capital will be 7.045% effective November 1, 2020, reflecting the actual June 30, 2020 Southern Company Gas ("GAS")[9] capital structure (as set forth in Attachment II to the Stipulation), until such time as new rates are implemented in the Company's next rate case.

5. Rate Base that includes approximately $134,139,921 of SAVE investment through October 30, 2020, as set forth in the Stipulation is reasonable.

6. The treatment of COVID-related Costs and Safety Costs as set forth in the Stipulation is reasonable.

7. The provisions of the Stipulation pertaining to the Company's depreciation rates are reasonable.

8. The revenue apportionment and rate design set forth in the Stipulation are reasonable for purposes of this case.

9. The Company should prepare for filing with its next general rate application the Class Cost of Service Studies detailed in the Stipulation.

10. The provisions of the Stipulation pertaining to tariff modifications are reasonable and should be adopted.

11. The Target Margin for the Margin Sharing Adjustment should be determined once the revenue requirement is approved by the Commission in this proceeding.[10]

12. VNG's proposal to discontinue propane service to customers identified in the Application is reasonable. The Company should undertake the discontinuation in accordance with the terms set forth in the Stipulation, including submitting an application for Commission approval under Chapter 5 of Title 56 of the Code prior to transferring any assets in relation to the potential discontinuation of propane service to certain customers.[11]

13. The Company's existing tariff penalty provisions for overtakings of natural gas during an interruption order are reasonable.

14. The proposed good faith waiver of the penalty provisions for overtakings of natural gas during a curtailment order should be denied.

15. VIGUA's proposal to allow for reallocation of volumes between customer accounts is reasonable and should be approved.[12]

16. The language addressing the submission of nominations in Rate Schedules 6, 7, 9, 13, 14, 15, and 16 is outdated. Within 90 days of the Commission's Final Order in this case, VNG should submit an updated tariff that accurately reflects the way in which the nomination process is conducted.

The Hearing Examiner recommended that the Commission issue an Order:[13]

- adopting both the Stipulation and the findings in the Report;
- approving the rates, charges, and tariff provisions as set out in the Stipulation;
- denying VIGUA's proposed modifications to VNG's tariff concerning penalty provisions and a good faith waiver provision for overtakings of gas;

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[8] The term "SAVE" refers to the Company's pipeline infrastructure replacement plan approved pursuant to the Steps to Advance Virginia's Energy Plan (SAVE) Act, Code § 56-603 *et seq*.

[9] VNG is a wholly owned subsidiary of GAS. *See* Ex. 8 (MacLeod) at 3.

[10] The Margin Sharing Adjustment identifies a level of interruptible service revenue that, when exceeded, results in a credit to firm customers with 90% of the revenue in excess of the target. Ex. 10 (Cogburn) at 29.

[11] Findings 1-12 all approve issues that were addressed through the Stipulation.

[12] The Hearing Examiner recommended the following language be included in VNG's tariff to address this issue:

> Until 5:00 PM on the third business day following a month, the Company will allow customers and/or their marketer to reallocate gas deliveries between transportation rate accounts for the month. These reallocations may not change the delivery volume by day or by pipeline and must be submitted in a manner as requested by the Company, either by spreadsheet or through the Company's Gas Operating System (GOS).

[13] Report at 52-53.

- approving VIGUA's proposed modification to VNG's tariff to include a provision allowing for reallocations of gas volumes between accounts;
- directing VNG to update the language of Rate Schedules 6, 7, 9, 13, 14, 15, and 16 to accurately reflect its current process for submitting nomination and to submit the revised Rate Schedules within 90 days of Final Order in this case;
- directing refunds to customers, with interest, of the difference between rates that went into effect on an interim basis as of November 1, 2020, and the rates approved in this Final Order; and
- closing the case.

VNG, VIGUA, and Staff each filed comments on the Hearing Examiner's Report. Staff requested that the Commission adopt the Hearing Examiner's Report without change.[14]

In its comments, VIGUA reiterated its support for the Stipulation.[15] Concerning the issues that were not resolved by the Stipulation, VIGUA urged the Commission to adopt the Hearing Examiner's findings and recommendations to the extent they support a tariff amendment allowing month-end reallocations between and among transportation customers' accounts.[16] Though VIGUA continued to disagree with the Hearing Examiner's findings and recommendations concerning the proposals to amend VNG's tariff concerning overtakings of gas, VIGUA withdrew those proposals.[17] The balance of VIGUA's comments on the Report addressed the one issue remaining in dispute between VIGUA and Company: the proposed tariff amendment related to month-end reallocations among transportation customers' accounts.[18]

By way of background, VIGUA explained that from as early as 1998 until April 2019, VNG allowed marketers of transportation customers to reallocate volumes of gas among the marketers' customers' accounts with VNG.[19] Such reallocation would occur over a limited time period at the end of each month to minimize and correct for unforeseeable account imbalances and eliminate the need for individual transportation customers each to keep a large "bank" of its own.[20] VIGUA noted that both Washington Gas Light Company and Columbia Gas of Virginia, Inc., who each have far more transportation customers than VNG, offer such a reallocation service, and VNG is the only known local distribution company in Virginia that does not have "*some* form of procedure or mechanism affording customers an opportunity to proactively avoid or rectify potential account imbalances before monthly delivery."[21]

VIGUA explained that, without reallocation, transportation customers must purchase and bank larger volumes of gas than they require on a monthly basis, a practice that is costly to both those customers and to firm sales customers who have to pay the costs of system supply and storage adjustments that must be made due to higher demand levels on VNG's system.[22] VIGUA noted that the Hearing Examiner rejected VNG's arguments related to the reallocation issue.[23]

In its comments on the Report, VNG supported all the Report's findings except Finding 15, related to the reallocation issue; VNG urged the Commission not to adopt this finding of the Hearing Examiner.[24] VNG argued that it "already provides sufficient flexibility to natural gas customers and their marketers through a banking and balancing service that is funded by firm service customers."[25] According to VNG, the current tariff provides a generous bank that allows customers to manage their imbalance activity, and VIGUA's witness raised no issue "that cannot be addressed by the flexibility" in the tariff now, along with a properly managed bank.[26] VNG noted that no customer has participated in this case to argue for changes to VNG's banking and balancing tariff provisions.[27]

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[14] Staff Comments at 1.

[15] VIGUA Comments at 1.

[16] *Id*. at 1-2.

[17] *Id*. at 2 n.5.

[18] *See generally id.* at 2-6.

[19] *Id*. at 2 (citing Report at 49; Tr. 45).

[20] *Id*.

[21] *Id*. at 3 (citing Ex. 14 (Hensley Direct) at 9:12-15; Tr. 49:22 – 50:1).

[22] *Id*. at 4.

[23] *Id*. at 4-5.

[24] VNG Comments at 4. VNG clarified that should the Commission so require, VNG is willing to propose updated tariff language for Rate Schedules 6, 7, 9, 13, 14, 15, and 16 as discussed in the Hearing Examiner's Finding 16. *Id*. at 6-7.

[25] *Id*. at 7 (citing Tr. 75).

[26] *Id*.

[27] *Id*. at 7-8.

Further, VNG asserted that claiming it should provide a reallocation service because other Virginia gas utilities do is misleading. VNG stated that instead of looking at individual service offerings, the Commission should consider the overall flexibility provided to transportation customers through all means.[28] VNG explained that other utilities offering a reallocation service may provide less generous banking and balancing services than VNG provides and may service a greater volume of transportation customers, in which case the effort and expense of a reallocation program may be justified more easily than in the case of VNG.[29]

VNG also claimed that the service VIGUA seeks "was never intended by the original tariff or considered by the Commission when the current tariff was approved."[30] The fact that this service was not part of the Company's tariff remains undisputed, and VNG stated that it is not aware of any instance in which the Commission has required "a utility to provide a service on the basis that it inadvertently did so in the past in violation of the approved tariff."[31] VNG argued that reinstating the reallocation program would be costly to both the Company and its firm sales customers; the benefit of the program to marketers would come at a cost to others.[32] In response to the criticism of VIGUA's witness that since the reallocation program ended in April 2019, some transportation customers' banks have doubled or tripled, VNG asserted that "[t]he fact that banks were able to double or triple in size is evidence that supports the Company's primary argument - sales customers have considerable existing flexibility, and VIGUA's proposal is simply not needed."[33]

To address the Hearing Examiner's conclusion that providing a reallocation service must not be burdensome because, in the past, such service was largely provided by just one VNG employee who offered this service undetected, VNG claimed that such a statement does not account for the fact that the service then was provided informally, on a small-scale basis, and as a customer courtesy, not as a tariffed service, which would necessarily involve more personnel, systems, and resources.[34]

After affirming its opposition to a reallocation program, VNG offered some suggestions for the Commission's consideration if it were "inclined to aggregate customers' flexibility for the benefit of their marketer."[35] Specifically, VNG suggested revisiting this issue in a proceeding in which the Company's banking and balancing provisions also could be revisited and potentially reduced and in a case where all tools offering flexibility to transportation customers could be considered, such as in a future VNG rate case or a standalone proceeding.[36] Finally, VNG confirmed that, should the Commission require VNG to provide a reallocation service, VNG opposes the use of its electronic bulletin board or allowing suppliers to pool customers, features that would require extensive technology work to redesign existing systems.[37] Instead, VNG prefers to use a manual process involving an exchange of spreadsheets.[38]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Stipulation is fair, reasonable, in the public interest and should be adopted.[39]

Concerning the reallocation option that VIGUA requests, we decline to adopt Finding 15 of the Hearing Examiner's Report. We agree with VNG that the Company "already provides sufficient flexibility to natural gas customers and their marketers through a banking and balancing service that is funded by firm service customers,"[40] as demonstrated by the fact that customers' bank volumes have been able to increase substantially, since the termination of the previous reallocation service, to accommodate customers' needs.[41]

Further, that this reallocation service was not part of the Company's tariff is undisputed.[42] The record indicates that a single VNG employee was largely responsible for providing the prior service and that such service was given informally, on a small-scale basis, and as a customer courtesy.[43] Since VNG has never offered reallocation system-wide to all marketers as a tariffed service, the cost of such service is unclear. VNG has represented that a

[28] *Id*. at 8.

[29] *Id*.

[30] *Id*.

[31] *Id*. at 8-9 (citing Report at 49).

[32] *Id*. at 9.

[33] *Id*. (citing Tr. 50).

[34] *Id*. at 10 (citing Report at 50; Tr. 74; VNG's Post-hearing Brief at 8).

[35] *Id*.

[36] *Id*. at 10-11.

[37] *Id*. at 11.

[38] *Id*.

[39] For clarification, the Commission notes that it is making no determination on the Company's current cost of equity. Rather, the Commission accepts the ROE in the Stipulation, as agreed to by the case participants, for the limited uses described in the Stipulation.

[40] VNG Comments at 7 (citing Tr. 75).

[41] *Id*. at 9 (citing Tr. 50).

[42] *Id*. at 8-9 (citing Report at 49).

[43] *Id*. at 10 (citing Report at 50; Tr. 74; VNG's Post-hearing Brief at 8).

reallocation program would be an additional cost, not to the marketers who desire the program, but to the Company and its firm customers.[44] Nor do we find the argument that VNG should provide reallocation service because other Virginia gas utilities provide this service persuasive. We decline, on this record, to require VNG to provide a reallocation program.

The Commission finds that the Company shall refund, with interest, the difference between the interim rates effective November 1, 2020, and the rates approved in this Final Order. In approving this request for a rate increase, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have had negative 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 rate increase being approved herein is less than the rates that VNG put into effect on an interim basis as of November 1, 2020. Thus, customers will not experience a further increase in rates, and may experience a decrease in rates, compared to their bills over the past approximately ten months. The Commission 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 Stipulation identified as Exhibit 3 in the record of this case hereby is adopted.

(2) The findings and recommendations in the Report hereby are adopted, except as described otherwise herein.

(3) The Company's non-gas base revenue requirement should be increased by $43.0 million, comprising a non-SAVE related increase of $28.7 million and a SAVE roll-in related increase of $14.3 million.

(4) 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 on November 1, 2020. VNG forthwith shall 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: scc.virginia.gov/case. Refunds of interim rates shall be made as required below.

(5) 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 on November 1, 2020, 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.

(6) 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.

(7) 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 made promptly upon request. All unclaimed refunds shall be subject to Code § 55.1-2512.

(8) 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.

(9) The Company shall bear all costs incurred in effecting the refunds ordered herein.

(10) This matter is dismissed.

[44] *Id*. at 9.

CASE NO. PUR-2020-00096
FEBRUARY 26, 2021

APPLICATION OF
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

FINAL ORDER

On June 1, 2020, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for an annual update of a rate adjustment clause designated Rider U pursuant to § 56-585.1 A 6 ("Subsection A 6") of the Code of Virginia. Through its Application, Dominion seeks to recover costs associated with the Company's Strategic Underground Program ("SUP").[1]

[1] Ex. 3 (Application) at 1.

In addition to an annual update associated with the previously approved phases of the SUP, the Company seeks cost recovery for phase five ("Phase Five") of the SUP, designed to convert approximately 317 miles of overhead tap lines to underground facilities at a capital investment of approximately $172 million, with an average cost per mile of $542,087 and an average cost per customer undergrounded of $9,968.[2] Dominion states that its actual expenditures for Phase Five incurred through March 31, 2020, are $54.5 million, and projected expenditures for the period April 1, 2020, through March 31, 2021, are approximately $117 million.[3] The Company is requesting to recover the costs of Phase Five through Rider U for only those projects that will be completed prior to April 1, 2021.[4]

In this proceeding, Dominion has asked the Commission to approve Rider U for the rate year beginning April 1, 2021, and ending March 31, 2022 ("2021 Rate Year").[5] The two components of the proposed total revenue requirement in this filing are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.[6] The Company states in its Application that the revenue requirement associated with the costs of the previously approved SUP phases totals $44.34 million, which includes a Projected Cost Recovery Factor of $44.797 million, and an Actual Cost True-up Factor credit of $0.457 million.[7] The Company also states that the Projected Cost Recovery Factor revenue requirement for Phase Five costs totals $35.348 million.[8] In total, in its Application the Company requests approval of revised Rider U with an associated revenue requirement in the amount of $79.687 million for the 2021 Rate Year.[9]

The impact on customer bills of the revised Rider U would depend on the customer's rate schedule and usage. According to Dominion, implementation of its revised Rider U on April 1, 2021, would incrementally increase the bill of a residential customer using 1,000 kilowatt hours per month by approximately $0.74 compared to the current Rider U, for a total Rider U bill impact of $2.14 per month.[10]

On June 18, 2020, 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 case; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

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 in the case. On December 8, 2020, Commission Staff ("Staff") filed testimony. On December 22, 2020, the Company filed rebuttal testimony. The Commission also received several written comments regarding the Application.

On January 13, 2021, Dominion and Staff filed a Stipulation and Recommendation ("Stipulation") that resolved all outstanding issues between them raised in this proceeding.[11]

Due to the ongoing public health emergency related to the spread of the coronavirus, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on January 14, 2021. No public witnesses appeared to testify at the hearing.[12] The Company, Consumer Counsel, and Staff participated at the hearing.

On January 29, 2021, the Hearing Examiner issued the Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner ("Report"). In his Report, the Hearing Examiner made the following findings and recommendations: (i) the Stipulation, which includes a total Rider U revenue requirement for the 2021 Rate Year of $79.738 million, with recovery limited to the noticed amount of $79.687 million, should be approved; (ii) Phase Five of the SUP in the aggregate meets the requirements for approval set forth in Subsection A 6; (iii) the Company should seek, in consultation and coordination with Staff, a private letter ruling ("PLR") from the Internal Revenue Service on the appropriate amortization period for the depreciation portion of deferral balance-related Excess Deferred Income Taxes; (iv) the cost associated with the PLR should be included in base rates; (v) the Commission should direct the Company and Staff to coordinate on the development of additional tracking and reporting metrics for future study and use in the SUP annual reports, and the Company should be directed to provide a status update regarding these metrics in its next Rider U update filing; and (vi) Rider U rates in this proceeding should be developed based on Dominion's proposed cost allocation and rate design.[13]

No party filed comments objecting to the findings or recommendations set forth in the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

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[2] *Id.* at 1, 5.

[3] *Id.* at 5.

[4] *Id*.

[5] *Id.* at 4.

[6] *Id*. at 6.

[7] Ex. 6 (Givens Direct) at 12. The Company states that it is proposing to true-up Phases One through Three. *Id*.

[8] *Id*.

[9] *Id.*; Ex. 3 (Application) at 7.

[10] Ex. 3 (Application) at 8-9; Ex. 7 (Beasley Direct) at 7.

[11] Ex. 1 (Stipulation).

[12] Tr. 4.

[13] Report at 20-21.

The Commission approves the proposed Stipulation and adopts the Hearing Examiner's findings and recommendations contained in the Report. The Commission approves a revenue requirement in the amount originally noticed of $79.687 million for recovery through Rider U during the 2021 Rate Year commencing April 1, 2021. In approving this request for an increase in Rider U, 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 law 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) Rider U, as approved herein with an updated revenue requirement in the amount of $79.687 million, shall become effective for service rendered on and after April 1, 2021.

(2) The Company forthwith shall file a revised Rider U 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) This case is continued.

CASE NO. PUR-2020-00099
FEBRUARY 24, 2021

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, 2021

FINAL ORDER

On June 1, 2020, 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 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.[1] In this proceeding, Dominion has asked the Commission to approve Rider B for the rate year beginning April 1, 2021, and ending March 31, 2022 ("2021 Rate Year").[2]

On June 18, 2020, 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 case; 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 Board of Supervisors of Culpeper County, Virginia, and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). Commission Staff ("Staff") filed testimony on October 20, 2020. On November 3, 2020, Dominion filed its rebuttal testimony stating that the Company agrees with all the changes that Staff Witness Mangalam presents in her Direct Testimony and correcting the Company's direct testimony.[3] The Commission did not receive written comments from any interested person regarding the Application.

Due to the ongoing public health emergency related to the spread of the coronavirus, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on November 23, 2020. No public witnesses appeared to testify at the hearing. The Company, Staff, and Consumer Counsel participated at the hearing.

On December 1, 2020, Chief Hearing Examiner Alexander F. Skirpan, Jr., issued his Report ("Report"). As stated in the Report,

> In this case, Staff and [Dominion] have resolved all the issues raised in prefiled testimony. Indeed, at the hearing, Staff and the parties waived opening statements, cross examination of witnesses, and closing arguments. Both Staff and [Dominion] support Staff's total Rider B revenue requirement of $30.35 million. Because this revenue requirement exceeds the revenue requirement noticed by the Company, Staff and [Dominion] agreed that rates determined in this proceeding for the [2021] Rate Year should be limited to the original revenue requirement noticed by the Company of $24.12 million, with any unrecovered revenue requirements subject to future true-ups. Based on no unresolved issues or calculations, I find that the Company's Application, with the agreed-to total revenue requirement of $24.12 million, should be approved by the Commission.[4]

[1] Ex. 2 (Application) at 1; Ex. 4 (Dibble Direct) at 1-2.

[2] Ex. 2 (Application) at 4.

[3] Ex. 12 (Catron Rebuttal) at 2.

[4] Report at 13.

The Hearing Examiner therefore recommended that the Commission approve an updated Rider B rate adjustment clause with a revenue requirement of $24.12 million for the 2021 Rate Year.[5] Dominion filed comments recommending the Commission approve the Hearing Examiner's recommended revenue requirement. Consumer Counsel filed comments stating it had no objection to the findings and recommendations in the Report. Staff filed a letter indicating that the Staff had no comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Hearing Examiner's Report and finds that a total revenue requirement for Rider B of $24.12 million for the 2021 Rate Year should be approved.

Accordingly, IT IS ORDERED THAT:

(1) Rider B, as approved herein with a revenue requirement in the amount of $24.12 million, shall become effective for service rendered on and after April 1, 2021.

(2) The Company forthwith 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: scc.virginia.gov/pages/Case-Information.

(3) On or before June 30, 2021, the Company shall file an application to revise Rider B effective April 1, 2022.

(4) This case is dismissed.

[5] *Id*. The Hearing Examiner further recommended that the Commission approve Dominion's proposed cost allocation and rate design. *Id*.

CASE NO. PUR-2020-00100
FEBRUARY 24, 2021

APPLICATION OF
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

FINAL ORDER

On June 1, 2020, 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 GV ("Application"). Through its Application, the Company seeks to recover costs associated with the Greensville County Power Station, a 1,588 megawatt nominal natural gas-fired combined-cycle electric generating facility in Greensville County, Virginia, and 500 kilovolt transmission lines, a new switching station, and associated transmission interconnection facilities located in Brunswick and Greensville Counties, Virginia.[1]

In this proceeding, Dominion has asked the Commission to approve Rider GV for the rate year beginning April 1, 2021, and ending March 31, 2022 ("2021 Rate Year").[2] The two components of the proposed total revenue requirement for the 2021 Rate Year are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.[3] The Company requests a Projected Cost Recovery Factor revenue requirement of $133,981,000 and an Actual Cost True-Up Factor revenue requirement of $19,669,000.[4] Thus, Dominion requests a total revenue requirement of $153,650,000 for service rendered during the 2021 Rate Year.[5] According to Dominion, implementation of its proposed Rider W on April 1, 2021, would increase the bill of a residential customer using 1,000 kilowatt hours per month by approximately $0.25.[6]

On June 17, 2020, 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.

Notices of participation were filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") and by the Board of Supervisors of Culpepper County, Virginia. Commission Staff ("Staff") filed testimony on October 13, 2020. On October 27, 2020, in lieu of rebuttal testimony, Dominion filed a letter in which it represented that it does not object to the findings and recommendations contained in Staff's testimony.[7] The Commission received one written comment from an interested person regarding the Application.

[1] Ex. 2 (Application) at 1; Ex. 3 (Mitchell Direct) at 1.

[2] Ex. 2 (Application) at 7.

[3] *Id*.

[4] *Id*.; Ex. 5 (Lecky Direct) at 4, 7.

[5] Ex. 2 (Application) at 7; Ex. 5 (Lecky Direct) at 9.

[6] Ex. 2 (Application) at 8; Ex. 6 (Lawson Direct) at 7.

[7] *See* Ex. 9 (October 27, 2020 Dominion Letter) at 2.

The Senior Hearing Examiner convened a hearing, as scheduled on November 10, 2020, by virtual means due to the ongoing public health emergency related to the spread of the coronavirus or COVID-19. No public witnesses appeared to testify at the hearing.[8] The Company, Staff, and Consumer Counsel participated in the hearing.

On November 16, 2020, the Senior Hearing Examiner issued the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report"). As stated in the Report:

> [T]he Company and Staff now agree that the Commission should approve a revenue requirement of $153,313,000 for the updated Rider GV RAC, consisting of a Projected Cost Recovery Factor of $133,589,000 and an Actual Cost True-Up Factor of $19,724,000. Consumer Counsel does not oppose the revenue requirement agreed to by Dominion . . . and Staff. In addition, the Company's proposed cost allocation and rate design are not disputed. Finally, the non-disputed revenue requirement, cost allocation, and rate design are supported by the evidence submitted herein.[9]

The Senior Hearing Examiner therefore recommended that the Commission approve an updated Rider GV RAC with a 2021 Rate Year revenue requirement of $153,313,000.[10] Staff, Consumer Counsel, and the Company filed comments to the Report, none of which opposed the findings and recommendations set forth in the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that a Rider GV revenue requirement of $153,313,000, for the 2021 Rate Year, based on a Projected Cost Recovery Factor revenue requirement of $133,589,000 and an Actual Cost True-Up Factor revenue requirement of $19,724,000 should be approved. In approving this request for an increase in Rider GV, 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) Rider GV, as approved herein with a revenue requirement in the amount of $153,313,000, shall become effective for service rendered on and after April 1, 2021.

(2) 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: scc.virginia.gov/pages/Case-Information.

(3) On or before June 30, 2021, the Company shall file an application to revise Rider GV effective April 1, 2022.

(4) This case is dismissed.

[8] Tr. at 6.

[9] Report at 6-7.

[10] *Id.* at 7.

CASE NO. PUR-2020-00101
FEBRUARY 24, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider R, Bear Garden Generating Station

FINAL ORDER

On June 1, 2020, 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 this proceeding, Dominion has asked the Commission to approve Rider R for the rate year beginning April 1, 2021, and ending March 31, 2022 ("2021 Rate Year").[2] The two components of the proposed total revenue requirement for the 2021 Rate Year are the Projected Cost Recovery Factor and Actual Cost True-Up Factor.[3] The Company requests a Projected Cost Recovery Factor revenue requirement of $54,706,000 and an

[1] Ex. 2 (Application) at 1.

[2] *Id.* at 4, 6-7.

[3] *Id.* at 7.

Actual Cost True-Up Factor revenue requirement of $4,613,000.[4] Thus, Dominion requests a total revenue requirement of $59,318,000 for service rendered during the 2021 Rate Year.[5] According to Dominion, implementation of its proposed Rider R on April 1, 2021, would increase the bill of a residential customer using 1,000 kilowatt hours per month by approximately $0.22.[6]

On June 16, 2020, 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 case; 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 Board of Supervisors of Culpeper County, Virginia, and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). Commission Staff ("Staff") filed testimony on December 15, 2020. On January 12, 2021, Dominion filed a letter in lieu of rebuttal testimony stating that it agreed with the revenue requirement updates presented in Staff's testimony.[7] The Commission did not receive written comments from any interested person regarding the Application.

Due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on January 26, 2021. No public witnesses appeared to testify at the hearing.[8] The Company, Staff, and Consumer Counsel participated at the hearing.

On January 27, 2021, the Hearing Examiner issued the Report of D. Mathias Roussy, Hearing Examiner ("Report"). As stated in the Report,

> I find that the Code and the record developed in this proceeding support Commission approval of an updated Rider R with a total revenue requirement of $57.51 million for the Rate Year. This uncontested revenue requirement appropriately incorporates, among other things, the May 2021 expiration of Rider R's 100-basis-point [return on equity] adder. The $57.51 million Rider R revenue requirement total recommended herein consists of a Projected Cost Recovery Factor of $52.88 million and an Actual Cost True-up Factor of $4.64 million.[9]

Dominion, Consumer Counsel, and Staff filed comments supporting, or not opposing, the findings and recommendations set forth in the Report.

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Hearing Examiner's Report and finds that a total revenue requirement for Rider R of $57.51 million for the 2021 Rate Year, based on a Projected Cost Recovery Factor of $52.88 million and an Actual Cost True-Up Factor of $4.64 million, is hereby approved. In approving this request for an increase in Rider R, 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) Rider R, as approved herein with a revenue requirement in the amount of $57.51 million, shall become effective for service rendered on and after April 1, 2021.

(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: scc.virginia.gov/pages/Case-Information.

(3) On or before June 30, 2021, the Company shall file an application to revise Rider R effective April 1, 2022.

(4) This case is dismissed.

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[4] *Id.* at 7-8; Ex. 4 (Lee Direct) at 4, 7.

[5] Ex. 2 (Application) at 8; Ex. 4 (Lee Direct) at 9.

[6] Ex. 2 (Application) at 8-9; Ex. 5 (Catron Direct) at 7.

[7] *See* Ex. 8 (January 12, 2021 Dominion Letter) at 2.

[8] Tr. 5.

[9] Report at 9 (internal citations omitted). The Hearing Examiner further recommended that the Commission approve Dominion's proposed cost allocation and rate design.

CASE NO. PUR-2020-00102
FEBRUARY 24, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center

FINAL ORDER

On June 1, 2020, 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, a 600 megawatt nominal coal-fueled generating plant and associated transmission interconnection facilities located in Wise County, Virginia.[1] In this proceeding, Dominion has asked the Commission to approve Rider S for the rate year beginning April 1, 2021, and ending March 31, 2022 ("2021 Rate Year").[2]

On June 16, 2020, 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 case; 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 Board of Supervisors of Culpeper County, Virginia, and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). Commission Staff ("Staff") filed testimony on November 10, 2020. On November 24, 2020, Dominion filed a letter in lieu of rebuttal testimony stating that it did not object to the findings and recommendations contained in Staff's testimony.[3] The Commission did not receive written comments from any interested person regarding the Application.

Due to the ongoing public health emergency related to the spread of the coronavirus, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on December 15, 2020. No public witnesses appeared to testify at the hearing.[4] The Company, Staff, and Consumer Counsel participated at the hearing.

On December 17, 2020, the Hearing Examiner issued the Report of Mary Beth Adams, Hearing Examiner ("Report"). As stated in the Report,

> [T]he Company did not object to the findings and recommendations in Staff's prefiled direct testimony, including Staff's recommended revenue requirement of $194.51 million. However, this revenue requirement exceeds the revenue requirement provided in the Company's notice of its Application. Therefore, I find that the rates determined in this proceeding for the [2021] Rate Year should be limited to the … revenue requirement noticed by the Company, with any unrecovered revenue requirements subject to future true-ups.[5]

The Hearing Examiner therefore recommended that the Commission approve an updated Rider S rate adjustment clause with a revenue requirement of $194.215 million for the 2021 Rate Year.[6]

Dominion, Consumer Counsel, and Staff filed comments on the Report, none of which opposed the findings and recommendations set forth in the Report.

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Hearing Examiner's Report and finds that a total revenue requirement for Rider S of $194.215 million for the 2021 Rate Year should be approved.

Accordingly, IT IS ORDERED THAT:

(1) Rider S, as approved herein with a revenue requirement in the amount of $194.215 million, shall become effective for service rendered on and after April 1, 2021.

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[1] Ex. 2 (Application) at 1; Ex. 4 (Lee Direct) at 1.

[2] Ex. 2 (Application) at 7.

[3] *See* Ex. 8 (November 24, 2020 Dominion Letter) at 2.

[4] Tr. 4.

[5] Report at 7 (internal citations omitted).

[6] *Id*. The Hearing Examiner further recommended that the Commission approve Dominion's proposed cost allocation and rate design. *Id*.

(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: https://scc.virginia.gov/pages/Case-Information.

(3) On or before June 30, 2021, the Company shall file an application to revise Rider S effective April 1, 2022.

(4) This case is dismissed.

CASE NO. PUR-2020-00103
FEBRUARY 24, 2021

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, 2021

FINAL ORDER

On June 1, 2020, 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 facility and associated transmission interconnection facilities located in Warren County, Virginia.[1]

In this proceeding, Dominion has asked the Commission to approve Rider W for the rate year beginning April 1, 2021, and ending March 31, 2022 ("2021 Rate Year").[2] The two components of the proposed total revenue requirement for the 2021 Rate Year are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.[3] The Company requests a Projected Cost Recovery Factor revenue requirement of $116,366,000 and an Actual Cost True-Up Factor revenue requirement of $3,377,000.[4] Thus, Dominion requests a total revenue requirement of $119,743,000 for service rendered during the 2021 Rate Year.[5] According to Dominion, implementation of its proposed Rider W on April 1, 2021, would increase the bill of a residential customer using 1,000 kilowatt hours per month by approximately $0.15.[6]

On June 18, 2020, 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.

Notices of participation were filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") and by the Board of Supervisors of Culpepper County, Virginia. Commission Staff ("Staff") filed testimony on December 8, 2020. On January 12, 2021, Dominion filed rebuttal testimony accepting Staff's corrected revenue requirement that exceeds the amount publicly noticed in the Application, and requesting recovery equal to the originally filed revenue requirement.[7] The Commission received no written comments from the public regarding the Application.

The Senior Hearing Examiner convened the hearing as scheduled for January 12, 2021, by virtual means due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19. No public witnesses appeared to testify at the hearing.[8] The Company, Staff, and Consumer Counsel participated in the hearing.[9]

On January 15, 2021, Senior Hearing Examiner Michael D. Thomas issued a report ("Report"). As stated in the Report:

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[1] Ex. 2 (Application) at 1; Ex. 4 (Givens Direct) at 1-2.

[2] Ex. 2 (Application) at 3-4.

[3] *Id*.

[4] Id. at 6-7; Ex. 4 (Givens Direct) at 9.

[5] Ex. 2 (Application) at 7; Ex. 4 (Givens Direct) at 9.

[6] Ex. 2 (Application) at 7; Ex. 5 (Lawson Direct) at 7.

[7] Ex. 8 (Givens Rebuttal) at 2-3.

[8] Tr. at 5.

[9] *Id*. at 4-5.

> The evidence in the record supports a total Rider W revenue requirement of $119,838,000. Since the Company is limited to the amount noticed in its Application, I recommend the Commission approve a total Rider W revenue requirement of $119,743,000, which would consist of a Projected Factor revenue requirement of $116,317,000 and a True-Up Factor revenue requirement of $3,426,000. I further recommend the Commission permit the Company to true-up the $94,632 difference between the Company's and Staff's revenue requirement in a future Rider W proceeding.[10]

Staff, Consumer Counsel, and the Company filed comments to the Report, none of which opposed the findings and recommendations set forth in the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that a Rider W revenue requirement of $119,743,000, for the 2021 Rate Year, based on a Projected Cost Recovery Factor revenue requirement of $116,317,000 and an Actual Cost True-Up Factor revenue requirement of $3,426,000 should be approved. In approving this request for an increase in Rider W, 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) Rider W, as approved herein with a revenue requirement in the amount of $119,743,000, shall become effective for service rendered on and after April 1, 2021.

(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: scc.virginia.gov/pages/Case-Information.

(3) On or before June 30, 2021, the Company shall file an application to revise Rider W effective April 1, 2022.

(4) This case is dismissed.

[10] Report at 10.

CASE NO. PUR-2020-00106
JUNE 22, 2021

APPLICATION OF
AQUA VIRGINIA, INC.

For an Increase in Rates

FINAL ORDER

On July 30, 2020, Aqua Virginia, Inc. ("Aqua" 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 ("Code") requesting authority to increase its rates and charges and to revise other terms and conditions applicable to its water and wastewater service. The Company requested 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 was deemed complete.

The Company requested authority to increase rates for water and wastewater service to produce an increase in water revenues of $1,475,615 and in wastewater revenues of $256,970.[1] According to Aqua, the proposed rate increase would constitute a 10.8% increase in the Company's water revenues and a 3.4% increase in wastewater revenues.[2]

Aqua stated that the requested increase in annual base rate revenue reflects its costs and revenues for the twelve-month Test Year ended March 31, 2020.[3] The Company 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, with an authorized return on equity ("ROE") capital of 11.20%.[4]

[1] Ex. 2 (Application) at 2.

[2] *Id*.

[3] Ex. 4 (Hale Direct) at 4.

[4] Ex. 2 (Application) at 5.

Aqua also identified in its Application, pursuant to guidance from the Commission's April 29, 2020 Order in Case No. PUR-2020-00074,[5] COVID-19-related costs in the amount of $153,913.[6] For ratemaking purposes, Aqua requested a three-year normalization of the COVID-19-related costs that represent costs incurred from April 1, 2020, and projected through December 31, 2020.[7] The Company also stated that given its requested base rate increase, Aqua had proposed changes to the water and wastewater rate design in order to accommodate the reset of its Water and Wastewater Infrastructure Service Charge ("WWISC").[8] As further basis for its requested increase to its rates and charges, the Company cited operational efficiency improvements, water and wastewater system capital investments and cost of capital treatment for information technology assets.[9]

Finally, the Company also requested certain changes to its tariff.[10] 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.[11]

Aqua also sought 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.[12] The Company proposed 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.[13] Non-consolidated systems whose current rates are similar to those of current rate groups were assigned to those current groups whose rates they most closely match.[14] The Company stated that this proposal continued to reduce the differences between the rate groups and implemented 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.[15]

On August 25, 2020, the Commission issued an Order for Notice and Hearing that, among other things, docketed the Application; directed the Company to provide notice of its Application; established a procedural schedule, including a public hearing to convene on April 20, 2021; directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits summarizing its investigation; provided opportunities for interested persons to participate in this proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter.

Timely notices of participation were filed by the Board of Supervisors of Culpeper County, Virginia ("Culpeper County"); Lake Monticello Owners' Association ("LMOA"); Botetourt County, Virginia ("Botetourt County"); Caroline County, Virginia ("Caroline County"); and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel").

The Hearing Examiner convened, remotely, a public and evidentiary hearing on April 20, 2021. The Company, Staff, Consumer Counsel and Botetourt County participated in the hearing.

At the evidentiary hearing, the Company, Staff and Botetourt County ("Stipulating Parties") presented a Stipulation.[16]

On May 24, 2021, the Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner ("Report") was filed. Based on the Stipulation and the other evidence received in this case, the Hearing Examiner found that the proposed Stipulation should be adopted.[17] Among other things, the Hearing Examiner found:[18]

(1) Based on the record and Stipulation, Aqua requires an increase in the incremental revenue requirement of $1,357,649 comprising an increase in base rates for WWISC roll-in totaling $377,153 ($167,636 for water, and $209,517 for sewer), and a non-WWISC related increase in base rates totaling $980,496 (an increase of $1,105,542 for water, and a decrease of $125,046 for sewer);

(2) Aqua's ROE is 9.3% for purposes of settlement, subsequent earnings tests, and any application for filing regarding the WWISC;

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[5] Ex. 4 (Hale Direct) at 6.

[6] *See id.* at Schedule 29 at 24.

[7] *Id*.

[8] Ex. 3 (Aulbach Direct) at 8.

[9] Ex. 2 (Application) at 2-3.

[10] *Id.* at 3.

[11] *Id*.

[12] Code § 56-235.11 B and C.

[13] Ex 2. (Application) at 4-5.

[14] *Id*. at 5.

[15] Code § 56-235.11 B and C.

[16] Ex. 21 (Stipulation). Consumer Counsel, LMOA, Culpeper County, and Caroline County did not oppose the Stipulation. Tr. at 57.

[17] Report at 49.

[18] *Id*. at 49-50.

(3) Aqua should design rates using actual billing determinants as of October 31, 2020;

(4) Aqua should be authorized to make the revisions to the Rules and Regulations of its Tariff as set forth in the Stipulation;

(5) Aqua should submit a depreciation study, in a timely manner, based on plant balances as of March 31, 2025;

(6) Aqua should not be required to submit a time study on service company employee capitalization rates, at this time; and

(7) Aqua should be directed to refund, with interest as prescribed by the Commission, amounts collected as interim rates based on its Application, in excess of the rates set forth in the Stipulation.

The Hearing Examiner recommended that the Commission enter an order adopting the findings and recommendations in the Report; approving the Stipulation; granting the Company a general increase in rates as set forth in the Stipulation; and dismissing this case from the Commission's docket of active cases.[19]

On June 1, 2021, the Company and Consumer Counsel timely filed comments to the Report. Consumer Counsel's comments stated, *inter alia*, that Consumer Counsel had "no objection to the findings and recommendations contained in the Report."[20]

In its comments, Aqua discussed the Stipulation[21] and the public comments received in this case as well as the Company's responses thereto.[22] The Company further reiterated its support and recommendation for the Commission's adoption of the Stipulation, noting that the Hearing Examiner's Report, "manifestly is reasonable, in the public interest and founded upon the totality of the evidence in the record."[23]

NOW THE COMMISSION, upon consideration of the record in this case, the Hearing Examiner's Report, and the applicable laws and statutes, is of the opinion and finds that the Stipulation should be approved.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations set forth in the Hearing Examiner's Report are approved, as clarified herein.

(2) The Stipulation presented by the Stipulating Parties is hereby accepted.

(3) Based on the record and Stipulation, Aqua requires an increase in the incremental revenue requirement of $1,357,649 comprising an increase in base rates for WWISC roll-in totaling $377,153 ($167,636 for water, and $209,517 for sewer), and a non-WWISC related increase in base rates totaling $980,496 (an increase of $1,105,542 for water, and a decrease of $125,046 for sewer).

(4) For purposes of settlement, a ROE of 9.3% will be used for Aqua's subsequent earnings tests and any application or filing regarding the WWISC.

(5) Aqua shall design rates using actual billing determinants as of October 31, 2020.

(6) Aqua shall be authorized to make the revisions to the Rules and Regulations of its Tariff as set forth in the Stipulation.

(7) Aqua may defer costs related to the ongoing COVID-19 pandemic and may seek recovery of any such costs, net of benefits, either through base rates or a separate rate adjustment clause. All deferred costs will be subject to an earnings test measured at the 9.3% ROE identified herein.

(8) Aqua shall submit a depreciation study, in a timely manner, based on plant balances as of March 31, 2025.

(9) Aqua shall not, at this time, be required to submit a time study on service company employee capitalization rates.

(10) Aqua is directed to refund, with interest as prescribed herein, amounts collected as interim rates based on its Application, in excess of the rates set forth in the Stipulation.

(11) 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 27, 2021. Aqua 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: scc.virginia.gov/case. Refunds of interim rates shall be made as required below.

(12) Aqua 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 27, 2021, 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.

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[19] *Id.* at 50.

[20] Consumer Counsel's Comments at 2.

[21] Aqua's Comments at 2-7.

[22] *Id.* at 8-17.

[23] *Id.* at 17.

(13) 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.

(14) 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 § 55.1-2512.

(15) 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.

(16) The Company shall bear all costs incurred in effecting the refunds ordered herein.

(17) This case is dismissed.

CASE NO. PUR-2020-00109
JULY 29, 2021

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 what has become known as the Virginia Clean Economy Act ("VCEA").[1] As pertinent here, the VCEA required the State Corporation Commission ("Commission") to determine the universal service fees to be collected from customers of Appalachian Power Company ("APCo") and Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") to fund the Percentage of Income Payment Program, or PIPP, established by statute. PIPP funds would be allocated to retail customers of APCo and Dominion to reduce the energy burden of utility customers participating in certain public assistance programs. The VCEA further required that the universal service fees "shall not be collected from customers . . . until such time as the PIPP is established."[2]

On December 23, 2020, the Commission issued an Order ("December 2020 Order") in this docket determining a universal service fee for Dominion of $0.001125 per kilowatt-hour ("kWh") intended to recover approximately $93 million annually. This universal service fee was approved "with no effective date at this time."[3] The Commission also ordered that, "[u]pon 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."[4]

On March 24, 2021, the Governor of Virginia signed what has become Chapter 308 of the 2021 Virginia Acts of Assembly.[5] This law establishes the PIPP Fund on the books of the Comptroller. Chapter 308 also modifies the definition of "Percentage of Income Payment Program (PIPP) eligible utility customer";[6] sets caps on the annual cost of PIPP-related programs, including administrative costs, at $25 million for APCo and $100 million for Dominion;[7] requires the Commission to initiate proceedings to provide for an annual true-up of the universal service fee within 60 days of commencement of the PIPP;[8] and permits the Commission to promulgate "any rules necessary to ensure" funds collected from APCo's and Dominion's universal service fees are directed to the PIPP Fund and that the utilities receive adequate compensation from the PIPP Fund for all reasonable PIPP costs, including bill credits for PIPP-eligible customers.[9] Finally, Chapter 308 requires the Commission to issue an order "as soon as practicable" following the July 1, 2021 effective date of Chapter 308, to begin the collection of the universal service fee from customers.[10]

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[1] 2020 Va. Acts chs. 1193, 1194.

[2] *Id*. at Enactment Clause 12.

[3] December 2020 Order at 12, Ordering Paragraph (1).

[4] *Id*. at 12, Ordering Paragraph (2).

[5] House Bill 2330.

[6] Code § 56-576 (eff. July 1, 2021).

[7] Code § 56-585.6 A (eff. July 1, 2021).

[8] Code § 56-585.6 B (eff. July 1, 2021).

[9] Code § 56-585.6 C (eff. July 1, 2021).

[10] 2021 Va. Acts ch. 308, Enactment Clause 2.

On April 21, 2021, the Commission issued an Order on Additional Proceedings, reopening and remanding this case to a Hearing Examiner for additional proceedings concerning the PIPP and the universal service fee associated therewith. The Order on Additional Proceedings posed specific questions ("Appendix") and directed Dominion to make a supplemental filing addressing those questions and any other related matters the Company wished to address. The Order on Additional Proceedings also established a procedural schedule for Dominion to make its supplemental filing; for interested persons to have an opportunity to file comments (i) responding to the Appendix and to Dominion's supplemental filing, and (ii) addressing any related matters for the Commission's consideration, to request a hearing in this docket, or both; for the Commission's Staff ("Staff") to file a report ("Staff Report"); and for Dominion to file a response to the Staff Report and any comments filed in this docket.

On May 12, 2021, Dominion submitted its supplemental filing ("Supplemental Filing") addressing the questions in the Appendix and updating the Commission on the Company's universal service fee in light of the new eligibility criteria and the cap on PIPP costs for Dominion in the amount of $100 million codified in Chapter 308.

Comments were filed by John Ritter, the Office of the Attorney General's Division of Consumer Counsel, Appalachian Voices, Sierra Club, and the Virginia Poverty Law Center. Staff filed its Staff Report on June 8, 2021. On June 15, 2021, Dominion filed its response to the Staff Report and other filed comments ("Dominion's Response").

On June 21, 2021, the Report on Additional Proceedings of D. Mathias Roussy, Jr., Hearing Examiner ("Report"), was filed. The Report included a thorough summary of the procedural history of this case,[11] as well as a discussion of Dominion's Supplemental Filing, the comments filed in this phase of the proceeding, the Staff Report, and Dominion's Response.[12]

The Hearing Examiner made the following findings and recommendations in his Report:

(1) The Commission should not make effective the PIPP fee approved in the December 2020 Order since the PIPP has not started, and that fee was based largely on credits available to participating customers after the PIPP has started;[13]

(2) The PIPP fee should be limited, at this time, to a level designed to fund only the Department of Social Services' ("DSS") estimated start-up costs needed to establish the PIPP;[14]

(3) Dominion plans to defer its administrative costs and seek their recovery at a later time;[15]

(4) The $2.4 million allocation to Dominion for DSS' estimated start-up costs of $3.0 million is a reasonable estimate[16] and Dominion should begin charging its jurisdictional and non-jurisdictional customers rates that will allow the Company to recover $2.4 million, on an annual basis, on and after either August 1, 2021, or September 1, 2021, depending on the timing of the Commission's order;[17]

(5) Dominion should begin making payments to the state treasury, as soon and as frequently as possible, in compliance with the Code's requirement that Dominion transfer all PIPP fee revenue from customers to the state treasury after collection of such revenues begin, to enable DSS to undertake the actions contemplated by the Code to establish the PIPP;[18]

(6) There is no need for the Commission to initiate rulemakings at this time regarding (i) the flow of customer money from Dominion to the state treasury; or (ii) the flow of money from the PIPP Fund to DSS; however, should a need arise, the Commission can initiate a rulemaking in the future;[19]

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[11] *See* Report at 1-3.

[12] *See id*. at 3-12.

[13] *Id*. at 15.

[14] *Id*.

[15] *Id.*; *see also* Dominion's Supplemental Filing at 6-7 ("Accordingly, the Company currently anticipates tracking all utility administrative costs for the implementation of the PIPP via its internal accounting processes and seeking recovery of such costs at a later time via a true-up of actual costs incurred.").

[16] *Id.* As noted in the Report, no comments took issue with the estimated $3.0 million in start-up costs for DSS that was identified earlier in these proceedings. Of the $3.0 million, Dominion and APCo both agreed to the $2.4 million allocation to Dominion. *Id*.

[17] Report at 16, 18. In particular, the Report found that establishing a PIPP fee set to recover $2.1 million on an annual, Virginia jurisdictional basis, is appropriate, provided that Dominion charges non-jurisdictional customers rates that will allow the Dominion to recover $0.3 million for the PIPP Fund on an annual basis. *Id.* Otherwise, the Report suggested, Dominion should recover the entire $2.4 million allocation from Virginia jurisdictional customers. *Id.* at n.63.

[18] Report at 16, 18. *See also* Code § 56-585.6 E.

[19] Report at 16.

(7) Should the Commission establish reporting requirements at this time, the following information is reasonable for such requirements: (i) the number of PIPP participants enrolled in the program (broken down by primary heating source); (ii) total bill credits applied; (iii) average bill credits applied; (iv) Dominion's administrative costs, including a breakdown and description of major cost categories; (v) DSS's costs to administer the PIPP (as reported to the Company); (vi) the number of PIPP participants that took part in a utility-sponsored energy efficiency program; (vii) average energy savings for PIPP participants that participated in a utility-sponsored energy efficiency program (once evaluation, measurement and verification data is available); (viii) a list of federal, state, local or non-profit energy efficiency and weatherization programs available to PIPP participants (to the extent known to the Company); (ix) aggregate energy usage of PIPP participants before and after enrollment; and (x) PIPP participants' arrearage balances, on average and/or in the aggregate;[20]

(8) All reported data should exclude customer identifying information;[21]

(9) The Commission should keep this docket open and Dominion and/or DSS should provide updates in this docket and, at the appropriate time, request the PIPP fee be adjusted to a level commensurate with the PIPP's expected operation;[22] and

(10) At the time the Commission addresses increasing the PIPP fee to correspond with commencement of the PIPP, the Commission should provide guidance on implementation of the statutory cap.[23]

The Office of the Attorney General's Division of Consumer Counsel filed comments either not objecting to or affirmatively supporting certain of the Report's findings and recommendations. Dominion filed comments supporting the Report's recommendations, noting its intentions concerning the recovery of the $2.4 million allocation from both jurisdictional and non-jurisdictional customers.[24]

NOW THE COMMISSION, upon consideration of this matter, adopts the Hearing Examiner's Findings and Recommendations, except as otherwise set out herein.

First, we find that Dominion should begin collecting the PIPP fee from statutorily designated customers as soon as practicable at a level designed to fund the estimated start-up costs of DSS needed to establish the PIPP.[25] Accordingly, we direct Dominion to calculate a PIPP fee on a per kWh basis to recover $2.4 million on an annual basis, and to file tariffs reflecting such fee with the Commission. This PIPP fee shall be effective for service rendered on and after September 1, 2021, and shall remain in place until further order of the Commission.

Second, we establish reporting requirements according to the timeline set forth below and adopt the Hearing Examiner's recommendations for required information.[26] To the extent the required reporting information exists (e.g., number of PIPP participant enrollments), we direct Dominion to provide such information beginning with the filing (discussed below) that will occur 60 days after the DSS rules or guidelines are promulgated. We also direct Dominion to comply with these reporting requirements in true-up filings going forward unless or until this requirement is amended by the Commission.

Given the Hearing Examiner's recommendations and the requirement in Code § 56-585.6 C that "[t]he PIPP shall commence no later than one year after [DSS] publishes such rules or guidelines" for "the adoption, implementation, and general administration of the PIPP and the Percentage of Income Payment Fund established in subsection E," we will keep this docket open to receive Company updates and adjust rates accordingly. Specifically, we require Dominion to make a filing in this docket, within 60 days after the DSS rules or guidelines are promulgated. In the filing, Dominion should include at least the following information:

(1) the amount the Company proposes to collect from customers (e.g., the full statutory cap of $100 million, or a different amount due to expected changes in PIPP participation, utility costs or other factors);

(2) when the Company proposes to start the increased collections (the proposed PIPP rate year);

(3) as recommended by the Hearing Examiner, how the Company interprets its statutory cap (*i.e.*, whether the Company interprets the cap as the amount recovered through the PIPP fee in a given rate year, or the amount spent or committed through implementation of the PIPP program in a given rate year). The Company should state how it is tracking this fee and whether the Company is coordinating with DSS in its tracking of PIPP enrollments and expenditures to ensure program costs stay within the statutory cap; and

(4) whether any true-up is needed regarding start-up costs/costs collected to date, and any information needed for the Commission to assess the requested true-up.

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[20] *Id.* at 17-18.

[21] *Id.* at 18.

[22] *Id.* at 18.

[23] *See id.* at 17. Specifically, the Hearing Examiner discussed two different interpretations of the "cost of the program" to which the annual statutory cap applies: "(a) the amount recovered through the PIPP fee in a given rate year; or (b) the amount spent or committed through implementation of the PIPP program in a given rate year." *Id.* The Hearing Examiner stated that the latter interpretation appears to be "more consistent with Code language tying the cap to the cost of program implementation – for which DSS is responsible" and if that is the case, DSS will need to track PIPP enrollments and expenditures to ensure program costs stay within the $100 million cap applicable to Dominion. *Id.*

[24] Dominion Comments at 2.

[25] *See* Code § 56-585.6 A (stating in part that "[s]uch universal service 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. . . .").

[26] *See* Report at 18.

In approving implementation of this PIPP fee, 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 law. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner, except as otherwise modified herein, are adopted.

(2) A PIPP fee that, when charged to the statutorily designated customers, will recover $2.4 million on an annual basis is approved and shall be effective for service rendered on and after September 1, 2021. This PIPP fee shall remain in place until further order of the Commission.

(3) Dominion forthwith shall file tariffs and supporting workpapers calculating the approved PIPP fee on a kWh basis 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 and findings set forth in this 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) Dominion may defer its PIPP administrative costs and seek their recovery at a later date.

(5) Dominion shall begin making payments to the state treasury, as soon and as frequently as possible, in compliance with the Code's requirement that Dominion transfer all PIPP fee revenue collected from customers to the state treasury after collection of such revenue begins, to enable DSS to undertake the actions contemplated by the Code to establish the PIPP.

(6) Dominion shall file in this docket a report containing the following: (i) the number of PIPP participants enrolled in the program (broken down by primary heating source); (ii) total bill credits applied; (iii) average bill credits applied; (iv) Dominion's administrative costs, including a breakdown and description of major cost categories; (v) DSS's costs to administer the PIPP (as reported to the Company); (vi) the number of PIPP participants that took part in a utility-sponsored energy efficiency program; (vii) average energy savings for PIPP participants that participated in a utility-sponsored energy efficiency program (once evaluation, measurement and verification data is available); (viii) a list of federal, state, local or non-profit energy efficiency and weatherization programs available to PIPP participants (to the extent known to the Company); (ix) aggregate energy usage of PIPP participants before and after enrollment; and (x) PIPP participants' arrearage balances, on average and/or in the aggregate. Dominion's reports shall exclude customer identifying information.

(7) Dominion shall file the initial report in accordance with Ordering Paragraph (6), to the extent the information is available at the time of the filing, in this docket within 60 days after the DSS rules or guidelines establishing the PIPP are promulgated. Such reports shall continue to be filed with each true-up filing thereafter until further order of the Commission.

(8) Dominion shall file in this docket, within 60 days after the DSS rules or guidelines are promulgated establishing the PIPP, an update in accordance with the filing requirements set forth above by which the Commission may determine whether and the extent to which further adjustment to the approved PIPP fee should be implemented.

(9) This case is continued.

CASE NO. PUR-2020-00117
JULY 29, 2021

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 what has become known as the Virginia Clean Economy Act ("VCEA").[1] As pertinent here, the VCEA required the State Corporation Commission ("Commission") to determine the universal service fees to be collected from customers of Appalachian Power Company ("APCo" or "Company") and Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") to fund the Percentage of Income Payment Program, or PIPP, established by statute. PIPP funds would be allocated to retail customers of APCo and Dominion to reduce the energy burden of utility customers participating in certain public assistance programs. The VCEA further required that the universal service fees "shall not be collected from customers . . . until such time as the PIPP is established."[2]

On December 23, 2020, the Commission issued an Order ("December 2020 Order") in this docket determining a universal service fee for APCo of $0.001803 per kilowatt-hour ("kWh") intended to recover approximately $25 million annually. This universal service fee was approved "with no effective date at this time."[3] The Commission also ordered that, "[u]pon 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."[4]

[1] 2020 Va. Acts chs. 1193, 1194.

[2] *Id*. at Enactment Clause 12.

[3] December 2020 Order at 12, Ordering Paragraph (1).

[4] *Id*. at 12, Ordering Paragraph (2).

On March 24, 2021, the Governor of Virginia signed what has become Chapter 308 of the 2021 Virginia Acts of Assembly.[5] This law establishes the PIPP Fund on the books of the Comptroller. Chapter 308 also modifies the definition of "Percentage of Income Payment Program (PIPP) eligible utility customer";[6] sets caps on the annual cost of PIPP-related programs, including administrative costs, at $25 million for APCo and $100 million for Dominion;[7] requires the Commission to initiate proceedings to provide for an annual true-up of the universal service fee within 60 days of commencement of the PIPP;[8] and permits the Commission to promulgate "any rules necessary to ensure" funds collected from APCo's and Dominion's universal service fees are directed to the PIPP Fund and that the utilities receive adequate compensation from the PIPP Fund for all reasonable PIPP costs, including bill credits for PIPP-eligible customers.[9] Finally, Chapter 308 requires the Commission to issue an order "as soon as practicable" following the July 1, 2021 effective date of Chapter 308, to begin the collection of the universal service fee from customers.[10]

On April 21, 2021, the Commission issued an Order on Additional Proceedings, reopening and remanding this case to a Hearing Examiner for additional proceedings concerning the PIPP and the universal service fee associated therewith. The Order on Additional Proceedings posed specific questions ("Appendix") and directed APCo to make a supplemental filing addressing those questions and any other related matters the Company wished to address. The Order on Additional Proceedings also established a procedural schedule for APCo to make its supplemental filing; for interested persons to have an opportunity to file comments (i) responding to the Appendix and to APCo's supplemental filing, and (ii) addressing any related matters for the Commission's consideration, to request a hearing in this docket, or both; for the Commission's Staff ("Staff") to file a report ("Staff Report"); and for APCo to file a response to the Staff Report and any comments filed in this docket.

On May 12, 2021, APCo submitted its supplemental filing, comprised of the Supplemental Direct Testimony of William K. Castle and two supplemental exhibits ("Supplemental Filing"). Mr. Castle's testimony addressed the questions in the Appendix and updated the Commission on the Company's universal service fee in light of the new eligibility criteria and the cap on PIPP costs for APCo in the amount of $25 million codified in Chapter 308. Company witness Castle also described two ways in which the $25 million cap may be implemented.

Comments were filed by Lowell and Debbie Bise, the Office of the Attorney General's Division of Consumer Counsel, Appalachian Voices, Sierra Club, and the Virginia Poverty Law Center. Staff filed its Staff Report on June 8, 2021. On June 9, 2021, APCo filed a letter stating that the Company would not be filing additional comments at this time.

On June 21, 2021, the Report on Additional Proceedings of D. Mathias Roussy, Jr., Hearing Examiner ("Report"), was filed. The Report included a thorough summary of the procedural history of this case,[11] and the responses to the Appendix in APCo's Supplemental Filing, the comments filed in this phase of the proceeding, and the Staff Report.[12] The Report also addressed certain additional matters discussed in APCo's Supplemental Filing.[13]

The Hearing Examiner made the following findings and recommendations in his Report:

(1) The Commission should not make effective the PIPP fee approved in the December 2020 Order since the PIPP has not started, and that fee was based largely on credits available to participating customers after the PIPP has started;[14]

(2) The PIPP fee should be limited, at this time, to a level designed to fund only the Department of Social Services' ("DSS") estimated start-up costs needed to establish the PIPP;[15]

(3) APCo's administrative costs may be deferred until they are better known;[16]

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[5] House Bill 2330.

[6] Code § 56-576 (eff. July 1, 2021).

[7] Code § 56-585.6 A (eff. July 1, 2021).

[8] Code § 56-585.6 B (eff. July 1, 2021).

[9] Code § 56-585.6 C (eff. July 1, 2021).

[10] Chapter 308, Enactment Clause 2.

[11] *See* Report at 1-3.

[12] *See id*. at 3-11.

[13] *See id*. at 11-12.

[14] *Id.* at 15.

[15] *Id.*

[16] *Id.* The Company requested that the Commission authorize deferral of APCo's own administrative and start-up costs associated with the PIPP for future recovery through the universal service fee after the program is implemented. *See* Supplemental Filing, Ex. WKC-1 at 6.

(4) The $0.6 million allocation to APCo for DSS' estimated start-up costs of $3.0 million is a reasonable estimate[17] and APCo should begin charging a rate designed to recover $0.6 million, on an annual basis, on and after either August 1, 2021, or September 1, 2021, depending on the timing of the Commission's order;[18]

(5) APCo should begin making payments to the state treasury, as soon and as frequently as possible, in compliance with the Code's requirement that APCo transfer all PIPP fee revenue from customers to the state treasury after collection of such revenues begin, to enable DSS to undertake the actions contemplated by the Code to establish the PIPP;[19]

(6) There is no need for the Commission to initiate rulemakings at this time regarding (i) the flow of customer money from APCo to the state treasury; or (ii) the flow of money from the PIPP Fund to DSS; however, should a need arise, the Commission can initiate a rulemaking in the future;[20]

(7) Should the Commission establish reporting requirements at this time, the following information is reasonable for such requirements: (i) the number of PIPP participants enrolled in the program (broken down by primary heating source); (ii) total bill credits applied; (iii) average bill credits applied; (iv) APCo's administrative costs, including a breakdown and description of major cost categories; (v) DSS's costs to administer the PIPP (as reported to the Company); (vi) the number of PIPP participants that took part in a utility-sponsored energy efficiency program; (vii) average energy savings for PIPP participants that participated in a utility-sponsored energy efficiency program (once evaluation, measurement and verification data is available); (viii) a list of federal, state, local or non-profit energy efficiency and weatherization programs available to PIPP participants (to the extent known to the Company); (ix) aggregate energy usage of PIPP participants before and after enrollment; and (x) PIPP participants' arrearage balances, on average and/or in the aggregate;[21]

(8) All reported data should exclude customer identifying information;[22]

(9) The Commission should keep this docket open and APCo and/or DSS should provide updates in this docket and, at the appropriate time, request the PIPP fee be adjusted to a level commensurate with the PIPP's expected operation;[23] and

(10) At the time the Commission addresses increasing the PIPP fee to correspond with commencement of the PIPP, the Commission should provide guidance on implementation of the statutory cap.[24]

The Office of the Attorney General's Division of Consumer Counsel filed comments either not objecting to or affirmatively supporting the Report's findings and recommendations. APCo and Staff both filed letters stating they had no comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, adopts the Hearing Examiner's Findings and Recommendations, except as otherwise set out herein.

First, we find that APCo should begin collecting the PIPP fee from the statutorily designated customers as soon as practicable at a level designed to fund the estimated start-up costs of DSS needed to establish the PIPP.[25] Accordingly, we direct APCo to calculate a PIPP fee on a per kWh basis to recover $0.6 million on an annual basis, and to file tariffs reflecting such fee with the Commission. This PIPP fee shall be effective for service rendered on and after September 1, 2021, and shall remain in place until further order of the Commission.

Second, we establish reporting requirements according to the timeline set forth below and adopt the Hearing Examiner's recommendations for required information.[26] To the extent the required reporting information exists (e.g., number of PIPP participant enrollments), we direct APCo to provide such information beginning with the filing (discussed below) that will occur 60 days after the DSS rules or guidelines are promulgated. We also direct APCo to comply with these reporting requirements in true-up filings going forward unless or until this requirement is amended by the Commission.

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[17] Report at 15. As noted in the Report, no comments took issue with the estimated $3.0 million in start-up costs for DSS that was identified earlier in these proceedings. Of the $3 million, Dominion and APCo both agreed to the $0.6 million allocation to APCo. *Id.*

[18] *Id.* at 15, 17-18.

[19] *Id.* at 15-16, 18. *See also* Code § 56-585.6 E.

[20] Report at 16.

[21] *Id.* at 17-18.

[22] *Id.* at 17.

[23] *Id.* at 18.

[24] *See id.* at 16-17. Specifically, the Hearing Examiner discussed two different interpretations of the "cost of the program" to which the annual statutory cap applies: "(a) the amount recovered through the PIPP fee in a given rate year; or (b) the amount spent or committed through implementation of the PIPP program in a given rate year." *Id.* The Hearing Examiner stated that the latter interpretation appears to be "more consistent with Code language tying the cap to the cost of program implementation – for which DSS is responsible" and if that is the case, DSS will need to track PIPP enrollments and expenditures to ensure program costs stay within the $25 million cap applicable to APCo. *Id.* at 17.

[25] *See* Code § 56-585.6 A (stating in part that "[s]uch universal service 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. . . .").

[26] *See* Report at 18.

Given the Hearing Examiner's recommendations and the requirement in Code § 56-585.6 C that "[t]he PIPP shall commence no later than one year after [DSS] publishes such rules or guidelines" for "the adoption, implementation, and general administration of the PIPP and the Percentage of Income Payment Fund established in subsection E," we will keep this docket open to receive Company updates and adjust rates accordingly. Specifically, we require APCo to make a filing in this docket, within 60 days after the DSS rules or guidelines are promulgated. In the filing, APCo should include at least the following information:

(1) the amount the Company proposes to collect from customers (e.g., the full statutory cap of $25 million, or a different amount due to expected changes in PIPP participation, utility costs or other factors);

(2) when the Company proposes to start the increased collections (the proposed PIPP rate year);

(3) as recommended by the Hearing Examiner, how the Company interprets its statutory cap (*i.e.*, whether the Company interprets the cap as the amount recovered through the PIPP fee in a given rate year, or the amount spent or committed through implementation of the PIPP program in a given rate year). The Company should state how it is tracking this fee and whether the Company is coordinating with DSS in its tracking of PIPP enrollments and expenditures to ensure program costs stay within the statutory cap; and

(4) whether any true-up is needed regarding start-up costs/costs collected to date, and any information needed for the Commission to assess the requested true-up.

In approving implementation of this PIPP fee, 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 law. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner, except as otherwise modified herein, are adopted.

(2) A PIPP fee that, when charged to the statutorily designated customers, will recover $0.6 million on an annual basis is approved and shall be effective for service rendered on and after September 1, 2021. This PIPP fee shall remain in place until further order of the Commission.

(3) APCo forthwith shall file tariffs and supporting workpapers calculating the approved PIPP fee on a kWh basis 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 and findings set forth in this 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) APCo may defer PIPP administrative costs until they are better known.

(5) APCo shall begin making payments to the state treasury, as soon and as frequently as possible, in compliance with the Code's requirement that APCo transfer all PIPP fee revenue collected from customers to the state treasury after collection of such revenue begins, to enable DSS to undertake the actions contemplated by the Code to establish the PIPP.

(6) APCo shall file in this docket a report containing the following: (i) the number of PIPP participants enrolled in the program (broken down by primary heating source); (ii) total bill credits applied; (iii) average bill credits applied; (iv) APCo's administrative costs, including a breakdown and description of major cost categories; (v) DSS's costs to administer the PIPP (as reported to the Company); (vi) the number of PIPP participants that took part in a utility-sponsored energy efficiency program; (vii) average energy savings for PIPP participants that participated in a utility-sponsored energy efficiency program (once evaluation, measurement and verification data is available); (viii) a list of federal, state, local or non-profit energy efficiency and weatherization programs available to PIPP participants (to the extent known to the Company); (ix) aggregate energy usage of PIPP participants before and after enrollment; and (x) PIPP participants' arrearage balances, on average and/or in the aggregate. APCo's reports shall exclude customer identifying information.

(7) APCo shall file the initial report in accordance with Ordering Paragraph (6), to the extent the information is available at the time of the filing, in this docket within 60 days after the DSS rules or guidelines establishing the PIPP are promulgated. Such reports shall continue to be filed with each true-up filing thereafter until further order of the Commission.

(8) APCo shall file in this docket, within 60 days after the DSS rules or guidelines are promulgated establishing the PIPP, an update in accordance with the filing requirements set forth above by which the Commission may determine whether and the extent to which further adjustment to the approved PIPP fee should be implemented.

(9) This case is continued.

CASE NO. PUR-2020-00122
MARCH 30, 2021

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, 2021

FINAL ORDER

On July 1, 2020, 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.

On July 17, 2020, 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 October 6, 2020, the Office of Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed its notice of participation. On October 13, 2020, the Virginia Committee for Fair Utility Rates and the Board of Supervisors of Culpeper County, Virginia filed notices of participation.

On January 12, 2021, the Senior Hearing Examiner convened an evidentiary hearing on the Company's Application. Due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on February 17, 2021. No public witnesses appeared to testify at the hearing.[1] The Company, Consumer Counsel, and the Commission's Staff participated in the hearing.

On January 15, 2021, Senior Hearing Examiner A. Ann Berkebile filed her Report ("Report"). In her Report, the Senior Hearing Examiner found that an updated Rider US-3 RAC with a revenue requirement of $38,489,000, consisting of a Projected Cost Recovery Factor of $32,935,000, and an Actual Cost True-Up Factor of $5,554,000, should be approved.[2]

On January 22, 2021, the Company and Consumer Counsel filed comments in support of the Senior Hearing Examiner's Report.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Rider US-3 revenue requirement of $38,489,000, consisting of a Projected Cost Recovery Factor of $32,935,000, and an Actual Cost True-Up Factor of $5,554,000, should be approved. In approving this request for an increase in Rider US-3, 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) Rider US-3 is approved herein with an updated revenue requirement in the amount of $38,489,000. This amount shall be recovered based on the allocation and rate design methodology proposed by the Company.

(2) Pursuant to Code § 56-585.1 A 7, the Company may implement Rider US-3, 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-3, as approved herein, for service rendered on and after June 1, 2021.

(3) The Company shall file its next annual Rider US-3 application on or after August 1, 2021.

(4) This case is dismissed.

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[1] Tr. 4.

[2] Report at 8.

CASE NO. PUR-2020-00123
MARCH 30, 2021

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

Application of 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

ORDER APPROVING RATE ADJUSTMENT CLAUSE

On July 1, 2020, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval of its first annual update filing with respect to its Rider US-4 for the Sadler Solar Facility, an approximately 100 megawatt utility-scale solar photovoltaic generating facility located in Greensville County, Virginia.

In this proceeding, Dominion has asked the Commission to approve Rider US-4 for the rate year beginning June 1, 2021 and ending May 31, 2022 ("2021 Rate Year"). The total revenue requirement requested for recovery in the Application for the 2021 Rate Year is $ 11,871,320.[1] According to Dominion, implementation of its proposed Rider US-4 on June 1, 2021, would increase the bill of a residential customer using 1,000 kilowatt hours per month by approximately $0.07.[2]

On August 4, 2020, 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 October 7, 2020, the Office of Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed its notice of participation. On January 28, 2021, Commission Staff ("Staff") filed its testimony. On February 8, 2021, Dominion filed a letter in lieu of rebuttal testimony stating that it agreed with the revenue requirement updates presented in Staffs testimony.[3] The Commission did not receive written comments from any interested person regarding the Application.

Due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on February 17, 2021. No public witnesses appeared to testify at the hearing.[4] The Company, Staff, and Consumer Counsel participated at the hearing. On February 24, 2021, Hearing Examiner Mary Beth Adams filed her Report ("Report"). In her Report, the Hearing Examiner recommended that the Commission approve an updated Rider US-4 rate adjustment clause consisting solely of a Projected Cost Recovery Factor revenue requirement of $10.354 million.[5] The Hearing Examiner further found that Rider US-4 rates should be designed to recover the $10.354 million revenue requirement based on the allocation and rate design methodology proposed by the Company.

On March 1, 2021, the Company and Consumer Counsel filed comments in support of the Hearing Examiner's Report. On March 10, 2021, the Commission Staff filed comments in support of the Hearing Examiner's Report.

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Hearing Examiner's Report and finds that a total revenue requirement for Rider US-4 of $10.354 million for the 2021 Rate Year, consisting solely of a Projected Cost Recovery Factor of $10.354 million, is hereby approved. In approving this request for an increase in Rider US-4, 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) Rider US-4 is approved and shall consist solely of a Projected Cost Recovery Factor revenue requirement of $10.354 million with Rider US-4 rates designed to recover this revenue requirement based on the allocation and rate design methodology proposed by the Company.

(2) Pursuant to Code § 56-585.1 A 7, the Company may implement Rider US-4, 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-4, as approved herein, for service rendered on and after June 1, 2021.

(3) The Company shall file its next annual Rider US-4 application on or after August 1, 2021.

(4) This case is dismissed

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[1] Ex. 2 (Application) at 6.

[2] *Id*. at 7.

[3] *See*, Ex. 9 (Dominion Letter in Lieu of Rebuttal Testimony) at 1.

[4] Tr. 7.

[5] Report at 9.

CASE NO. PUR-2020-00124
JUNE 29, 2021

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

On December 23, 2020, the State Corporation Commission ("Commission") issued its Order Adopting Rules in this docket to govern multi-family shared solar programs to be offered by Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") and Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU-ODP"). Among other things, the Order Adopting Rules noted that § 56-585.1:12 E 6 of the Code of Virginia ("Code") requires that the Commission adopt a standardized disclosure form to be provided to each prospective customer before subscribing to a multi-family shared solar facility. The Commission directed the low-income working group established in Case No. PUR-2020-00125 to develop the disclosure form(s) to be adopted by the Commission for the multi-family shared solar program.[1]

The Order Adopting Rules also provided that, pursuant to Code § 56-585.1:12 D, the Commission would by separate order calculate and publish the applicable bill credit rate for multi-family shared solar customers.[2] On April 10, 2021, the Coalition for Community Solar Access ("CCSA"), together with the Chesapeake Solar and Storage Association ("CHESSA"), moved the Commission to enter an order clarifying the applicable bill credit rate for the multi-family shared solar program[3] and the shared solar program[4] ("CCSA-CHESSA Motion"). CCSA and CHESSA requested that the Commission enter an order: (1) adopting 2021 applicable bill credit rates for each customer class (residential, commercial, and industrial) for the multi-family shared solar program based on the most recent posted U.S. Energy Information Agency ("EIA") data; and (2) confirming that the same EIA data and calculation methodology will be used to determine the applicable bill credit rates for both the multi-family shared solar program and shared solar program.

On May 18, 2021, Dominion and KU-ODP filed responses to the CCSA-CHESSA Motion. Dominion stated that it did not disagree with using EIA data to calculate the Multi-Family Shared Solar bill credit rate but argued that "before the statutory formula can be applied, taxes must be removed from the revenue total, because these tax payments are passed through to the respective governmental entities to whom they belong, and are not Company revenue."[5] KU-ODP objected to the use of EIA data because (1) this data is not timely – the most recent available EIA data is from 2019 – and (2) the EIA data is not jurisdictionalized but rather includes data for customers not subject to the Commission's jurisdiction.[6] Instead, KU-ODP proposed that the Commission base the bill credit rate on information derived from KU-ODP's Form 1, which is filed annually with the Federal Energy Regulatory Commission ("FERC") and provided to the Commission in March of each year.[7] On June 2, 2021, CCSA and CHESSA filed a reply to KU-ODP's and Dominion's responses. CCSA and CHESSA did not object to KU-ODP's proposal to use FERC Form 1 data but opposed Dominion's proposal to exclude taxes from the EIA data.[8]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows.

Bill Credit Rate

Code § 56-585.1:12 D provides that:

> [t]he Commission shall annually calculate the applicable bill credit rate as the effective retail rate of the customer's rate class, which shall be inclusive of all supply charges, delivery charges, demand charges, fixed charges, and any applicable riders or other charges to the customer. This rate shall be expressed in dollars or cents per kilowatt-hour.

While the Commission determined in the Order Adopting Rules that it would calculate a bill credit using publicly available data, the Order Adopting Rules did not establish a methodology for this calculation. Under the specific circumstances of this case, we find that either the data published by the EIA or the FERC Form 1 data filed with the Commission would be publicly available data by which we could calculate a bill credit rate. We agree with KU-ODP that, because the FERC Form 1 is more timely and provides data by jurisdiction, and because both Dominion and KU-ODP submit

[1] Order Adopting Rules at 7-8. Case No. PUR-2020-00125 addresses regulations for the non-multi-family shared solar program being developed pursuant to Code § 56-594.3. *See, 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, Doc. Con. Ctr. No. 201230214, Order Adopting Rules (Dec. 23, 2020).

[2] Order Adopting Rules at 9.

[3] *See* 20 VAC 5-342-10 *et seq.*

[4] *See* 20 VAC 5-340-10 *et seq.*

[5] Dominion Response at 3.

[6] KU-ODP Response at 3.

[7] *Id.* KU-ODP asserted that as part of the FERC Form 1 filing, KU-ODP could "provide jurisdictionalized revenues and sales data by rate class and a calculation of the applicable bill credit rate for the multi-family shared solar program." *Id*.

[8] CCSA-CHESSA Reply at 4-6.

Virginia-specific FERC Form 1 information to the Commission each March, using the FERC Form 1 data to calculate the bill credit rate is preferable.[9] Using this data, we will set the initial bill credit rate for the multi-family shared solar program to 11.765 cents per kilowatt-hour ("¢/kWh") for Dominion and 11.328 ¢/kWh for KU-ODP.[10]

Consumer Disclosure Form

Code § 56-585.1:12 E provides implementation details for the multi-family shared solar program, and requires that the program "[r]easonably allow for the transferability and portability of subscriptions, including allowing a subscriber to retain a subscription in a shared solar facility if the subscriber moves within the same utility territory."[11] The Code also requires that the Commission "[a]dopt standardized consumer disclosure forms."[12]

The stakeholder group established in Case No. PUR-2020-00125 discussed standardized disclosure forms for both the shared solar program established by Code § 56-594.3 and the multi-family shared solar program established by Code § 56-585.1:12. In the Low Income Stakeholder Working Group Report on the Virginia Shared Solar and Multi-Family Shared Solar Programs (2020-2021) ("Working Group Report") filed as part of the Commission Staff Update on April 22, 2021, in Case No. PUR-2020-00125, the Working Group Report stated that the stakeholder group largely agreed as to the language for the consumer disclosure form, but that "[i]t is unclear whether the transferred subscription must 1) remain associated with the original subscriber and not involve a new customer; and/or 2) whether the 'new address' must also be in a multifamily residence."[13] The Commission finds that the plain language of the statute requires that a customer seeking to transfer a multi-family shared solar subscription to a new residence must be relocating to a new multi-family residence within the service territory of the same utility. Any transfer of a subscription to a new customer would only be permitted if the new customer meets the applicable requirements established by the utility.

Pursuant to Code § 56-585.1:12 E 6, we will adopt the consumer disclosure form provided in the Working Group Report, which is attached to this Order Adopting Rules.

Accordingly, IT IS ORDERED THAT:

(1) The initial multi-family shared solar bill credit rate for Dominion shall be 11.765 ¢/kWh.

(2) The initial bill credit rate for KU-ODP shall be 11.328 ¢/kWh.

(3) On or before September 1, 2021, Dominion and KU-ODP 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 in this proceeding, including the initial bill credit rate 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) The Standard Consumer Disclosure Form attached hereto as Attachment A is adopted.

(5) This case is continued.

NOTE: A copy of the Attachment A entitled "Standard Consumer Disclosure Form Virginia 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.

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[9] In addition, use of FERC Form 1 data would obviate the need to remove taxes from the data before calculating the bill credit rate, as Dominion argues would be necessary if the EIA data were used.

[10] As the multi-family shared solar program is open only to residential customers, we will not establish a bill credit rate for non-residential rate classes. Dominion's FERC Form 1 for Virginia customers reports residential sales of 29,714,750,000 kWh and residential revenues of $3,495,913,849. KU-ODP's FERC Form 1 for Virginia customers reports residential sales of 338,170,246 kWh and residential revenues of $38,306,897.

[11] Code § 56-585.1:12 E 4.

[12] Code § 56-585.1:12 E 6.

[13] Commission Staff Update, Doc. Con. Ctr. No. 210430117 at 9, filed in Case No. PUR-2020-00125. *See supra* n.1. We direct the Commission Staff to file a copy of the April 22, 2021 Commission Staff Update in Case No. PUR-2020-00124, and to file any future working group reports or updates in both Case Nos. PUR-2020-00124 and PUR-2020-00125.

PUR-2020-00131
AUGUST 11, 2021

APPLICATION OF
CRAIG-BOTETOURT ELECTRIC COOPERATIVE

For a general increase in electric rates

FINAL ORDER

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 stated that a rate increase is needed because the Cooperative recently has experienced little customer growth, reduced sales, and increasing costs.[1] C-BEC proposed a 5.8% increase in overall jurisdictional sales revenues, which would generate approximately $729,740 in additional revenue.[2] The Cooperative represented that an increase in jurisdictional sales revenues of $729,740 would allow it to pay expenses, service debt, fund capital additions, and meet the financial goals established by C-BEC's Board of Directors ("Board").[3] C-BEC stated that the proposed increase would produce total rate year jurisdictional margins of $808,403 and a 2.25x Times Interest Earned Ratio ("TIER").[4]

The Cooperative also proposed 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.[5] C-BEC stated 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] C-BEC further stated that once the requested demand charge schedules are adopted by the Commission, the Cooperative thereafter may, upon affirmative resolution of its Board, 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.[7]

The Cooperative proposed to add advanced metering infrastructure, 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.[8]

The Cooperative stated that it seeks to allocate the proposed $729,740 revenue increase to various rate classes to address parity deficiencies.[9] C-BEC proposed to allocate a larger portion of the distribution increase to Schedule RS-12-U and Schedule CS-12-U; a smaller increase to Schedule RSTOU-3-U; and no net increase to Schedule LP-12; and a small decrease to Schedules OL-12, and LED-3, for the net effect of a 5.8% increase in jurisdictional sales revenues.[10]

In its Application, the Cooperative requested 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.[11] Under the Cooperative's proposed increase, a typical residential customer using 1,000 kilowatt hours ("kWh") of electricity each month would experience a monthly bill increase of $9.69, from $153.81 to $163.50.[12]

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[1] Ex. 2 (Application) at 2.

[2] *Id.* at 2, 7; Ex. 4 (Kaczmarski) at 3.

[3] Ex. 2 (Application) at 2-3.

[4] *Id.* at 3. The Cooperative clarified that it is not requesting that the Commission set a TIER of 2.25x and adjust its proposed rates to that TIER. C-BEC requested that the Commission approve the rates as proposed, provided that the resulting TIER is within a reasonable range that would normally be recommended for electric distribution cooperatives in Virginia. *Id.*

[5] *Id* at 3, 5; Ex. 5 (Miranda Direct) at 25-31; Ex. 3 (Ahearn) at 6-7.

[6] Ex. 2 (Application) at 3-4.

[7] Ex. 5 (Miranda Direct) at 28.

[8] Ex. 2 (Application) at 3-5.

[9] *Id.* at 7.

[10] *Id.*; Ex 5 (Miranda Direct) at 24.

[11] Ex. 2 (Application) at 3.

[12] *Id.* These figures assume a peak demand of 6.00 kilowatts ("kW") and are based on annualized rates. *Id.* at n.5.

On November 6, 2020, the Commission entered an Order for Notice and Hearing ("Procedural Order"), which among other things, docketed the Application; established a procedural schedule; directed C-BEC to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled an evidentiary hearing; directed the Staff of the Commission ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations; and appointed a Hearing Examiner to conduct all further proceedings in this matter. The Procedural Order also stated that C-BEC may, but was 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.[13]

On April 29, 2021, the Cooperative filed a Supplement to its Application ("Supplement"). In its Supplement, C-BEC requested that the Commission make no determination regarding changes to the terms and conditions proposed in the Application. C-BEC withdrew its request for these changes, which the Cooperative decided to make by affirmative resolution of its Board pursuant to Code § 56-585.3 A 3.

On June 11, 2021, C-BEC and Staff filed a Joint Motion to Approve Stipulation ("Joint Motion") with an attached Stipulation. The proposed Stipulation provided in part that:

(1) The Cooperative's Application, the prefiled testimony and exhibits of the Cooperative's witnesses Jeffrey M. Abeam, Timothy J. Kaczmarski, and Christopher M. Miranda, the Cooperative's Supplement to the Application, and the prefiled rebuttal testimony of Cooperative witness Miranda shall be made a part of the record without witnesses taking the stand and without cross-examination.

(2) The prefiled testimony of Staff witnesses Alison G. Wells, Chris Harris, and Ruben S. Blevins and the supplemental testimony of Staff witness Harris shall be made a part of the record without witnesses taking the stand and without cross-examination.

(3) The Cooperative's requested increase of $729,740 is reasonable and should be approved.

(4) An increase of $729,740 results in a TIER of 2.45x, which is within the range of 2.0 to 2.5x found to be reasonable by Staff.

(5) The Cooperative's class cost of service study reasonably approximates the cost of serving C-BEC's various rate classes, and the Cooperative's proposed revenue apportionment is reasonable and should be approved as set forth in C-BEC's Application with no changes.

(6) The Cooperative's proposed access charges, energy delivery charges, and energy supply service charges are reasonable and should be approved as set forth in C-BEC's Application with no changes.

(7) The Cooperative's proposed demand charges for Schedule RS-13, Schedule RSTOU-4, Schedule CS-13, and Schedule CSTOU-2 are reasonable and should be approved. The Cooperative agrees to include Staff's recommended changes to the proposed tariff language and to provide administrative notification to the Staff of the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance thirty (30) days prior to billing this demand charge.

(8) The Cooperative's proposed Schedule PCA-1 is reasonable and should be approved. The Cooperative agrees to include Staff's recommended changes to the proposed tariff language.

(9) The Cooperative will replace the term "All kW Delivered" with the term "billing demand" in the tariffs for customers taking service under proposed Schedules RS-13, RSTOU-4, CS-13, CSTOU-2, and LP-13.

(10) For the Cooperative's current time-of-use schedules ("TOU Schedules"), there are not any per kWh distribution charges either approved for the Cooperative or charged by the Cooperative. The current tariffs for the TOU Schedules each contain bundled Energy Supply and Distribution Delivery kWh charges. The On-peak and Off-peak energy charges are bundled Energy Supply and Distribution.

(11) The proposed TOU Schedules are unbundled into separate Energy Supply and Distribution charges. The current TOU Schedules were unbundled in Schedule 15B, p. 2 and Schedule 15 A pp. 2 and 4 for purposes of analysis.

(12) The Cooperative's proposed Energy Supply Service rate for Commercial and Small Power Service is 7.638 cents/kWh as shown in the proposed tariff in Filing Schedule 5A and in Schedule 15B, p. 3, line 24.

(13) The Cooperative's proposed Energy Supply Service demand charge for Commercial and Large Power Service is $3.10/kW for over 15 kW as shown in the proposed tariff in Filing Schedule 5A and in Schedule 15B, p. 4, line 25.[14]

On June 15, 2021, the hearing was conducted using a virtual format. Counsel for C-BEC and Staff appeared at the hearing, during which the evidence of C-BEC and Staff was admitted into the record without cross-examination, as stipulated. No public witnesses signed up to testify.[15] Nineteen comments were filed by members of the public, all of which opposed the proposed rate increase.

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[13] After CBEC initially delayed implementation of interim rates, (*see* Ex. 9 (Blevins) at 4), the Cooperative placed the interim rates into effect, subject to refund, for bills rendered on and after July 1, 2021.

[14] Ex. 11 (Stipulation) at 1-2.

[15] Tr. 5. Proof of notice was admitted into the record as Ex. 1.

On July 6, 2021, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report"), was filed, in which the Hearing Examiner fully reviewed the prefiled testimony and exhibits of CBEC and Staff, their Stipulation, and the public comments filed in this proceeding. In his Report, the Hearing Examiner found that the Stipulation filed by the Cooperative and Staff is supported by the record and resolves all outstanding issues in this case.[16] Accordingly, the Hearing Examiner recommended that the Commission enter an Order that: (1) approves the proposed Stipulation; (2) authorizes the rate increase and tariff changes proposed by the Stipulation; and (3) closes this proceeding.[17]

On July 13, 2021, comments on the Report were filed by C-BEC and Staff, respectively. Both the Cooperative and Staff supported the findings and recommendations in the Report and asked that the Commission adopt such findings and recommendations.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the findings and recommendations of the Hearing Examiner should be adopted. We further find that the Stipulation satisfies the statutory requirements attendant to this case and should be approved. Accordingly, we find that C-BEC's proposed rates and terms and conditions, which were placed into effect on an interim basis and subject to refund for bills rendered on and after July 1, 2021, should be made permanent.

For clarification, we note that the revenue increase of $729,740, agreed upon in the Stipulation and approved herein, is the same increase that has already been placed into effect as interim rates. Thus, no additional increase in revenues is being approved beyond that which has already been implemented. In approving the Cooperative's request for a rate increase, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have 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 findings and recommendations of the July 6, 2021 Report are adopted.

(2) The Joint Motion filed by Staff and C-BEC is granted, and the Stipulation presented in this case 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.

[16] Report at 12, 15-16.

[17] *Id*. at 16.

CASE NO. PUR-2020-00134
APRIL 30, 2021

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

Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and 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 a mandatory renewable energy portfolio standard program ("RPS Program") for Virginia Electric and Power Company ("Dominion" or "Company") in new § 56-585.5 of the Code of Virginia ("Code"). Subdivision D 4 of Code § 56-585.5 requires Dominion to submit annually to the State Corporation Commission ("Commission") a plan and petition for approval for the development of new solar and onshore wind generation capacity ("RPS Filing").[1]

On October 30, 2020, Dominion submitted its first RPS Filing to the Commission ("2020 RPS Filing" or "Petition"). The 2020 RPS Filing requests the Commission:

(i) approve the Company's annual plan for the development of new solar, onshore wind, and energy storage resources ("RPS Development Plan");

(ii) grant certificates of public convenience and necessity ("CPCNs") and approval to construct and operate three solar generating facilities ("CE-1 Solar Projects") totaling approximately 82 megawatts ("MW") pursuant to Code § 56-580 D and the Commission's Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility;[2]

[1] By Order Establishing 2020 RPS Proceedings issued on July 10, 2020 ("RPS Filing Requirements Order"), the Commission docketed this proceeding and directed Dominion to include certain additional information in its first RPS Filing.

[2] 20 VAC 5-302-10 *et seq*.

(iii) approve a rate adjustment clause ("RAC") to recover the costs of the CE-1 Solar Projects and related distribution and transmission interconnection facilities, designated Rider CE, pursuant to Code § 56-585.1 A 6 and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings;[3] and

(iv) make a prudence determination for the Company to enter into six power purchase agreements ("PPAs") for the energy, capacity, ancillary services, and environmental attributes of approximately 416 MW of solar generating facilities owned by third parties pursuant to Code § 56-585.1:4 ("CE-1 Solar PPAs").

On November 10, 2020, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, among other things: required the Company to publish notice of the Petition; gave interested persons the opportunity to comment on, or participate in, the proceeding; scheduled a public hearing for the purpose of receiving testimony and evidence on the Company's Petition; and directed the Commission Staff ("Staff") to investigate the Petition and file testimony and exhibits containing its findings and recommendations thereon.

Notices of participation were filed by Amazon Data Services, Inc. ("Amazon"); Appalachian Voices; Behind the Meter Solar Alliance ("BTM-SA"); Board of Supervisors of Culpeper County, Virginia ("Culpeper"); Direct Energy Business, LLC and Direct Energy Services, LLC (collectively, "Direct Energy"); Maryland-DC-Virginia Solar Energy Industries Association ("MDV SEIA"); Sierra Club; Virginia Advanced Energy Economy ("VAEE"); Virginia Committee for Fair Utility Rates ("Committee"); Walmart Inc. ("Walmart"); and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"). Testimony was submitted by Dominion, Appalachian Voices, BTM-SA, MDV SEIA, VAEE, Walmart, and Staff.[4]

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 CE-1 Solar Projects. The DEQ filed a report ("DEQ Report") on January 20, 2021.[5] The DEQ Report summarizes the proposed CE-1 Solar Projects' potential impacts, makes recommendations for minimizing those impacts, and outlines the Company's responsibilities for compliance with certain legal requirements governing environmental protection.

On February 17, 2021, the Commission convened the evidentiary hearing on the Company's Petition.[6] The Commission received testimony and exhibits from Dominion, respondents, and Staff. The hearing concluded, after closing arguments, on February 23, 2021. On March 23, 2021, as directed at the close of the hearing, hearing participants submitted post-hearing filings for the Commission's consideration.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows.[7]

Through this Order, among other things, the Commission approves both the CE-1 Solar Projects and the CE-1 Solar PPAs, which combined represent 498 MW of new renewable generation capacity in the Commonwealth.[8] The discussion below sets forth detailed analyses and findings on numerous contested issues raised in this proceeding. As always, the Commission is guided by the statute and the record. In doing so, we have exercised the Commission's delegated discretion in a manner that faithfully implements the VCEA requirements that include carbon reduction, while best protecting consumers who expect and deserve reliable and affordable service.

For purposes of this Final Order, the Commission will address *seriatim* the four main components of the Company's Petition: (i) the RPS Development Plan; (ii) the CE-1 Solar Projects; (iii) Rider CE; and (iv) the CE-1 Solar PPAs.[9]

(i) RPS Development Plan

Code of Virginia

Code § 56-585.5 D 4 provides:

> 4. In connection with the requirements of this subsection, each Phase I and Phase II Utility shall, commencing in 2020 and concluding in 2035, submit annually a plan and petition for approval for the development of new solar and onshore wind generation capacity. Such plan shall reflect, in the aggregate and over its duration, the requirements of subsection D concerning the allocation percentages for construction or purchase of such capacity. Such petition shall contain any request for approval to construct such facilities pursuant to subsection D of § 56-580 and a request for approval or update of a rate

[3] 20 VAC 5-201-10 *et seq.*

[4] Direct Energy filed testimony but withdrew that testimony at the beginning of the evidentiary hearing. Tr. 23.

[5] Ex. 4 (DEQ Report).

[6] Staff and all parties except Culpeper and Amazon participated in the hearing. During the hearing, the Commission received the testimony of one public witness. Tr. 14-18. In addition, numerous public comments were filed in this matter.

[7] The Commission has fully considered 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).

[8] Ex. 6 (Avram Direct) at 9.

[9] With respect to issues raised by participants not expressly addressed by the Commission herein, the Commission finds that resolution of such issues is not necessary to the Commission's decision in this proceeding, and the Commission hereby exercises its discretion not to address such for purposes of the instant order. In addition, as implementation of the VCEA continues, the Commission may initiate separate rulemaking proceedings to address distinct performance requirements.

> adjustment clause pursuant to subdivision A 6 of § 56-585.1 to recover the costs of such facilities. 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. In determining whether to approve the utility's plan and any associated petition requests, the Commission shall determine whether they are reasonable and prudent and shall give due consideration to (i) the RPS and carbon dioxide reduction requirements in this section, (ii) the promotion of new renewable generation and energy storage resources within the Commonwealth, and associated economic development, and (iii) fuel savings projected to be achieved by the plan. Notwithstanding any other provision of this title, the Commission's final order regarding any such petition and associated requests shall be entered by the Commission not more than six months after the date of the filing of such petition.

Participants raised several concerns with the Company's RPS Development Plan.[10] Notwithstanding, the Commission finds that, for the limited purpose of filing its first annual plan under Code § 56-585.5 D 4, Dominion's plan is reasonable and prudent. Subsequent annual plans, however, must comply with (among other things) the additional requirements set forth herein.

As a preliminary matter, we disagree with Dominion's assertion that its compliance with the renewable energy certificate ("REC") retirement obligations of the RPS Program pursuant to Code § 56-585.5 C is irrelevant to the instant proceeding.[11] The Company states, for example, "the scope of this proceeding . . . is about meeting the development targets set forth in Va. Code § 56-585.5 D, not cost-effective compliance with the RPS Program set forth in Va. Code § 56-585.5 C."[12] The Company also states that this proceeding is "limited by the four corners of Code [§ 56-] 585.5 to the development plan and the associated requests."[13] Code § 56-585.5 D 4 specifically requires, however, the Commission to "give due consideration to (i) the RPS and carbon dioxide reduction requirements in this section . . . ." Dominion itself acknowledges that "the RPS Program is the primary driver of the need for significant new renewable energy generation."[14] The Commission finds that in order to give due consideration to the RPS and carbon dioxide reduction requirements in Code § 56-585.5 when evaluating subsequent plans and associated petition requests, such future annual filings shall analyze how Dominion's plan and petition requests address and implement the RPS and carbon dioxide reduction requirements in Code § 56-585.5, including but not necessarily limited to Code § 56-585.5 C.

The Commission further finds that in order to evaluate subsequent plans and associated petition requests, such future annual filings shall include at a minimum:

- a least cost VCEA plan that meets (i) applicable carbon regulations[15] and (ii) the mandatory RPS Program requirements of the VCEA;[16]
- evaluation of RECs from all sources (with both high and low-price sensitivities), including utility-owned, third-party PPAs, and unbundled REC purchases;[17]
- modeling of the solar capacity factor as required by the Commission's directives in the 2020 IRP proceeding;[18]
- distributed generation sensitivities for unbundled REC purchases through Requests for Proposals ("RFPs"), fixed price offers and over-the-counter purchases;[19]

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[10] *See, e.g.,* Ex. 36 (Dalton) at 19; Ex. 19 (Jester) at 31; Ex. 22 (Eisen) at 24; Ex. 18 (Rábago) at 14, 19.

[11] Ex. 37 (Avram Rebuttal) at 5-6; Ex. 41 (Kelly Rebuttal) at 5-6.

[12] Ex. 41 (Kelly Rebuttal) at 5.

[13] Tr. 26.

[14] Ex. 2 (Petition) at Exhibit 2 (RPS Development Plan) at 1.

[15] Such modeling should include, but is not limited to, Virginia's participation in the Regional Greenhouse Gas Initiative ("RGGI").

[16] *See* Ex. 36 (Dalton) at 19; Ex. 19 (Jester) at 26-27; Ex. 18 (Rábago) at 17-18; Tr. 246, 342-343, 472-474. The Commission adopted the same least cost plan requirement, which was proposed by the Company, in the Company's most recent Integrated Resource Plan ("IRP") proceeding. *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 § 56-597 et seq.*, Case No. PUR-2020-00035, Doc. Con. Cen. No. 210210007, Final Order at 13-14 (Feb. 1, 2021) ("2020 IRP Final Order").

[17] *See, e.g.,* Ex. 18 (Rábago) at 9, 19-20.

[18] 2020 IRP Final Order at 12-13.

[19] *See, e.g.* Ex. 19 (Jester) at 33-35; Tr. 49-50, 200-202; 219-221.

- modeling of reliability impacts;[20]
- updated fundamental forecasts and commodity pricing that reflect the VCEA requirements;[21] and
- a detailed chart showing how Dominion has complied to date with the VCEA's RPS requirements.[22]

In addition to these minimum planning and modeling requirements for Dominion's subsequent RPS filings and associated petition requests, we direct Dominion to also file the following information in subsequent RPS filings.

RPS Compliance Certification. The Commission finds that this annual RPS proceeding is a reasonable and appropriate proceeding to consider the Company's annual certification of compliance with the RPS Program. Such certification will commence in the Company's 2022 RPS filing for calendar year 2021. The Commission directs Dominion to propose reporting metrics, and any needed protocols, associated with RPS Program certification in its 2021 RPS filing.[23]

Bill Analysis. In its RPS Filing Requirements Order, the Commission directed Dominion to file projected customer bill impact information through 2035 associated with its RPS Development Plan.[24] Separately, in the Company's 2020 IRP Final Order, the Commission directed the Company to provide customer bill impact information over the next ten years for the least cost VCEA plan, the Company's preferred plan, and any additional plans presented.[25] Dominion takes issue with the Commission requiring a bill analysis in both its IRP and RPS proceedings, and requests that the Company prospectively provide a bill analysis in either the IRP or the RPS proceeding, but not in both.[26]

The Commission finds the Company shall continue to file a bill analysis in both the IRP and RPS proceedings. To address Dominion's concerns and reduce potential confusion, we direct the Company to file a consolidated bill analysis that pertains to both the IRP and RPS proceedings, a subset of which would be RPS-related costs. Such consolidated bill analysis shall comply with the requirements set forth in the Commission's 2020 IRP Final Order, except as noted below.[27] Such consolidated bill analysis shall (i) include the same level of detail and public designation for RPS-related costs, consistent with what has been presented for RPS-related costs in this proceeding, and (ii) correspond to the Company's most recent IRP and RPS plans.[28]

Accelerated Renewable Buyer and Ring-Fenced Reporting Requirements. Code § 56-585.5 G 1 provides that "[t]o the extent that an accelerated renewable energy buyer contracts for the capacity of new solar or wind generation resources pursuant to this subsection, the aggregate amount of such nameplate capacity shall be offset from the utility's procurement requirements pursuant to subsection D." Further, Code § 56-585.5 G 1 also provides that "[a]ll RECs associated with contracts entered into by an accelerated renewable energy buyer with the utility, or a person other than the utility, for an RPS Program shall not be credited to the utility's compliance with its RPS requirements, and the calculation of the utility's RPS Program requirements shall not include the electric load covered by customers certified as accelerated renewable energy buyers." Accordingly, in future RPS filings, we direct the Company to provide information related to accelerated renewable energy buyers ("ARBs") as follows:

- For existing customers that potentially qualify as ARBs under Code § 56-585.5 G, provide (i) the total aggregate annual load for the prior calendar year associated with these customers; (ii) the total aggregate peak load for the prior calendar year associated with these customers; and (iii) the aggregate amount of energy, capacity, and RECs procured by such customers in the prior calendar year, to the extent known; and

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[20] Moreover, to the extent that Dominion concludes that the duck curve may impact reliability, such modeling and results should also be included. *See* Ex. 37 (Avram Rebuttal) at 24.

[21] *See, e.g.*, Ex. 18 (Rábago) at 12; Ex. 36 (Dalton) at 18. The Company agreed to update these forecasts in future proceedings. Tr. 140-142.

[22] The Commission has concluded that this additional information may provide relevant data points for our consideration of the requirements under Code § 56-585.5 D. To the extent the Commission has not required additional information recommended by parties or Staff, this does not represent a finding that such information is irrelevant, and the Commission will evaluate future RPS filings based on the evidentiary record developed in each proceeding.

[23] As with the prior voluntary RPS program, the Commission will continue to utilize the PJM-EIS Generation Attribute Tracking System ("PJM-GATS"). The Commission recently updated in PJM-GATS the business rules relating to the categories of eligible generation sources for Virginia-qualified RECs in 2021-2024 ("GATS Update"). On April 9, 2021, the Commission issued an Order for Comment with respect to the GATS Update. *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of registering and retiring Virginia-eligible renewable energy certificates*, Case No. PUR-2021-00064, Doc. Con. Cen. No. 210410225, Order for Comment (Apr. 9, 2021).

[24] *See* RPS Filing Requirements Order; Ex. 2 (Petition) at Exhibit 2 (RPS Development Plan) at Attachment 6.

[25] 2020 IRP Final Order at 15-16.

[26] *See* Ex. 47 (Trexler Rebuttal) at 2.

[27] 2020 IRP Final Order at 15-16. The Commission further finds that the consolidated bill analysis shall provide such information through 2035, rather than 10 years as set forth in the 2020 IRP Final Order.

[28] *See* Tr. 428-429. We further direct Staff and the Company to work together, as necessary, to develop the form and contents of the consolidated bill analysis. *See* Tr. 429.

- Identify all customers that have qualified as ARBs and provide (i) the total annual load for the prior calendar year associated with each customer, and cumulatively for all such customers; (ii) the total peak load for the prior calendar year associated with each customer, and cumulatively for all such customers; and (iii) the aggregate amount of energy, capacity, and RECs procured in the prior calendar year by each customer, and cumulatively for all such customers.[29]

Similarly, we further find that future RPS filings should include additional information regarding Dominion's solar and onshore wind facilities under contract with specific customers, including ARBs, which were referred to as "ring-fenced" facilities in this proceeding.[30] Specifically, the Company shall provide the following information related to ring-fenced facilities in future RPS filings: (i) the nameplate capacity; (ii) projected and actual annual capacity factors; (iii) levelized cost of energy in $/megawatt-hours ("MWh"); (iv) whether each ring-fenced facility is contracted or expected to be contracted with an eligible ARB; (v) contracted prices in $/MWh; (vi) the contract duration; (vii) whether each contract is a bundled sale of energy, capacity and environmental attributes, and ancillary services, or a subset of these elements; (viii) any price escalators in the contracts; and (ix) any performance guarantees in the contracts.[31]

Requests for Proposal. With respect to RFPs, the Company must comply with the specific requirements of Code § 56-585.5 D 3. The Commission also finds that, for purposes of our analyses under Code § 56-585.5 D 4, the complete results of RPS-related RFPs must continue to be included in annual plan filings.[32]

Low-Income Qualifying Projects. Code § 56-585.5 C requires, if available, a certain amount of Dominion's RPS Program requirements to be satisfied by "low-income qualifying projects." Low-income qualifying projects are defined under Code § 56-585.5 A as "a project that provides a minimum of 50 percent of the respective electric output to low-income utility customers as that term is defined in § 56-576." In our RPS Filing Requirements Order, we directed Dominion to file information related to low-income qualifying projects. BTM-SA and Staff raised concerns regarding Dominion's responses and requested the Commission defer making determinations regarding this topic pending further evaluation.[33] We agree this issue would benefit from further development through a stakeholder process. Dominion did not oppose further consideration of these issues in a stakeholder process.[34] We direct Dominion to utilize a reasonable stakeholder process to further address the questions set forth in the Commission's RPS Filing Requirements Order related to low-income qualifying projects and such related issues as needed.[35] Dominion shall report on its progress toward satisfying the low-income qualifying project requirements in the RPS Program in its 2021 RPS filing.

IRP and RPS filing consolidation. The Commission requested that the parties address whether to consolidate the Company's filing of its IRP and IRP updates with the annual RPS filing in a post-hearing filing. At this time, the Commission will not direct any consolidation or synchronization of these filings; however, we may revisit this decision at a later time as additional experience is gained with the annual RPS filings. We do find, however, that, to a certain extent, the Company's modeling inputs and assumptions should be consistent for purposes of the IRP and RPS proceedings. We therefore direct the Company to explain the reason behind any deviations in the assumptions and modeling used in the two proceedings.

(ii) CE-1 Solar Projects

Code of Virginia

In addition to the Code language quoted above, Code § 56-585.5 D 2 states that:

> By December 31, 2035, each Phase II Utility shall petition the Commission for necessary approvals to (i) construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of 16,100 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, which shall include 1,100 megawatts of solar generation of a nameplate capacity not to exceed three megawatts per individual project and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar facilities owned by persons other than a utility, including utility affiliates and deregulated affiliates and (ii) pursuant to § 56-585.1:11, construct or purchase one or more offshore wind generation facilities located off the Commonwealth's Atlantic shoreline or in federal waters and interconnected directly into the Commonwealth with an aggregate capacity of up to 5,200 megawatts. At least 200 megawatts of the 16,100 megawatts shall be placed on previously developed project sites.

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[29] The Company may designate, as appropriate, confidential or extraordinarily sensitive information contained therein pursuant to the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*

[30] *See* Ex. 36 (Dalton) at 16-17, 40-41; Ex. 35; Tr. 475-478.

[31] *See* Ex. 36 (Dalton) at 16-17, 40-41. As noted above, the Company may designate, as appropriate, confidential or extraordinarily sensitive information contained therein pursuant to the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*

[32] *See, e.g.*, Ex. 11 (McMillan Direct) at Schedule 1.

[33] Ex. 5 (Barnes) at 13-15; Ex. 30 (Abbott) at 42-47.

[34] Ex. 44 (Frost Rebuttal) at 4-5.

[35] Dominion shall confer with Staff in identifying appropriate stakeholders to participate in the stakeholder process.

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.

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.

Code § 56-46.1 A also directs the Commission to consider the effect of a proposed facility on economic development in Virginia, stating 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 (emphases added):

> In any application to construct a new generating facility, the utility shall include, and the Commission shall consider, the social cost of carbon, as determined by the Commission, as a benefit or cost, whichever is appropriate. The Commission shall ensure that the development of new, or expansion of existing, energy resources or facilities does not have a disproportionate adverse impact on historically economically disadvantaged communities . . . .[36]

> 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 16,100 megawatts, including rooftop solar installations with a capacity of not less than 50 kilowatts, and with an aggregate capacity of 100 megawatts, that use energy derived from sunlight or from onshore wind and are located in the Commonwealth or off the Commonwealth's Atlantic shoreline, regardless of whether any of 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 . . . .

[36] Code § 56-585.1 A 6 further provides that:

> The Commission may adopt any rules it deems necessary to determine the social cost of carbon and shall use the best available science and technology, including the Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866, published by the Interagency Working Group on Social Cost of Greenhouse Gases from the United States Government in August 2016, as guidance. The Commission shall include a system to adjust the costs established in this section with inflation.

> Notwithstanding any provision of Chapter 296 of the Acts of Assembly of 2018, construction, purchasing, or leasing activities for a new utility-owned and utility-operated generating facility or facilities utilizing energy derived from sunlight or from onshore wind with an aggregate capacity of 16,100 megawatts, including rooftop solar installations with a capacity of not less than 50 kilowatts, and with an aggregate capacity of 100 megawatts, together with a utility-owned and utility-operated generating facility or facilities utilizing energy derived from offshore wind with an aggregate capacity of not more than 3,000 megawatts, are *in the public interest . . . .*[37]

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.

CPCNs

The Company seeks CPCNs and approval to construct and operate the CE-1 Solar Projects, which consist of three solar generating facilities: (i) the approximately 20 MW (nominal alternating current ("AC")) Grassfield Solar Project located in the City of Chesapeake ("Grassfield"); (ii) the approximately 20 MW (AC) Norge Solar Project located in James City County ("Norge"); and (iii) the approximately 42 MW (AC) Sycamore Solar Project located in Pittsylvania County ("Sycamore").[38] As proposed, the CE-1 Solar Projects would be composed of ground-mounted, single-axis tracking solar panel arrays with an expected operating life of 35 years.[39] The Company states the Grassfield solar facility is expected to be in-service by December 2021, and the Norge and Sycamore solar facilities are expected to be in-service by late 2022.[40]

Based on the record established herein and discussed further below, the Commission finds the CE-1 Solar Projects meet all of the legal requirements for approval.[41] We further note that no party has opposed approval of the CE-1 Solar Projects.[42]

a. Reliability

Code § 56-580 D sets forth three criteria for granting a CPCN. The first criterion is that the projects have "no material adverse effect upon reliability of electric service provided by any regulated public utility." The record in this case includes no evidence that the CE-1 Solar Projects would have a material adverse effect upon reliability. Notwithstanding, Staff recommends that that the CPCN for the Norge solar facility be subject to obtaining and filing an executed Small Generation Interconnection Agreement ("SGIA") indicating no unaddressed adverse impact on system reliability.[43] We agree and find that the CE-1 Solar Projects will have no material adverse effect upon reliability of electric service, subject to the Company filing a copy of the SGIA for the Norge solar facility in this docket once received.

b. 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.[44]

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[37] Code § 56-585.1:1 also declares "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 of such facilities are located within or without such 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 section." Emphasis added.

[38] Ex. 2 (Petition) at 8.

[39] *Id.* at 9.

[40] *Id.*

[41] We find that interconnection facilities for the CE-1 Solar Projects are ordinary extensions or improvements that do not require a CPCN. *See* Ex. 3 (Joshipura) at 6-8; Ex. 37 (Avram Rebuttal) at 14.

[42] *See* Tr. 26. Though the Commission grants Dominion's request for CPCNs and for approval to construct and operate the CE-1 Solar Projects in this proceeding, subsequent petitions for the approval of specific resources will be reviewed on a case-by-case basis and must comply with all additional requirements set forth herein.

[43] Ex. 3 (Joshipura) at 5-6. The Company did not oppose this recommendation. Ex. 37 (Avram Rebuttal) at 15.

[44] *See, e.g., 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, 2019 S.C.C. Ann. Rept. 239, 243, Order Granting Certificates (Jan. 24, 2019).

1) Need

The Company asserts that the CE-1 Solar Projects are needed to comply with the VCEA, to serve customers' capacity and energy needs, and to comply with carbon regulations.[45] Based on the record established herein, we agree that the CE-Solar Projects are needed to comply with the VCEA, to serve customers' capacity and energy needs, and to comply with carbon regulations.[46]

Among other things, the VCEA establishes a mandatory RPS Program with which the Company must comply through the procurement and retirement of RECs commencing in 2021.[47] The record in this regard reflects, for example, that in 2030, Dominion forecasts it will have an estimated annual need for RECs exceeding 23,000 gigawatt-hours.[48] The CE-1 Solar Projects are expected to provide approximately 178 gigawatt-hours of energy production in the first full year of operation and will assist the Company in meeting its RPS Program requirements.[49]

The VCEA also directs the retirement of certain generating resources by December 31, 2024.[50] The Company anticipates retiring its Chesterfield Units 5 and 6 and Yorktown Unit 3 by 2023.[51] We find that the CE-1 Solar Projects will assist the Company in providing needed capacity and energy to its customers.[52]

Finally, the record shows that the CE-1 Solar Projects will assist the Company in complying with state carbon regulation, and support the Commonwealth's participation in RGGI.[53] We agree with the Company that "[r]enewable energy resources like solar generation will necessarily assume an important role in compliance with carbon emission reduction requirements."[54]

In sum, taking the record as a whole, we find that the CE-1 Solar Projects are needed.

2) Cost

According to the Company, the total estimated costs for the CE-1 Solar Projects are approximately $168.2 million, excluding financing costs, or approximately $2,051 per kilowatt of capacity at the total 82 MW (nominal AC) rating.[55] The Company selected the CE-1 Solar Projects from a 2019 RFP ("2019 Solar-Wind RFP") for additional utility-scale solar and onshore wind generating facilities in Virginia.[56] The record reflects that the Company received a total of 40 proposals for 37 separate solar facilities totaling approximately 3,022 MW and one onshore wind facility totaling approximately 176 MW.[57]

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[45] Ex. 2 (Petition) at 8-9. Company witness Kelly further clarified that the CE-1 Solar Projects are needed "first, and probably most urgent[ly], [for RECs] to meet the RPS program under Subsection C [of Code § 56-585.5]." Company witness Kelly stated the CE-1 Solar Projects are also needed for capacity and energy to meet customer needs; to meet the development targets of Subsection D of Code § 56-585.5; to support generation diversity; to support compliance with carbon regulations; to support economic development and jobs in the Commonwealth; and to meet the Commonwealth's energy policy. Tr. 648-649. The Company noted that with the Commonwealth's participation in RGGI starting in 2021, renewable resources like solar will necessarily assume an important role in compliance with carbon emission reduction requirements. Ex. 9 (Kelly Direct) at 7-8; Ex. 41(Kelly Rebuttal) at 15.

[46] While no party objected to approving the CE-1 Solar Projects, several participants raised concerns regarding the Company's consideration of alternatives to the proposed projects, including the use of unbundled REC purchases to comply with the RPS. *See, e.g.*, Ex. 18 (Rábago) at 19. As discussed herein, we direct the Company to perform additional evaluations that may be relevant to future resource proposals under Code § 56-585.5 D. Notwithstanding, however, we find the record sufficiently supports the need for the CE-1 Solar Projects to comply with the RPS Program.

[47] Code § 56-585.5 C.

[48] Ex. 9 (Kelly Direct) at 5. One REC is generated for each megawatt-hour of renewable energy generated. *Id.* at 4.

[49] *Id.* at 5.

[50] Code § 56-585.5 B 1.

[51] Ex. 9 (Kelly Direct) at 6; Tr. 674. These units have a total capacity of approximately 1,800 MW. Tr. 674. The Company anticipates having a comparable capacity deficit beginning in 2023. *See* Ex. 9 (Kelly Direct) at 6.

[52] *See, e.g.*, Ex. 9 (Kelly Direct) at 5-7; Tr. 648-649.

[53] Ex. 9 (Kelly Direct) at 7-8; Ex. 14 (Ericson Direct) at 3-5; Regulation for Emissions Trading Programs, 9 VAC 5-140-6010 *et seq.*

[54] Ex. 14 (Ericson Direct) at 5.

[55] Ex. 6 (Avram Direct) at 18.

[56] *Id.* at 10-11; Ex. 11 (McMillan Direct) at 2, Schedule 1.

[57] Ex. 11 (McMillan Direct) at 5.

The Company conducted economic modeling of the CE-1 Solar Projects using assumptions consistent with those used in the Company's 2020 IRP.[58] MDV SEIA and Staff criticized the economic modeling supporting the proposed CE-1 Solar Projects.[59] For example, Staff argued that modeling inputs for the commodity price forecasts were outdated and did not include the impacts of the VCEA.[60] Appalachian Voices and Staff also pointed out that the Commission recently determined that it could not find the Company's 2020 IRP to be reasonable and in the public interest for purposes of a planning document.[61] The Company maintained, however, that its economic analysis is valid and that using updated assumptions would continue to show solar to be the preferred option to address the Company's needs discussed above.[62] We find, based on the record established herein, including the statutory requirements of the VCEA, that the costs of the proposed CE-1 Solar Facilities are reasonable and prudent at the projected cost of $168.2 million. As agreed by the Company, updated modeling assumptions should be used in future requests for approval of additional resources.[63]

Finally, Staff proposed a performance guarantee for the CE-1 Solar Projects, similar to that required in prior solar CPCN requests.[64] As discussed above, however, the instant CPCN requests have been filed under a new statutory scheme established by the VCEA, and the Commission has found that these projects are needed thereunder. Although not requiring a performance guarantee, we find that the Company, in future requests for approval of Company-owned solar facilities, shall model the projected solar capacity factor in the economic analysis using the actual capacity performance of Dominion's solar tracking fleet in Virginia based on an average of the most recent three-year period. The Company shall also model the projected capacity factor based on the engineering design, as a sensitivity.

c. Public Interest

The third enumerated criterion in Code § 56-580 D is that a project is "not otherwise contrary to the public interest." We note that no party objected to the CE-1 Solar Projects as contrary to the public interest, and the Commission finds that this criterion is similarly satisfied based on our other findings herein.

d. Social Cost of Carbon

Code § 56-585.1 A 6 directs that "[i]n any application to construct a new generating facility, the utility shall include, and the Commission shall consider, the social cost of carbon, as determined by the Commission, as a benefit or cost, whichever is appropriate." Of note, the Petition contains limited analysis of the social cost of carbon. For example, the Company states it used a market-driven carbon price as a proxy for the social cost of carbon in its economic analysis.[65] While Appalachian Voices, MDV SEIA and Staff criticized the Company's calculation of the social cost of carbon benefit,[66] no one argued that the CE-1 Solar Projects represent a carbon cost. Furthermore, the record clearly establishes that the CE-1 Solar Projects do not produce carbon; this is a benefit. As such, the record developed herein supports a finding that the CE-1 Solar Projects result in a social cost of carbon benefit.

Based on the record developed herein, we are not able to quantify the social cost of carbon benefit. However, because it is an additional benefit of the CE-1 Solar Projects, we do not find the inability to quantify this additional benefit to require denial of the Petition.

e. Environmental Impact

The Code directs that the Commission "shall give consideration to the effect of [a] facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact."[67]

As noted above, DEQ coordinated an environmental review of the proposed CE-1 Solar Projects and submitted a DEQ Report that, among other things, set forth specific recommendations. The DEQ Report contains the following summary of recommendations:

- Follow DEQ's general recommendations concerning potential surface water impacts;
- 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;

[58] Ex. 9 (Kelly Direct) at 10.

[59] *See, e.g.,* Ex. 19 (Jester) at 21-26; Ex. 36 (Dalton) at 17-18.

[60] Ex. 36 (Dalton) at 18.

[61] Tr. 36, 305. *See* 2020 IRP Final Order at 5.

[62] Tr. 141, 647.

[63] Tr. 142.

[64] *See, e.g.,* Ex. 30 (Abbott) at 24-31.

[65] Ex. 9 (Kelly Direct) at 13.

[66] Ex. 18 (Rábago) at 23-24; Ex. 19 (Jester) at 21-24; Ex. 30 (Abbott) at 31-34.

[67] 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, ...").

- Coordinate with the Department of Conservation and Recreation's ("DCR") Division of Natural Heritage ("DCR-DNH") to minimize habitat fragmentation, develop an invasive species management plan, and obtain an update on natural heritage information;
- Coordinate with the Department of Wildlife Resources ("DWR") regarding its recommendations related to tree removal and bat protection and solar facility design and operational guidance;
- Coordinate with the Department of Historic Resources regarding its recommendation to implement the approved mitigation plans for the Norge and Sycamore sites;
- Coordinate with the appropriate Virginia Department of Transportation Residency office to devise an appropriate work zone plan to insure the safe and efficient travel of vehicles during the construction phase of the projects;
- Coordinate with the Department of Health ("VDH") regarding its recommendations to protect public drinking water sources and water utility infrastructure;
- Coordinate with the Virginia Outdoors Foundation if the project area changes or the project does not start for 24 months;
- Follow the principles and practices of pollution prevention to the maximum extent practicable; and
- Limit the use of pesticides and herbicides to the extent practicable.[68]

Dominion expressed concern with respect to certain recommendations of DCR, DWR and VDH. First, the Company states that DCR's recommendation that Dominion develop an invasive species management plan for each of the CE-1 Solar Projects is unnecessary because there is no reason to believe that development of solar facilities will result in the introduction of invasive species to the project sites and the Company's existing vegetation management plans can be expected to limit unchecked proliferation of nuisance vegetation.[69] We agree that the Company should not be required to develop and implement an invasive species management plan specific to the CE-1 Solar Project sites 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.

Although not included in the DEQ Report's summary of recommendations, the Company also takes issue with DCR's recommendation to plant Virginia native pollinator plant species that bloom throughout the spring and summer.[70] The Company asserts that this recommendation is potentially costly, inappropriate without further study, and unnecessary. The Company states that each site will be revegetated in a manner consistent with industry-accepted best practices and in accordance with the approved erosion and sediment control plan, and consistent with local requirements.[71] Based on the Company's representation that it will comply with any requirements adopted by localities addressing the planting of pollinators, we will not require the Company's compliance with this DCR recommendation.

With respect to DWR, Dominion represents that it will coordinate with DWR regarding its recommendations related to tree removal and bat protection.[72] We find Dominion's willingness to coordinate with DWR sufficient.

With respect to VDH, Dominion takes issue with the agency's recommended field marking of wells within 1,000 foot radius of the Norge and Sycamore sites, stating that the recommendation would require the Company to access land not under its control and that such recommendation is unnecessarily duplicative of the requirement that impacts on public water distribution systems or sanitary sewage collection systems must be verified by the local utility.[73] We agree and will not require Dominion to field mark wells within 1,000 feet of the Norge and Sycamore sites.

Dominion also took issue with DCR-DNH's recommendation "to minimize edge in remaining fragments, retain natural corridors that allow movement between fragments and designing the intervening landscape to minimize its hostility to native wildlife" of the Norge and Sycamore solar facilities.[74] The Company requests the Commission reject this requirement as unnecessary because the Company has already made efforts to minimize fragmentation as practicable in siting and designing Norge and Sycamore.[75] The Company, however, does not claim that DCR-DNH's recommendation is unreasonable, and we find the Company should be required to comply therewith.

We therefore find that as a condition of the CPCNs 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, excepting the DCR and VDH recommendations discussed above. Finally, as a further condition to the CPCNs granted herein, the Company shall obtain all environmental permits and approvals that are necessary to construct and operate the CE-1 Solar Projects.

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[68] Ex. 4 (DEQ Report) at 6-7.

[69] *See* Ex. 45 (Ericson Rebuttal) at 5.

[70] *Id*. at 6-8.

[71] *Id.*

[72] *Id*. at 8-9.

[73] *Id.* at 9-10.

[74] Ex. 4 (DEQ Report) at 17; Ex. 45 (Ericson Rebuttal) at 2-3.

[75] *See* Ex. 45 (Ericson Rebuttal) at 3. The Company further states the Commission, at the Company's request, rejected a similar DCR recommendation in a previous proceeding. *See id.* at 3-5. *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Lockridge 230 kV Line Loop and Lockridge Subsection*, Case No. PUR-2019-00215, Final Order at 6-7, 9-10 (Oct. 1, 2020).

f. 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."[76]

We find that based on the record in this proceeding the CE-1 Solar Projects would have a positive impact on economic development in Virginia in temporary jobs during construction, permanent jobs after the CE-1 Solar Projects are completed, ancillary goods and services related to the CE-1 Solar Projects, and expansion of the tax base in the counties where the CE-1 Solar Projects will be constructed and the Commonwealth.[77]

The Commission will consider relevant evidence regarding economic development impacts of a specific resource request on a case-by-case basis in the future proceeding in which the resource is requested.[78]

g. Environmental Justice and Impact on Historically Economically Disadvantaged Communities

As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."[79] In addition, Code § 56-585.1 A 6 specifically directs that "[t]he Commission shall ensure that the development of new, or expansion of existing, energy resources or facilities does not have a disproportionate adverse impact on historically economically disadvantaged communities." The record in this matter includes some limited information concerning environmental justice associated with the proposed CE-1 Solar Projects and the impact on historically economically disadvantaged communities. We have considered this evidence in approving the proposed CE-1 Solar Projects.[80] Nothing in the record indicates that the proposed facilities will have an adverse impact on environmental justice communities or historically economically disadvantaged communities. We further find, however, that Dominion should evaluate and rank the potential environmental justice impacts of different renewable options and include the results of its evaluation in its next RPS filing.[81]

(iii) Rider CE

The Company requests the approval of Rider CE for cost recovery associated with the CE-1 Solar Projects and related distribution and transmission interconnection facilities.[82] In response to concerns raised by Walmart, Staff proposed modifications to Rider CE, as well as modifications to the overall framework under which Dominion is proposing to recover costs of resources approved under the VCEA.[83] In rebuttal, Dominion stated general support for the Staff's proposed rate recovery design, with a minor refinement, and stated that the primary benefit of Staff's proposal is that costs and benefits would be aligned in a single rate mechanism, making it "much simpler for all stakeholders to understand where the costs and benefits of RPS Program compliance reside."[84] In addition, the Company found that "Staff's approach may simplify annual true-ups across various rate mechanisms because it reduces the amount of costs and benefits transferred from one rate mechanism to another, all heard in different proceedings."[85] We agree and find generally that Staff's proposed framework, as refined by the Company, is reasonable and appropriate as applied to Dominion, recognizing that as the Commission gains more experience with the implementation of the VCEA, additional refinements and further modification may be needed.[86]

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[76] *See also* Code §§ 56-596 A and 56-585.5 D.

[77] *See, e.g.,* Ex. 6 (Avram Direct) at 21-22; Tr. 112-113.

[78] We further find that, at this time, relevant evidence regarding economic development impacts associated with each annual RPS plan shall be considered on a case-by-case basis.

[79] Code § 2.2-234; *See* 2020 IRP Final Order at 14-15.

[80] Ex. 6 (Avram) at 22; Ex. 18 (Rábago) at 22-23; Ex. 30 (Abbott) at 34-41.

[81] *See* Ex. 30 (Abbott) at 38-39.

[82] Ex. 2 (Petition) at 1.

[83] *See, e.g.,* Ex. 23 (Perry) at 10-12; Ex. 30 (Abbott) at 6-24.

[84] Ex. 48 (Gaskill Rebuttal) at 8. The Company proposed a refinement to Staff's framework to include all costs related to procuring RECs in one RAC, Rider RPS, which Staff did not oppose. *See id.* at 9-11; Tr. 301-303.

[85] Ex. 48 (Gaskill Rebuttal) at 8.

[86] The Commission's decision herein is also consistent with and expands on its decisions in two recent solar proceedings wherein we directed that the capacity revenues associated with those resources should be credited through the RAC to customers on a dollar-for-dollar basis. *See 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 at 13-14 (Jan. 22, 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*, Case No. PUR-2019-00104, Doc. Con. Cen. No. 200330085, Final Order at 4-5 (Mar. 20, 2020).

In adopting Staff's proposed framework, we further direct Dominion to track and report the following information for each of its RPS resources in future RPS proceedings, as well as in any rate proceeding that includes an RPS-related cost or benefit: (i) each associated cost, by type, by month, by general ledger account, by rate mechanism, and whether such cost is bypassable or non-bypassable; and (ii) each associated benefit, by type, by month, by general ledger account, by rate mechanism, and whether such revenue is bypassable or non-bypassable.[87]

Further, we have previously directed in our January 22, 2021 Order on Motion in this proceeding, "[t]o promote judicial economy and efficiency and case administration, the Commission finds that the issue of determining the benefits to be netted against costs charged to [competitive service provider ("CSP")] customers under Code § 56-585.5 F should be litigated and adjudicated in [Case No. PUR-2020-00164]." In addition, we found that:

> Rider CE, as a [RAC] intended to recover costs incurred to comply with the VCEA, is required to be paid by all of Dominion's retail customers, including customers taking generation service from CSPs, unless otherwise exempt . . . . To the extent [Case No. PUR-2020-00164] results in a determination of additional benefits that should be allocated to CSP customers charged under Rider CE, recognition of those benefits will be addressed in a future Rider CE true-up as needed."

Thus, while we approve Staff's overall framework generally, we do not rule herein on whether there are additional benefits that should be allocated to CSP customers, which is to be litigated and adjudicated in Case No. PUR-2020-00164.

The Commission finds that Rider CE meets the statutory requirements for approval of a RAC under Code § 56-585.1 A 6. The only revenue requirement issue regarding Rider CE involved the appropriate jurisdictional and class cost allocation methodology to be applied to the energy revenues credited to customers through Rider CE.[88] The Commission herein approves a revenue requirement of $10.366 million.[89] In approving this revenue requirement, the Commission finds it reasonable, for purposes of this proceeding, to allocate the costs of the CE-1 Solar Projects using the average and excess allocation methodology (Factor 1) and to allocate the CE-1 Solar Projects' energy revenues from the PJM[90] wholesale market on an energy-only basis (Factor 3), which is consistent with how these respective costs and benefits have been historically allocated to customers.

Further in this regard, Staff stated that, should the Commission approve Staff's proposed framework for recovery of RPS-related costs in this case, the Company and other parties may wish to propose alternative class cost allocation methodologies in a future RPS case.[91] As such, Staff recommended the jurisdictional and class allocation methodologies approved in this case be considered placeholders until the Commission has an opportunity to evaluate alternative cost allocation methodologies in more detail in a future case.[92] Dominion did not object to this recommendation and the Committee agreed these issues should be deferred.[93] We agree and so direct that jurisdictional and class allocation shall be addressed in either Dominion's next annual RPS proceeding or, if the Commission so chooses, in a separate proceeding as initiated by the Commission.[94]

(iv) CE-1 Solar PPAs Prudence Determination

Code of Virginia

Code § 56-585.1:4 H states as follows:

> A utility may elect to petition the Commission, outside of a triennial review proceeding conducted pursuant to § 56-585.1, at any time for a prudency determination with respect to the construction or purchase by the utility of one or more solar or wind generation facilities located in the Commonwealth or off the Commonwealth's Atlantic Shoreline or the purchase by the utility of energy, capacity, and environmental attributes from solar or wind facilities owned by persons other than the utility. . . .

Pursuant to Code § 56-585.1:4 H, Dominion also seeks a prudence determination from the Commission with respect to six CE-1 Solar PPAs. The six CE-1 Solar PPAs consist of: (i) the approximately 20 MW (AC) Watlington Solar Project located in Halifax County; (ii) the approximately 20 MW (AC) Pleasant Hill Solar Project located in the City of Suffolk; (iii) the approximately 118 MW (AC) Chesapeake Solar Project located in the City of Chesapeake; (iv) the approximately 75 MW (AC) Wythe County Solar Project located in Wythe County; (v) the approximately 170 MW (AC) Cavalier Solar Project located in Isle of Wight County and Surry County; and (vi) the approximately 12.5 MW (AC) Rivanna Solar Project located in Albemarle County.[95]

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[87] *See* Ex. 33 (Carr) at 10-11.

[88] Ex. 46 (Lecky Rebuttal) at 4; Ex. 48 (Gaskill Rebuttal) at 12-13; Tr. 425-426.

[89] Ex. 46 (Lecky Rebuttal) at 4.

[90] PJM Interconnection, L.L.C.

[91] Ex. 24 (Ferrell) at 26 n.61.

[92] *Id.*

[93] Ex. 48 (Gaskill Rebuttal) at 13; Tr. 763-764, 825-826.

[94] If no such separate proceeding is initiated by the Commission prior to Dominion's next annual RPS proceeding, these allocation issues will be litigated in that RPS proceeding, and Dominion shall present alternative cost allocation methodologies for RPS-related resources as part of that petition.

[95] Ex. 2 (Petition) at 13.

Dominion asserts that the CE-1 Solar PPAs, like the CE-1 Solar Projects, are needed to comply with the VCEA, to serve customers' capacity and energy needs, and to comply with carbon dioxide reduction requirements.[96] We find that the CE-1 Solar PPAs are needed for the same reasons we found that the CE-1 Solar Projects are needed. For example, the record shows that the CE-1 Solar PPAs are expected to provide approximately 876 gigawatt-hours of energy production in the first full year of operation and will assist the Company in meeting its RPS requirements.[97] We also find the costs of the CE-1 Solar PPAs to be reasonable and prudent.[98] Like the CE-1 Solar Projects, the CE-1 Solar PPAs were the product of the Company's 2019 Solar-Wind RFP, a competitive bidding process.[99]

In sum, the Commission finds that the proposed CE-1 Solar PPAs are prudent and should be approved.[100]

Accordingly, IT IS ORDERED THAT:

(1) The RPS Development Plan is approved as set forth herein.

(2) Subject to the conditions and requirements set forth in this Final Order, Dominion is granted approval and Certificate of Public Convenience and Necessity Nos. EG-DEV-CPX-2021-A, EG-DEV-JAM-2021-A, and EG-DEV-PIT-2021-A to construct and operate the Grassfield, Norge and Sycamore solar facilities, respectively, as set forth in this proceeding.

(3) The CE-1 Solar PPAs are found to be prudent as set forth herein.

(4) The Company's Petition for approval of a RAC, designated Rider CE, is approved as set forth herein.

(5) The Company forthwith shall file a revised Rider CE 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: scc.virginia.gov/pages/Case-Information.

(6) Rider CE, as approved herein, shall be effective for usage on and after June 1, 2021.

(7) This case is dismissed.

[96] *See, e.g., id.* As previously stated, the record shows that the solar resources will assist the Company in complying with state carbon regulation, including the Commonwealth's participation in RGGI.

[97] Ex. 9 (Kelly Direct) at 5.

[98] In this regard, we further note that the CE-1 Solar PPAs are structured in a way that the Company only pays a per MWh cost based on the actual output of the facilities, which shields customers from performance risk associated with CE-1 Solar PPAs. *See, e.g.*, Ex. 33 (Carr) at 4; Tr. 381, 400.

[99] Ex. 6 (Avram Direct) at 23; Ex. 11 (McMillan Direct) at 4-7.

[100] Our approval and findings herein are limited to the CE-1 Solar PPAs. Exercise of a purchase option pursuant to any one of the approved CE-1 Solar PPAs would, of course, necessitate separate CPCN approval from the Commission. The Commission also took two objections under advisement during the evidentiary hearing. Tr. 313-314, 787. Based on the Commission's findings herein, both objections are now moot.

CASE NO. PUR-2020-00135
APRIL 30, 2021

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

Ex Parte: Establishing 2020 RPS Proceeding for 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 a mandatory renewable energy portfolio standard program ("RPS Program") for Appalachian Power Company ("APCo" or "Company") in new § 56-585.5 of the Code of Virginia ("Code"). Subdivision D 4 of Code § 56-585.5 requires APCo to submit to the State Corporation Commission ("Commission") a plan and petition for approval for the development of new solar and onshore wind generation capacity ("RPS Plan").

The VCEA requires APCo to file an RPS Plan annually, commencing in 2020 and concluding in 2035. Accordingly, on July 10, 2020, the Commission entered an Order Establishing 2020 RPS Proceedings ("July 10 Order"), docketing this proceeding and requiring APCo to file its 2020 RPS Plan on or before November 2, 2020.

On November 2, 2020, APCo filed its RPS Plan pursuant to the Commission's July 10 Order. APCo states that it "developed [its RPS Plan] in a way that is similar to how Integrated Resource Plans [("IRPs")] are developed, using the same general methods, commodity price forecasts, optimization software, load forecasts, and resource cost assumptions."[1] APCo's RPS Plan indicates that the Company anticipates adding, through a mix of

[1] RPS Plan at 4.

Company-owned resources and third-party power purchase agreements ("PPAs"), 3,452 megawatts ("MW") of solar, 2,200 MW of onshore wind and 400 MW of energy storage to meet the requirements of the VCEA through 2050.[2] APCo requested approval of its RPS Plan only; the Company did not request approval of any new generation facilities or any associated rate adjustment clause.

On November 6, 2020, the Commission issued an Order for Notice and Hearing in this case, which, among other things, scheduled an evidentiary hearing, invited interested persons to comment or participate in this matter, and directed the Staff of the Commission ("Staff") to investigate and file testimony on APCo's RPS Plan.

Appalachian Voices ("Environmental Respondent"), the Maryland-DC-Virginia Solar Energy Industries Association ("MDV SEIA"), Walmart Inc. ("Walmart"), the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"), and Virginia Electric and Power Company filed notices of participation in this proceeding. Walmart, Environmental Respondent, and Staff filed testimony on the Company's RPS Plan. Subsequently, the Company filed rebuttal testimony. The Commission received comments from the Virginia Department of Mines, Minerals and Energy and from LS Power Development LLC.

The Commission convened a hearing on this matter on February 2-4, 2021, as scheduled. APCo, Environmental Respondent, MDV SEIA, Walmart, Consumer Counsel and Staff participated in the hearing. On March 11, 2021, APCo, Environmental Respondent, MDV SEIA, Walmart, Consumer Counsel and Staff submitted post-hearing filings for the Commission's consideration.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.[3] The discussion below sets forth detailed analyses and findings on several issues raised in this proceeding. As always, the Commission is guided by the statute and the record. In doing so, we have exercised the Commission's delegated discretion in a manner that faithfully implements the VCEA requirements that include carbon reduction, while best protecting consumers who expect and deserve reliable and affordable service.

Code of Virginia

Code § 56-585.5 D 4 provides:

> 4. In connection with the requirements of this subsection, each Phase I and Phase II Utility shall, commencing in 2020 and concluding in 2035, submit annually a plan and petition for approval for the development of new solar and onshore wind generation capacity. Such plan shall reflect, in the aggregate and over its duration, the requirements of subsection D concerning the allocation percentages for construction or purchase of such capacity. Such petition shall contain any request for approval to construct such facilities pursuant to subsection D of § 56-580 and a request for approval or update of a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1 to recover the costs of such facilities. 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. In determining whether to approve the utility's plan and any associated petition requests, the Commission shall determine whether they are reasonable and prudent and shall give due consideration to (i) the RPS and carbon dioxide reduction requirements in this section, (ii) the promotion of new renewable generation and energy storage resources within the Commonwealth, and associated economic development, and (iii) fuel savings projected to be achieved by the plan. Notwithstanding any other provision of this title, the Commission's final order regarding any such petition and associated requests shall be entered by the Commission not more than six months after the date of the filing of such petition.[4]

Legal Sufficiency of APCo's RPS Plan

Participants raised several concerns with the Company's RPS Plan.[5] Notwithstanding, the Commission finds that, for purposes of filing its first annual plan under Code 56-585.5 D 4, APCo's plan is reasonable and prudent. Subsequent plans, however, must comply with (among other things) the additional requirements set forth herein.

Future RPS Plan Filings

The Commission finds that in order to "give due consideration to . . . the RPS and carbon dioxide reduction requirements" in Code § 56-585.5 when evaluating subsequent plans and associated petition requests, such future annual filings shall analyze how APCo's plan and petition requests address and implement the RPS and carbon dioxide reduction requirements in Code § 56-585.5, including but not necessarily limited to Code § 56-585.5 C.

Modeling Assumptions and Inputs. The Commission finds that, to evaluate subsequent plans and associated petition requests, such future annual filings shall include at a minimum:

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[2] *Id*. at 5.

[3] The Commission has fully considered 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).

[4] APCo is a Phase I Utility. *See* Code § 56-585.1 A 1.

[5] For example, Environmental Respondent requested that the Commission direct "the Company to provide a much more specific, concrete, and actionable VCEA compliance plan, demonstrated with competent evidence." Ex. 4 (Rábago) at 5. Environmental Respondent also asked that the Commission direct the Company to evaluate "procurement of greater amounts of non-utility and distributed resources than the minimums required by law." *Id.* at 4. MDV SEIA requested that "in light of the directives contained in the VCEA, potential economic development benefits should be a factor in all future resource evaluations." MDV SEIA Post-Hearing Filing at 4.

- a least cost VCEA plan that meets (i) applicable carbon regulations[6] and (ii) the mandatory RPS Program requirements of the VCEA;[7]
- modeling or evaluation of renewable energy certificates ("RECs") from all sources (with both high- and low-price sensitivities), including utility-owned, third-party PPAs, and unbundled REC purchases;[8]
- modeling of APCo's actual wind capacity factor and Virginia-specific or PJM-specific solar capacity factor;[9]
- distributed generation sensitivities for unbundled REC purchases through Requests for Proposals ("RFPs"), fixed price offers and over-the-counter purchases;[10]
- modeling of reliability impacts;[11]
- updated fundamentals forecasts and commodity pricing that reflects the VCEA requirements;[12] and
- a detailed chart showing how APCo has complied to date with the VCEA's RPS requirements.[13]

In addition to these minimum planning and modeling requirements for APCo's subsequent RPS filings and associated petition requests, we direct the Company to also file the following information in subsequent RPS filings.

RPS Compliance Certification. The Commission finds that this annual RPS proceeding is a reasonable and appropriate proceeding to consider the Company's annual certification of compliance with the RPS Program. Such certification will commence in the Company's 2022 RPS filing for calendar year 2021. The Commission directs APCo to propose reporting metrics, and any needed protocols, associated with RPS Program certification in its 2021 RPS filing.[14]

Bill Analysis. As recommended by Staff, we find that APCo's next RPS bill analysis in its next RPS filing should include the effects of retirements, the effects of tax credits, offsets related to outside model additions, and any changes to customer class allocation factors.[15] We further direct Staff and the Company to work together, as necessary, to develop the form and contents of the bill analysis.

Accelerated Renewable Energy Buyer Requirements. Code § 56-585.5 G.1 provides that "[t]o the extent that an accelerated renewable energy buyer contracts for the capacity of new solar or wind generation resources pursuant to this subsection, the aggregate amount of such nameplate capacity shall be offset from the utility's procurement requirements pursuant to subsection D." Further, Code § 56-585.5 G.1 also provides that "[a]ll RECs associated with contracts entered into by an accelerated renewable energy buyer with the utility, or a person other than the utility, for an RPS Program shall not be credited to the utility's compliance with its RPS requirements, and the calculation of the utility's RPS Program requirements shall not include the electric load covered by customers certified as accelerated renewable energy buyers." Accordingly, in future RPS filings, we direct the Company to provide information related to accelerated renewable energy buyers ("ARBs") as follows:

- For existing customers that potentially qualify as ARBs under Code § 56-585.5 G (i) provide the total aggregate annual load for the prior calendar year associated with these customers; (ii) provide the total aggregate peak load for the prior calendar year associated with these customers; and (iii) provide the aggregate amount of energy, capacity, and RECs procured by such customers in the prior calendar year, to the extent known; and

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[6] Such modeling should include, but is not limited to, Virginia's participation in the Regional Greenhouse Gas Initiative.

[7] *See, e.g.*, Ex. 11 (Pratt) at 10, Tr. 345.

[8] Tr. 247, 329-333.

[9] Ex. 11 (Pratt) at 12-13. The term "PJM" is a reference to PJM Interconnection, L.L.C., a regional transmission organization that operates a wholesale electricity market and manages the high-voltage electricity grid throughout all or portions of thirteen states, including Virginia, and the District of Columbia.

[10] *See* Ex. 11 (Pratt) at 15, 22.

[11] To the extent that APCo concludes that the duck curve may impact reliability, such modeling and results should also be included.

[12] Ex. 11 (Pratt) at 22.

[13] The Commission has concluded that the information required herein may provide relevant data points for the Commission's future consideration of the required analysis under Code 56-585.5 D. The exclusion of other potential data points from the requirements of the instant Order does not represent a finding that such are not necessary for such consideration. The Commission will evaluate future RPS filings based on the evidentiary record developed in each proceeding.

[14] As with the prior voluntary RPS program, the Commission will continue to utilize the PJM-EIS Generation Attribute Tracking System ("PJM-GATS"). The Commission recently updated in PJM-GATS the business rules relating to the categories of eligible generation sources for Virginia-qualified RECs in 2021-2024 ("GATS Update"). On April 9, 2021, the Commission issued an Order for Comment with respect to the GATS Update. *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of registering and retiring Virginia-eligible renewable energy certificates*, Case No. PUR-2021-00064, Doc. Con. Cen. No. 210410225, Order for Comment (Apr. 9, 2021).

[15] Ex. 12 (Welsh) at 7-10; Tr. 231. *See also* Staff Post-Hearing Filing at 11.

- Identify all customers that have qualified as ARBs and provide (i) the total annual load for the prior calendar year associated with each customer, and cumulatively for all such customers; (ii) the total peak load for the prior calendar year associated with each customer, and cumulatively for all such customers; and (iii) the aggregate amount of energy, capacity, and RECs procured in the prior calendar year by each customer, and cumulatively for all such customers.[16]

Similarly, we further find that future RPS filings should include additional information regarding any solar and onshore wind facilities under contract with specific customers, including ARBs. APCo shall provide the following information related to such facilities in future RPS filings: (i) the nameplate capacity; (ii) projected and actual annual capacity factors; (iii) levelized cost of energy in $/megawatt-hours ("MWh"); (iv) whether each facility is contracted or expected to be contracted with an eligible ARB; (v) contracted prices in $/MWh;[17] (vi) the contract duration; (vii) whether each contract is a bundled sale of energy, capacity and environmental attributes, and ancillary services, or a subset of these elements;[18] (viii) any price escalators in the contracts; and (ix) any performance guarantees in the contracts.[19]

Requests for Proposals. With respect to RFPs, the Company must comply with the specific requirements of Code § 56-585.5 D 3. The Commission also finds that, for purposes of our analyses under Code § 56-585.5 D 4, the complete results of RPS-related RFPs must be included in each of APCo's subsequent RPS filings.

In addition to the specific requirements set forth in Code § 56-585.5 D 3, we will require that APCo's RFPs address environmental justice considerations by assessing the impacts of proposed projects on underserved communities.[20] The Company's RPS filing should identify how the RFP assessed environmental justice considerations, including any non-price considerations that were included in the Company's RFP analysis. These considerations should include assessments of the local demographics in close proximity to each project proposal.[21]

IRP and RPS Plan Consolidation. The Commission requested that the parties address, in post-hearing filings, whether to consolidate APCo's filing of its IRP and IRP updates with the annual RPS filing. At this time, the Commission will not direct any consolidation or synchronization of the timing of these filings; however, we may revisit this decision at a later time as additional experience is gained with the annual RPS filings. We do find, however, that, to a certain extent, the Company's modeling inputs and assumptions should be consistent for purposes of the IRP and RPS proceedings. We therefore direct that, going forward, APCo should apply the same modeling assumptions and inputs in each of its IRP and RPS filings and explain the reason behind any deviations in the assumptions and modeling used in the two proceedings.[22]

Jurisdictional and Class Cost Allocation. There are no costs proposed for recovery in the instant proceeding, and thus the Commission defers making any ruling on cost allocation at this time. We will therefore leave the Company's existing jurisdictional and class allocations in place for the present. We will address the rate adjustment clause framework and cost allocation either in the Company's next RPS proceeding or, at the Commission's discretion, in a separate jurisdictional and class allocation proceeding initiated for this purpose. Should the Commission not establish a cost allocation proceeding, we direct the Company to present its proposed cost allocation methodology, along with the results of alternative cost allocation methodologies, in its next RPS filing.

Reporting Requirements. Staff proposed that the Company be required to report each RPS-associated cost or benefit by type, month, general ledger account, rate mechanism and whether such cost or revenue is bypassable or non-bypassable.[23] The Company did not object to this request in this proceeding, and we will direct the Company to include this information in subsequent RPS filings.

Economic Impact. Code § 56-585.5 D 4 requires that the Commission consider, among other things, economic development as it relates to "the promotion of new renewable generation and energy storage resources within the Commonwealth." The parties in this case proposed several frameworks under which the Commission could evaluate economic impact. For example, MDV SEIA proposed that the Commission require utilities to use "a metric that captures the economic development benefits associated with particular projects on a $/MWh basis," while APCo proposed that

[16] The Company may designate, as appropriate, confidential or extraordinarily sensitive information contained therein pursuant to the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*

[17] *See* Consumer Counsel Post-Hearing Filing at 11 (stating that a Phase I or Phase II utility should not be permitted to act discriminatorily in favor of ARBs with respect to pricing in negotiating contracts with ARBs).

[18] *See* Staff Post-Hearing Filing at 4 (stating that the RPS Plan must include a description of all ARB contracts so that the Commission can ensure that qualifying ARBs are exempt from non-bypassable RPS compliance costs).

[19] As noted, above, the Company may designate, as appropriate, confidential or extraordinarily sensitive information contained therein pursuant to the Commission's Rules of Practice and Procedure.

[20] Tr. 145-147. We note that the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation or policy." Code § 2.2-234; *see also 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. 210210007, Final Order at 14-15 (Feb. 1, 2021). In addition, Code § 56-585.1 A 6 directs that "[t]he Commission shall ensure that the development of new, or expansion of existing, energy resources or facilities does not have a disproportionate adverse impact on historically economically disadvantaged communities."

[21] *See* Code § 2.2-234; Ex. 7 (Abbott) at 28.

[22] In its next RPS filing, these modeling assumptions should include a sensitivity analysis that models the Company's resource portfolios under a hypothetical, but plausible, early retirement scenario. *See* Ex. 11 (Pratt) at 19; Ex. 12 (Welsh) at 7-10.

[23] Ex. 12 (Welsh) at 17-18.

the Commission "evaluate the benefits of the development of renewable resources in [the] Commonwealth, against their costs."[24] We find that, at this time, relevant evidence regarding economic development impacts shall be considered on a case-by-case basis associated with a particular plan or associated petition request.[25]

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

[24] MDV SEIA Post-Hearing Filing, Attachment A at 5; APCo Post-Hearing Filing at 10.

[25] With respect to issues raised by participants not expressly addressed by the Commission herein, the Commission finds that resolution of such issues is not necessary to the Commission's decision in this proceeding, and the Commission hereby exercises its discretion not to address such for purposes of the instant Order. In addition, as implementation of the VCEA continues, the Commission may initiate separate rulemaking proceedings to address distinct issues related to the implementation of the VCEA.

CASE NO. PUR-2020-00137
JANUARY 5, 2021

APPLICATION OF
MAVERICK VIRGINIA INFRASTRUCTURE, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On October 5, 2020, Maverick Virginia Infrastructure, LLC ("Maverick VA" 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"). Maverick VA 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 15, 2020, the Commission issued an Order for Notice and Comment that, among other things, directed Maverick VA 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 November 12, 2020, Maverick VA filed proof of service in accordance with the Commission's direction, and on November 20, 2020, filed the required proof of notice via newspaper publication. No comments nor requests for hearing on the Company's Application were filed.

On December 16, 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 Maverick VA subject to the following condition: Maverick VA 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.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that it should grant a Certificate to Maverick VA. 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) Maverick VA is hereby granted Certificate No. T-773 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 Maverick VA 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) Maverick VA 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) 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.

(5) This case is dismissed.

[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.

CASE NO. PUR-2020-00153
FEBRUARY 11, 2021

PETITION OF
LINGO COMMUNICATIONS OF VIRGINIA, INC., and MATRIX TELECOM OF VIRGINIA, LLC

For approval of an internal reorganization and transfer of customers from Lingo Communications of Virginia, Inc., to Matrix Telecom of Virginia, LLC, pursuant to Va. Code § 56-88 *et seq*.

ORDER GRANTING APPROVAL

On November 18, 2020, Lingo Communications of Virginia, Inc. ("Lingo-VA"), and Matrix Telecom of Virginia, LLC ("Matrix-VA") (collectively, "Petitioners"), completed the filing of 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"),[1] requesting approval of an internal reorganization that will result in the transfer of customers from Lingo-VA to Matrix-VA ("Transfer").

Lingo-VA is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to its certificates of public convenience and necessity ("Certificates") issued by the Commission in Case No. PUR-2018-00196.[2] Matrix-VA is authorized to provide local exchange telecommunications services in Virginia pursuant to its Certificate issued by the Commission in Case No. PUC-2016-00028.[3]

The Petitioners assert that all customers transferred to Matrix-VA will continue to receive services without any immediate changes to the rates, terms or conditions of service as currently provided by Lingo-VA. Information provided with the Petition indicates that Matrix-VA will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the proposed Transfer. Lastly, the Petitioners represent that upon completion of the customer transition, Lingo-VA will file requests with the Commission to relinquish their Virginia Certificates.

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.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners are hereby 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 the completion of the Transfer, which shall note the date the Transfer occurred.

(3) This case is dismissed.

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[1] Code § 56-88 *et seq*.

[2] *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, 2019 S.C.C. Ann. Rept. 341, Order Reissuing Certificates (Mar. 12, 2019).

[3] *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).

CASE NO. PUR-2020-00156
OCTOBER 27, 2021

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

Ex Parte: In the matter of baseline determination, methodologies for evaluation, measurement, and verification of existing demand-side management programs, and the consideration of a standardized presentation of summary data for Virginia Electric and Power Company

FINAL ORDER

Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") annually files with the State Corporation Commission ("Commission") a petition for approval of costs related to demand-side management ("DSM") programs pursuant to § 56-585.1 A 5 of the Code of Virginia ("Code").[1] Through cases filed to date, Dominion has received approval for eight phases of DSM programs.

The purpose of DSM programs is to reduce energy usage, either at peak times (demand response and peak-shaving programs) or year-round (energy efficiency programs). Once DSM programs have been approved, the Company is required to submit annual evaluation, measurement, and verification ("EM&V") reports of the approved programs to the Commission including evidence of 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. The EM&V presented in the Company's annual DSM filings routinely has been a disputed issue among the case participants.[2]

In its 2019 DSM Final Order, the Commission indicated that it would establish a new docket 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.[3]

Accordingly, on August 28, 2020, the Commission issued its Order Initiating Proceeding ("Initiating Order") in this docket to consider the baselines and measurement of savings for specified programs on Dominion's Phase I through Phase VIII DSM Programs.[4] Through the Initiating Order, the Commission directed Dominion to make an initial filing including information on: a summary or "dashboard" style format for reporting energy and demand savings; the baseline Dominion used in its analysis when initially proposing each program and measure and whether the Company now recommends changing this baseline;[5] how the baseline was determined, the cost or estimated cost of determining the baseline, and whether the baseline is utility-specific or Virginia-specific; and information related to the ability and cost of collecting program- and measure-specific EM&V data that is utility-specific, Virginia-specific, and based on data from non-Virginia jurisdictions and sources.[6] The Initiating Order also established a procedural schedule for this case, set a public hearing on this matter for May 25, 2021, and appointed a Hearing Examiner to conduct all further proceedings in this case on behalf of the Commission.[7]

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[1] *See e.g., 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); *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); *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); *Petition of Virginia Electric and Power Company, For approval to extend an existing 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. PUR-2017-00129, 2018 S.C.C. Ann. Rept. 282, Final Order (May 10, 2018) ("2017 DSM Proceeding"); *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, 2019 S.C.C. Ann. Rept. 285, Order Approving Programs and Rate Adjustment Clauses (May 2, 2019).

[2] *See, e.g.*, 2017 DSM Proceeding, Ex. 20 (Loiter) at 13-14, 20.

[3] *See 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, 2020 S.C.C. Ann. Rept. 368, 375, Final Order (July 30, 2020) ("2019 DSM Final Order").

[4] A list of these programs may be found in the Initiating Order at 4-5.

[5] For purposes of this case, the Commission defined the "baseline" as "the expected energy or demand usage for an activity absent the DSM program or measure." Initiating Order at 6.

[6] *Id.* at 5-7.

[7] *Id.* at 7-13.

On November 6, 2020, Dominion filed its direct testimony and supporting materials ("Initial Filing").[8] Notices of participation were filed by the following: the Virginia Energy Efficiency Council ("VAEEC"), the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"), Appalachian Power Company, Washington Gas Light Company ("WGL"), Appalachian Voices ("Environmental Respondent"), Columbia Gas of Virginia, Inc. ("Columbia Gas"), and the Board of Supervisors of Culpeper County.[9]

On March 23, 2021, Environmental Respondent and the VAEEC filed direct testimony. On April 13, 2021, the Commission's Staff ("Staff") filed direct testimony. On May 4, 2021, Dominion filed rebuttal testimony.

Due to the ongoing public health issues caused by COVID-19, a Chief Hearing Examiner's Ruling dated April 8, 2021, advised the hearing scheduled for May 25, 2021, would be conducted virtually via Microsoft Teams and set forth procedures for the virtual hearing. On May 25, 2021, the hearing for this matter was held virtually. Vishwa B. Link, Esquire, Lisa R. Crabtree, Esquire, and April M. Jones, Esquire, of McGuireWoods, LLP; and Audrey T. Bauhan, Esquire, of Dominion Energy Services, Inc., appeared on behalf of Dominion. Cale Jaffe, Associate Professor of Law and General Faculty Director of the Environmental and Regulatory Law Clinic, University of Virginia School of Law, appeared on behalf of VAEEC. Nathaniel H. Benforado, Esquire, of the Southern Environmental Law Center, appeared on behalf of Environmental Respondent. John E. Farmer, Jr., Esquire, and C. Mitch Burton, Jr., Esquire, appeared on behalf of Consumer Counsel. Andrea B. Macgill, Esquire, and Kiva Bland Pierce, Esquire, appeared on behalf of Staff.

One public witness offered testimony. Additionally, the following filed public comments: Robert Vanderhye, WGL, Columbia Gas, Natural Resources Defense Council, James Taylor, and the Virginia Department of Mines, Minerals and Energy.[10]

Post-hearing briefs were filed on June 22, 2021, by Dominion, VAEEC, Environmental Respondent, Consumer Counsel, and Staff.

On July 30, 2021, Chief Hearing Examiner Alexander F. Skirpan, Jr., filed his Report. In the Report, the Chief Hearing Examiner made the following findings:[11]

(1) The focus of this proceeding is on adopting a more rigorous and accurate EM&V, and not on whether the Company's current EM&V meets industry standards.

(2) The Commission should direct Staff to participate in the stakeholder process as a stakeholder to work with the Company and others to develop more rigorous and accurate EM&V data.

(3) The Commission should adopt the dashboard proposed by Company Witness Frost in his rebuttal testimony and included as Attachment 1 to the Report.[12]

(4) The Commission should adopt the reporting requirements committed to by Dominion as further outlined in the Discussion section of the Report.[13]

(5) The Commission should direct Dominion to file the May EM&V Report in the Company's December DSM filings.

(6) Deemed input values meet the measured and verified standard for determining compliance with the energy saving requirements of the Virginia Clean Economy Act ("VCEA").[14]

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[8] On January 13, 2021, Dominion filed corrected pages to its Initial Filing.

[9] On December 17, 2020, Dominion filed a Motion for Entry of a Protective Ruling and Additional Protective Treatment. The Company requested extraordinarily sensitive treatment for information related to competitively negotiated terms, conditions, and prices the Company paid to DNV and other DSM vendors ("DSM Contracts and Prices"). The Chief Hearing Examiner's Protective Ruling and Additional Protective Treatment for Extraordinarily Sensitive DSM Contracts and Prices was issued on December 21, 2020. DNV, formerly known as DNV GL, is Dominion's third-party EM&V vendor. Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner ("Report") at 2 and n.6.

[10] The Virginia Department of Mines, Minerals and Energy was renamed the Virginia Department of Energy effective October 1, 2021.

[11] Report at 75-76.

[12] The Chief Hearing Examiner agreed with Dominion that the dashboard should be provided in May of each year and reflect actual, verified information for and as of the prior year. The Chief Hearing Examiner rejected requests for a quarterly dashboard since these likely would be based on unaudited data and would be expensive and overly burdensome. *Id.* at 55.

[13] A list of metrics Dominion agreed to include in an EM&V annual summary, which would be filed in May each year as part of the Company's annual EM&V Report, can be found at pages 55-56 of the Report. Dominion's commitment includes all metrics except the two items in bold on page 56 of the Report (program participation rate as a share of the eligible population, and program participation by geographic location). In addition to the annual EM&V Report filing in May (which, if the Chief Hearing Examiner's findings are adopted, would now include the dashboard and additional EM&V metrics), Dominion also committed that, by the end of July each year, it will provide raw/unverified results of metrics such as program participation and expenditures from the first six months of the year. Further, as part of its annual DSM Update Filing currently filed in December each year, Dominion commits to including the dashboard (with the same information as provided the previous May) and to complying with Mr. Grevatt's proposal for existing and proposed programs but presenting a mix of verified persistent savings and projections for future years, according to Mr. Grevatt's sample data chart. *See* Report at 57; Dominion's Post-hearing Brief at 23-26; Ex. 12 (Grevatt Sample Data Chart); Ex. 13 (James Direct) at 22-27.

[14] 2020 Va. Acts. chs. 1193, 1194.

(7) To increase the rigor and accuracy of the EM&V process, the Commission should adopt a combination of the Company's proposed framework and Staff's proposed hierarchical framework,[15] with both frameworks as further modified herein.

(8) The Commission should direct the Company to document the baselines used during program design and all subsequent adjustments or changes to the baselines, and provide the documentation to Staff and the other parties upon request.

(9) The Commission should direct the Company to increase the coordination between DNV and the program designer(s) consistent with their commitment in this proceeding.

(10) The Commission should direct the Company to undertake at least one baseline study based on Staff's input.[16]

The Chief Hearing Examiner recommended that the Commission enter an order that adopts the findings of the Report and dismisses this case from the Commission's docket of active cases.[17]

Comments on the Report were filed on August 23, 2021, by Dominion, Environmental Respondent, VAEEC, Consumer Counsel, and Staff, respectively.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the findings and recommendations set forth in the Chief Hearing Examiner's Report should be adopted except as otherwise provided herein.

Applicable Law

Several laws and regulations must be considered in relation to Dominion's DSM program, including but not limited to certain definitions in Code § 56-576, the rate adjustment clause provisions of Code § 56-585.1 A 5 c; and the provisions of Code § 56-596.2.

In Code § 56-576, the definition:

> "Measured and verified" means a process determined pursuant to methods accepted for use by utilities and industries to measure, verify, and validate energy savings and peak demand savings. This may include the protocol established by the United States Department of Energy, Office of Federal Energy Management Programs, Measurement and Verification Guidance for Federal Energy Projects, measurement and verification standards developed by the American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE), or engineering-based estimates of energy and demand savings associated with specific energy efficiency measures, as determined by the Commission.

Code § 56-585.1 A 5 c:

> 5. A utility may at any time, after the expiration or termination of capped rates, but not more than once in any 12-month period, petition the Commission for approval of one or more rate adjustment clauses for the timely and current recovery from customers of the following costs:
> . . .
> c. Projected and actual costs for the utility to design, implement, and operate energy efficiency programs or pilot programs. . . . Prior to January 1, 2022, the Commission shall award a margin for recovery on operating expenses for energy efficiency programs and pilot programs, which margin shall be equal to the general rate of return on common equity determined as described in subdivision 2. Beginning January 1, 2022, and thereafter, if the Commission determines that the utility meets in any year the annual energy efficiency standards set forth in § 56-596.2, in the following year, the Commission shall award a margin on energy efficiency program operating expenses in that year, to be recovered through a rate adjustment clause, which margin shall be equal to the general rate of return on common equity determined as described in subdivision 2. If the Commission does not approve energy efficiency programs that, in the aggregate, can achieve the annual energy efficiency standards, the Commission shall award a margin on energy efficiency operating expenses in that year for any programs the Commission has approved, to be recovered through a rate adjustment clause under this subdivision, which margin shall equal the general rate of return on common equity determined as described in subdivision 2. Any margin awarded pursuant to this subdivision shall be applied as part of the utility's next rate adjustment clause true-up proceeding. The Commission shall also award an additional 20 basis points for each additional incremental 0.1 percent in annual savings in any year achieved by the utility's energy efficiency programs approved by the Commission pursuant to this subdivision, beyond the annual requirements set forth in § 56-596.2, provided that the total performance incentive awarded in any year shall not exceed 10 percent of that utility's total energy efficiency program spending in that same year.
>
> The Commission shall 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.

[15] In Comments on the Report, Staff clarified that its hierarchical framework is not the most to least preferable and that the "least preferred option" in Staff's framework "is the current, primarily deemed values approach the Company is currently using." Staff Comments at 10.

[16] According to the Chief Hearing Examiner, "[D]etermining when to conduct a baseline study requires a balancing of rigor and accuracy" with EM&V budgets and the value of the information, and "By conducting at least one baseline study, Staff and the Commission may be able to better gauge the value of such studies." Report at 74.

[17] *Id.* at 76.

Code § 56-596.2:

> B. Notwithstanding any other provision of law, each investor-owned incumbent electric utility shall implement energy efficiency programs and measures to achieve the following total annual energy savings:
> . . .
> 2. For Phase II electric utilities:
> a. In calendar year 2022, at least 1.25 percent of the average annual energy jurisdictional retail sales by that utility in 2019;
> b. In calendar year 2023, at least 2.5 percent of the average annual energy jurisdictional retail sales by that utility in 2019;
> c. In calendar year 2024, at least 3.75 percent of the average annual energy jurisdictional retail sales by that utility in 2019; and
> d. In calendar year 2025, at least 5.0 percent of the average annual energy jurisdictional retail sales by that utility in 2019; and
>
> 3. For the time period 2026 through 2028, and for every successive three-year period thereafter, the Commission shall establish new energy efficiency savings targets. . . . The Commission shall annually review the feasibility of the energy efficiency program savings in this section and report to the Chairs of the House Committee on Labor and Commerce and the Senate Committee on Commerce and Labor and the Secretary of Natural and Historic Resources and the Secretary of Commerce and Trade on such feasibility by October 1, 2022, and each year thereafter.
>
> C. The projected costs for the utility to design, implement, and operate such energy efficiency programs and portfolios of programs shall be no less than an aggregate amount of . . . $870 million for a Phase II Utility for the period beginning July 1, 2018, and ending July 1, 2028, including any existing approved energy efficiency programs. In developing such portfolio of energy efficiency programs and portfolios of programs, each utility shall utilize a stakeholder process, to be facilitated by an independent monitor compensated under the funding provided pursuant to subsection E of § 56-592.1, to provide input and feedback on (i) the development of such energy efficiency programs and portfolios of programs; (ii) compliance with the total annual energy savings set forth in this subsection and how such savings affect utility integrated resource plans; (iii) recommended policy reforms by which the General Assembly or the Commission can ensure maximum and cost-effective deployment of energy efficiency technology across the Commonwealth; and (iv) best practices for evaluation, measurement, and verification for the purposes of assessing compliance with the total annual energy savings set forth in subsection B. Utilities shall utilize the services of a third party to perform evaluation, measurement, and verification services to determine a utility's total annual savings as required by this subsection, 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 and portfolios produce; and utility spending on each program, including any associated administrative costs. . . . Such stakeholder process shall include the participation of representatives from each utility, relevant directors, deputy directors, and staff members of the Commission who participate in approval and oversight of utility energy efficiency savings programs, the office of Consumer Counsel of the Attorney General, the Department of Mines, Minerals and Energy, energy efficiency program implementers, energy efficiency providers, residential and small business customers, and any other interested stakeholder whom the independent monitor deems appropriate for inclusion in such process.

The Commission is also guided by its Rules Governing the Evaluation, Measurement, and Verification of the Effects of Utility-Sponsored Demand-Side Management Programs, 20 VAC 5-318-10 *et seq*. ("EM&V Rules").[18]

The Measured and Verified Standard

As a threshold matter, this case considers the measurement of energy savings for Dominion's current DSM programs and, more specifically, the ability and cost of collecting program- and measure-specific EM&V data that is utility-specific, Virginia-specific, or based on data from non-Virginia jurisdictions and sources.[19] In our Initiating Order, we noted that the EM&V presented in Dominion's annual DSM filings routinely has been a disputed issue among case participants.[20]

Dominion's DSM cases are governed by the laws and regulations in effect when those cases are filed. One set of such regulations is the Commission's EM&V Rules. These rules provide that the sources of data or estimates used as inputs for proposed DSM measures or programs, in descending order of preference, are: utility-specific data; Virginia-specific data if utility-specific data is unavailable or impracticable; and data from non-Virginia jurisdictions or sources, if neither utility-specific data nor Virginia-specific data is available or practicable.[21] Rule 40 requires that "EM&V of DSM programs or measures should comply, as appropriate, with Options A, B, C, or D from the International Performance Measurement and Verification Protocol (January 2012)." Rule 40 recognizes that every utility has unique characteristics, that DSM measures are being developed and refined constantly, and that alternative methodologies may be considered.[22]

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[18] The EM&V Rules became effective January 1, 2018, before the passage of the VCEA. *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of Adopting New Rules Governing the Evaluation, Measurement, and Verification of the Effects of Utility-Sponsored Demand-Side Management Program*, Case No. PUR-2017-00047, 2017 S.C.C. Ann. Rept. 489, 491, Order Adopting Rules and Regulations (Nov. 9, 2017).

[19] Initiating Order at 5-7.

[20] *Id.* at 2 (*citing*, as one example, 2017 DSM Proceeding, Ex. 20 (Loiter) at 13-14, 20).

[21] 20 VAC 5-318-40 of the EM&V Rules ("Rule 40").

[22] EM&V Rule 40 D.

In 2020, the General Assembly passed the VCEA, which made changes to Code § 56-596.2 setting forth specific energy efficiency targets for Dominion to achieve, by calendar year, based on Dominion's average annual energy jurisdictional retail sales in 2019.[23] The VCEA also modified Code § 56-585.1 A 5 C to provide a margin on operating expenses of such energy efficiency programs for a utility's success in meeting its energy efficiency targets. Under the VCEA, Dominion is eligible for "20 basis points for each additional incremental 0.1 percent in annual savings in any year achieved" by its Commission-approved energy efficiency programs "beyond the annual requirements set forth in § 56-596.2, provided that the total performance incentive awarded in any year shall not exceed 10 percent of that utility's total energy efficiency program spending in that same year."[24] Thus, the measurement and verification of energy efficiency program savings is important to determine whether the utility has achieved the energy savings targets as well as whether it is eligible for such additional margins.

In considering the question of how to measure the energy savings of DSM programs, the Chief Hearing Examiner found that "[d]eemed input values meet the measured and verified standard for determining compliance with the energy saving requirements of the VCEA."[25] In so doing, the Chief Hearing Examiner agreed with the Company that the EM&V process is complex and involves the use of judgment.[26] He also noted that utility-specific and Virginia-specific data "can be less accurate and reliable than deemed values due to limitations of utility-specific and Virginia-specific samples" when compared to the breadth of a sample supporting deemed values.[27] The Chief Hearing Examiner concluded as follows in this regard:

> [I]n striving for increased rigor and accuracy in the EM&V process, the Commission should not view deemed input values as insufficient for meeting a measured and verified standard for determining compliance with the requirements of the VCEA or that deemed inputs always introduce an unacceptable level [of] uncertainty in EM&V savings estimates. The record in this case shows all inputs have varying degrees of uncertainty that must be managed in the EM&V process to arrive at the most reliable and accurate savings estimates, subject to budget and value of information limitations.[28]

Consumer Counsel argues that deemed savings may be useful at the planning level but "are not an appropriate verification tool for purposes of determining whether Dominion has met the energy savings targets of § 56-596.2 'in actual practice.'"[29]

We agree that deemed input values meet the measured and verified standard for determining compliance with the energy saving requirements of the VCEA. We further find that the extent to which deemed values should be used to measure energy savings for specific programs or measures should be addressed on a case-by-case basis.

In making this finding, we are mindful of the multiple factors that must be considered when determining the level of rigor and accuracy in the EM&V process. Such factors include, but are not limited to, reliability of data, size of data samples, breadth of samples supporting deemed values, EM&V cost, the amount of additional certainty gained from additional EM&V processes, and the amount and cost of EM&V estimated and included in cost caps for older DSM programs.[30] The Commission expects the Company and other stakeholders to discuss the appropriateness of using deemed savings versus other methods in their stakeholder meetings and present any recommendations on the preferred methodology for each program or for a portfolio of programs as part of the Company's annual DSM Update filings.[31]

EM&V Framework and Related Concerns

The Chief Hearing Examiner's Report evaluated both Dominion's proposed framework and Staff's proposed framework and found that, to increase the rigor and accuracy of the EM&V process, the Commission should adopt a combination of Staff's and Dominion's proposed frameworks, as modified in the Report.[32]

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[23] Code § 56-596.2 B 2. Annual targets are not set after 2025. "For the time period 2026 through 2028, and for every successive three-year period thereafter, the Commission shall establish new energy efficiency savings targets." Code § 56-596.2 B 3.

[24] Code § 56-585.1 A 5 c.

[25] Report at 75.

[26] *Id.* at 61.

[27] *Id.*

[28] *Id.* at 61-62.

[29] Consumer Counsel Comments at 4-6.

[30] Report at 61-62; *see also* Environmental Respondent Comments at 3-4; Dominion Comments at 6-7; VAEEC Comments at 2-4.

[31] *See* Report at 62 ("[T]he EM&V process will continue to be a detailed, complex process best suited to a stakeholder process.").

[32] *Id.* at 75.

The Commission adopts the combination of the Company's and Staff's proposed frameworks as recommended by the Chief Hearing Examiner in the Report.[33] A complete list of these principles is included in Attachment A to this Final Order. In adopting this combination, the Commission agrees that the approved framework balances rigor and accuracy with overall EM&V budgets and the value of the information gained from various EM&V procedures.[34]

The Commission notes that at this time we will adopt the Chief Hearing Examiner's recommendation that overall EM&V budgets for future DSM programs should be in the range of 5 to 7 percent of program spending until we direct otherwise.[35] This will provide flexibility for the Company, in consultation with the stakeholder group, to decide which EM&V procedures best fit the circumstances surrounding each DSM program.

We also specifically note our agreement with the Chief Hearing Examiner and require Dominion to sample prior DSM installations to ensure those installations remain in place and operational and to increase confidence in future reported energy savings.[36] We agree that if Dominion is counting the savings from previous installations towards earning a margin or bonus margin years after such installations, verification that these installations remain in use is appropriate. The possibility of such sampling also should be reflected in DSM program costs for all programs where the measure lives of installed equipment or products is designed to produce energy savings beyond the timeframe in which Dominion proposes to run the programs.[37]

Another topic of debate among the case participants was whether adjustment factors or revised savings parameters from EM&V of a particular program should be applied prospectively only, or both prospectively and retrospectively.[38] The Chief Hearing Examiner found that such factors should be applied both prospectively and retrospectively.[39] The Commission agrees and thus adopts the standard recommended by the Chief Hearing Examiner, included as Item 5 in Attachment A, based on the emphasis on accurate measurement underlying this case.[40] We note that the savings Dominion claims from its DSM programs are savings that may form the basis of claims for lost revenues at a future time if the circumstances so warrant, and are savings upon which Dominion may be eligible for a financial award under Code § 56-585.1 A 5 c. Under these particular circumstances, the Commission agrees that both look-back and going-forward audits are appropriate.

In adopting the Chief Hearing Examiner's proposed modifications to Staff's secondary principle, we are providing the flexibility for EM&V to be performed using either a sampling of key input variables, a pilot program, or both. We agree with Staff that a sampling of key input variables or a pilot program designed to measure the variables most likely to have the largest impact on the accuracy of savings estimates should be less costly than measuring all deemed input variables[41] and should be an option for determining the accuracy of savings estimates for one or more DSM programs.

We are aware of Staff's concern that, under the Chief Hearing Examiner's recommended framework, Dominion retains discretion to determine the appropriate EM&V for given DSM programs and measures.[42] We note that such discretion is not unbounded. In particular, the EM&V protocol that Dominion plans to implement for any particular DSM program or measure must be vetted through the stakeholder process, proposed in a DSM Update case, and approved by the Commission.

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[33] In making this determination, we are aware of our recent directive to Appalachian Power Company to

> file an updated EM&V report on or before May 1, 2022, 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, and why the alternative method provides evidence of actual energy savings reasonably comparable to sampling and statistical analysis.

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-2020-00251, Doc. Con. Cen. No. 210730134, Order Approving Rate Adjustment Clause at 8-9 (July 29, 2021). We note that this Final Order applies only to Dominion and is based upon the specific facts and circumstances of this case.

[34] *See* Report at 73.

[35] *Id.* at 64.

[36] *Id.* at 65 (*citing* Staff Brief at 42). We decline to adopt Consumer Counsel's position that deemed savings not be used as evidence when awarding a margin on energy efficiency program operating expenses pursuant to Code § 56-585.1 A 5 c. *See* Consumer Counsel's Brief at 7-10.

[37] Report at 65. Energy savings is experienced over the measure lives of installed equipment or products, which can be years longer than the timeframe in which Dominion runs the energy efficiency program promoting the installation of the equipment or products at issue. *See* Staff Brief at 42 (*citing* Tr. 236-237).

[38] *See, e.g.*, Ex. 15 (Dalton) at 69-70; Ex. 22 (Goldberg Rebuttal) at 8-9.

[39] Report at 67-68.

[40] *Id*.

[41] *See* Ex. 15 (Dalton) at 54-56.

[42] *See, e.g*., Staff Comments at 8, 14, 19.

Filing of the EM&V Report

The Chief Hearing Examiner recommended that the Commission direct Dominion to file its May EM&V Report in the Company's DSM Update filing, which is currently filed in December each year.[43] We agree and adopt this finding. In so doing, we clarify that the Company should continue to file the EM&V Report every May in the docket of the prior complete DSM Update case, as well as file the EM&V Report in the record of the upcoming DSM Update case. We also grant the Company's request to allow Dominion to provide the EM&V Report, as part of the DSM Update filing, in electronic form.[44]

Baselines

Concerning baselines, the Chief Hearing Examiner found that the Commission should direct Dominion to document the baselines used during program design, as well as subsequent adjustments or changes to the baselines, and provide the documentation to Staff and other parties on request.[45] The Chief Hearing Examiner also found that the Commission should direct Dominion to undertake at least one baseline study with input from Staff.[46]

The Commission agrees with this recommendation and hereby requires the Company and Staff to meet and select at least two DSM programs on which to perform baseline studies. The Company and Staff should file a letter report, within ninety (90) days of the date of this Final Order, explaining which DSM programs were selected for baseline study and why, how the programs selected differ sufficiently so that the overall value of baseline studies may be gauged, who will perform the baseline studies, the expected completion date for the studies, and how the Company plans to report on the results of the baseline studies to the Commission.

Coordination During Program Design

The Chief Hearing Examiner found that the Commission should direct Dominion to increase coordination between DSM program designers and the Company's third-party EM&V consultant, DNV, consistent with the Company's commitment in this case.[47] No party contested this finding, and Staff specifically supported it.[48] Accordingly, we adopt this recommendation.

The Dashboard

The Chief Hearing Examiner found that the Commission should adopt the dashboard proposed by Company Witness Frost in rebuttal testimony and included as Attachment 1 to the Report. We agree with this finding. VAEEC requested that the dashboard be updated quarterly.[49] We note that Dominion agreed to provide unaudited, "raw" data by July 1 of each year,[50] which will provide stakeholders with a semi-annual view of DSM progress. At this time, we find that the dashboard presented in Attachment 1 to the Report strikes a proper balance in providing the appropriate amount of information on a reasonable timeline. Should the dashboard's contents or timing be inadequate for stakeholder consideration, such issues may be raised in future Dominion annual DSM Updates.

The Stakeholder Process

The Chief Hearing Examiner found that the Commission should direct Staff to participate in the stakeholder process as a stakeholder.[51] Staff and Consumer Counsel expressed concern over this finding.[52] In particular, both noted the possibility of a Staff member having their credibility attacked or their participation in good faith during the stakeholder process questioned if they took one position during the stakeholder meetings and changed that position in testimony during a litigated DSM case.[53]

Upon consideration, we adopt this finding of the Chief Hearing Examiner and will require Staff to participate "as a stakeholder" in the stakeholder process. We are cognizant that positions taken during the stakeholder process are based on program concepts and information that typically is further developed and refined through the litigation process before the Commission. Staff and all stakeholders are free to change their positions upon further deliberations or upon new or updated information.

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[43] Report at 75.

[44] Dominion Comments at 4. For example, Dominion's May 14, 2021 EM&V Report was filed in the 2019 DSM Update case docket and will be filed again (electronically, if the Company so desires) as part of the Company's 2021 DSM Update case in December 2021. These practices should continue on an ongoing basis until the Commission directs otherwise.

[45] Report at 75.

[46] *Id.* at 76.

[47] *Id.*

[48] Staff Comments at 22.

[49] VAEEC Comments at 5-7; Ex. 13 (James Direct) at 23.

[50] We adopt the Chief Hearing's Examiner's Finding (4) and will require Dominion to comply with all reporting requirements to which it has committed, as outlined in the Report. We agree with Environmental Respondent that Dominion should work with stakeholders to implement and finalize the reporting requirements and explore whether potential changes are needed in the future. Environmental Respondent Comments at 3.

[51] Report at 75.

[52] *See, e.g.*, Staff Comments at 22-27; Consumer Counsel Comments at 6-9.

[53] Staff Comments at 25-26; Consumer Counsel Comments at 7-8.

We also take this opportunity to affirm that the Commission speaks through its Orders[54] and not through Staff in stakeholder meetings.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations set forth in the Chief Hearing Examiner's Report are adopted, as modified herein.

(2) The Company and Staff shall file a letter report, within ninety (90) days from the date of this Final Order, containing information related to the agreed-upon baseline studies, as directed above.

(3) This case is dismissed.

NOTE: A copy of the 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.

[54] Staff Comments at 27; *Kennedy v. Aceves Constr. & Maint. Co.*, No. 0385-94-4, 1995 WL 3380, at *1 (Va. App. Jan. 3, 1995) ("Administrative agencies, like trial courts, speak through their orders.") (*citing Frank L. Cook Transfer and Greyvan Storage of Va. v. Commonw*ealth, 196 Va. 384, 390, 83 S.E.2d 733, 736 (1954) (applying this rule to the State Corporation Commission)).

CASE NO. PUR-2020-00162
MARCH 16, 2021

PETITION OF
DIRECT ENERGY BUSINESS, INC.

For a declaratory judgment

ORDER DISMISSING PETITION

On August 24, 2020, Direct Energy Business, LLC ("Direct Energy"), pursuant to Rule 100 of the Virginia State Corporation Commission's ("Commission") Rules of Practice and Procedure ("Rules of Practice"),[1] filed a petition for declaratory judgment ("Petition") for a Commission determination that:

> a customer under the same taxpayer identification number with an aggregate demand at or over 5 MW [megawatts] due to individual accounts at different sites with loads less than 5 MW, will be eligible to continue to purchase renewable supply from CSPs [Competitive Service Providers] pursuant to Va. Code § 56-577 A 5 ("Section A 5").[2]

Stated differently, Direct Energy seeks a Commission determination that "a Dominion customer at or over 5 MW will not be eligible to participate in Dominion's Rider TRG[3] even if the customer has individual accounts at different sites with loads less than 5 MW, and accordingly such customer may continue to purchase from a CSP pursuant to Section A 5."[4]

On September 14, 2020, Virginia Electric and Power Company ("Dominion") filed its Answer and Affirmative Defense ("Response") to Direct Energy's Petition. Dominion's Response denies that Direct Energy is entitled to the requested relief as a matter of law.[5] Dominion, through its Response, further seeks a Commission Order that:

(1) denies and dismisses the Petition with prejudice;

(2) finds that a large commercial customer with individual account loads of less than 5 MW at noncontiguous sites but a total load that exceeds 5 MW, is eligible to participate in Rider TRG and is prohibited from purchasing 100 percent renewable energy from a CSP; and

(3) grants [Dominion] such further relief as deemed necessary and appropriate.[6]

Direct Energy filed its Reply on October 9, 2020, responding to Dominion's Response and maintaining its request for a declaratory judgment.

[1] 5 VAC 5-20-10 *et seq.*

[2] Petition at 2.

[3] Rider TRG is an approved tariff for electric energy provided 100 percent from renewable energy pursuant to Section A 5. *See 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*, Case No. PUR-2019-00094, Doc. Con. Cen. No. 200710052, Order Approving Tariff (July 2, 2020).

[4] Petition at 7.

[5] Response at 1.

[6] *Id*. at 10.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Direct Energy's Petition should be dismissed without prejudice.

Direct Energy brings this "Petition before the Commission regarding specific questions of statutory interpretation under Va. Code § 56-577."[7] As the legal basis for its Petition, Direct Energy cites the Commission's TRG Order on Additional Requests, wherein the Commission found that it did not need to provide clarification on the instant question for purposes of the TRG proceeding, but "that Direct Energy, or any interested person, may initiate an appropriate proceeding under the Commission's Rules of Practice and Procedure to *bring an actual case or controversy* before the Commission regarding specific questions of statutory interpretation under Code § 56-577."[8]

Direct Energy asserts that the Commission has jurisdiction to rule on the Petition pursuant to the Constitution of Virginia, Art. IX § 2 and Virginia Code ("Code") §56-6, Code §56-35, and Code §56-247. Direct Energy is correct that the Constitution and these Code sections grant the Commission jurisdiction over certain declaratory judgment matters. Direct Energy's Petition, however, is insufficient. Direct Energy has not established that a case or controversy exists (*i.e.*, that its rights are affected) due to a difference in statutory interpretation. For example, Direct Energy has not asserted that it has any customers "with an aggregate demand at or over 5 MW due to individual accounts at different sites with loads less than 5 MW."[9] Direct Energy has not established that its rights are "aggrieved by anything done or omitted" by Dominion as is required by Code § 56-6. Nor has Direct Energy established that its rights are affected by any actual action or inaction by Dominion in the performance of its public duties, its charges therefor, or of abuses therein pursuant to Code § 56-35. Direct Energy also has not established that its rights are affected because of "any regulation, measurement, practice, act or service" of Dominion that is "unjust, unreasonable, insufficient, preferential, unjustly discriminatory or otherwise in violation of law" pursuant to Code § 56-247. In its Petition, Direct Energy has alleged merely a disputed issue of statutory interpretation.

As a result, Direct Energy's Petition "depend[s], of necessity, upon future or speculative facts, … , which *might* aggrieve [Direct Energy]." Emphasis added. *City of Fairfax v. Shanklin*, 205 Va. 227, 231 (1964) (citation omitted). It is well settled, however, that "the courts are not constituted . . . to render advisory opinions, to decide moot questions or to answer inquiries which are merely speculative." *City of Fairfax v. Shanklin*, 205 Va. 227, 229-230 (1964) (citations omitted); *see also Charlottesville Area Fitness Club Operators Ass'n v. Albemarle Cnty Bd. of Sup'rs*, 285 Va. 87, 99 (2013); *Baldwin v. Commonwealth*, 43 Va. App. 415, 421 (2004) (citations omitted).

Accordingly, IT IS ORDERED THAT this case is dismissed without prejudice.

[7] Petition at 4.

[8] Emphasis added. *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*, Case No. PUR-2019-00094, Order on Additional Requests at 4 (July 23, 2020).

[9] Petition at 2.

CASE NO. PUR-2020-00163
MARCH 3, 2021

APPLICATION OF
APPALACHIAN POWER COMPANY

To reduce its fuel factor pursuant to Va. Code § 56-249.6

ORDER ESTABLISHING 2020-2021 FUEL FACTOR

On September 4, 2020, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") pursuant to § 56-249.6 of the Code of Virginia ("Code") seeking a decrease in its fuel factor. The Company proposes to reduce the current factor of 2.300 cents per kilowatt-hour ("¢/kWh") to 1.999¢/kWh, effective for service rendered November 1, 2020, through October 31, 2021 ("Fuel Year").[1]

The Company's proposed fuel factor consists of both an in-period component and a prior-period component.[2] APCo's proposed in-period component is designed to recover its estimated Virginia jurisdictional fuel expenses during the Fuel Year of approximately $266.5 million, including estimated purchased power expenses, and a credit for 75% of projected off-system sales margins.[3] The Company proposes an in-period factor component of 2.020¢/kWh.[4]

[1] Ex. 1 (Application) at 1.

[2] Ex. 6 (Keeton Direct) at 4-5.

[3] *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, and Green Power revenue credits. *See id.*

[4] *Id.* at 5.

The prior-period component is a true-up component designed to return to customers over the Fuel Year an estimated over-recovered deferred fuel balance as of October 31, 2020.[5] The Company states that it divided the projected deferred fuel cost balance by the projected Virginia jurisdictional energy sales for the Fuel Year to obtain the prior period over-recovery component of (0.021)¢/kWh.[6]

The Company represents that the net impact of the Company's proposed fuel factor over the Fuel Year is an annual revenue decrease of approximately $40 million.[7] APCo maintains that this proposal would decrease the monthly bill of a residential customer using 1,000 kWh of electricity by $3.01, or approximately 2.8%.[8]

On September 21, 2020, the Commission entered an Order Establishing 2020-2021 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 1.999¢/kWh on an interim basis for service rendered on and after November 1, 2020.

The Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation in this proceeding. On January 8, 2021, the Commission's Staff ("Staff") filed the testimony of two witnesses. On January 25, 2021, counsel for APCo filed a letter indicating that the Company would not file rebuttal testimony.

The evidentiary hearing was convened, as scheduled, on February 10, 2021. APCo, Consumer Counsel, and Staff participated at the hearing. No public witnesses appeared at the hearing.[9]

On February 17, 2021, the Report of A. Ann Berkebile, Senior Hearing Examiner, ("Report") was filed. The Hearing Examiner, in her Report, found that the record in this case supports approval of the Company's proposed fuel factor of 1.999¢/kWh effective for service rendered November 1, 2020, through October 31, 2021.[10] The Hearing Examiner therefore recommended that the Commission enter an order that adopts the findings of the Report, approves the Company's proposed fuel factor of 1.999¢/kWh for service rendered on and after November 1, 2020, and continues this case generally, pending audit and investigation of the Company's actual fuel expenses.[11]

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 1.999¢/kWh for service rendered on and after November 1, 2020.

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.[12] 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.[13]

Likewise, while we find that the Company's proposed fuel factor shall be approved, no finding in this Order Establishing 2020-2021 Fuel Factor is final. This matter is otherwise continued generally, pending audit and investigation of the Company's actual fuel expenses.

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[5] *Id.*

[6] *Id.*

[7] Ex. 1 (Application) at 1.

[8] Ex. 6 (Keeton Direct) at 7.

[9] Tr. 4-5.

[10] Report at 10.

[11] *Id*. at 10-11.

[12] *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").

[13] *Kentucky Utils.*, 1995 S.C.C. Ann. Rept. at 311.

We note that the fuel factor we approve herein is projected to decrease, by $3.01 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.[14]

Accordingly, IT IS ORDERED THAT:

(1) The Company's fuel factor shall be 1.999¢/kWh for service rendered on and after November 1, 2020.

(2) This case is continued generally.

[14] Report at 7.

CASE NO. PUR-2020-00164
SEPTEMBER 23, 2021

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

Ex Parte: Allocating RPS costs to certain customers of Virginia Electric and 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" or "Company") in new § 56-585.5 of the Code of Virginia ("Code").

Code § 56-585.5 C directs Dominion to participate in an RPS program that establishes annual goals for the sale of renewable energy to retail customers in the Company's service territory ("RPS Program"). Code § 56-585.5 D 4 requires Dominion to submit annually to the State Corporation Commission ("Commission") plans and petitions for approval of new solar and onshore wind generation capacity as well as energy storage projects ("RPS Filing"). Dominion filed its first RPS Filing in Case No. PUR-2020-00134 ("2020 RPS proceeding").[1]

Code § 56-585.5 F provides that the costs of compliance with Code §§ 56-585.5 and 56-585.1:11 "shall be recovered from all retail customers in the service territory of [Dominion] as a non-bypassable charge, irrespective of the generation supplier of such customer…."

Code § 56-585.5 F directs the Commission to establish a proceeding for Dominion by September 1, 2020, to determine the amount of the costs of compliance with Code §§ 56-585.5 and 56-585.1:11, net of benefits, to be allocated to retail customers within Dominion's service territory receiving electric supply service from a supplier of electric energy other than the utility. 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.[2]

The Commission issued an Order Establishing Proceeding in this case on August 31, 2020 ("August 31, 2020 Order"). In its August 31, 2020 Order, the Commission docketed the matter and directed Dominion to file a proposed tariff, together with supporting information and documentation, by which an allocation of its costs of compliance with Code §§ 56-585.5 and 56-585.1:11, net of benefits, would be recovered from retail customers within its service territory that elect to receive electric supply from a supplier of electric energy other than Dominion ("Filing"). The August 31, 2020 Order also provided interested persons an opportunity to file written comments, request a hearing, or participate in this proceeding as a respondent.

Dominion submitted its Filing on October 5, 2020. In its Filing, the Company sought approval of a rate adjustment clause, designated Rider NBC, for recovery of the cost of compliance with Code §§ 56-585.5 and 56-585.1:11, net of benefits.[3] In its Filing, Dominion noted that it designed Rider NBC to apply to customers who elect to purchase electric supply service from a competitive service provider ("CSP") in accordance with Code § 56-577 ("Shopping Customers"), or who elect to purchase electric supply service from the Company under a rate schedule for market based rates, with certain exceptions.[4]

[1] *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 200710234, Order Establishing 2020 RPS Proceedings (July 10, 2020). Dominion recently submitted its second annual RPS plan with the Commission. *See Petition of Virginia Electric and Power Company, For approval of the RPS Development Plan, approval and certification of the proposed CE-2 Solar Projects pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, revision of rate adjustment clause, designated Rider CE, under § 56-585.1 A 6 of the Code of Virginia, and a prudence determination to enter into power purchase agreements pursuant to § 56-585.1:4 of the Code of Virginia*, Case No. PUR-2021-000146, filed September 15, 2021.

[2] Code § 56-585.5 F.

[3] *See* Ex. 2 (Filing) at 4.

[4] *See id.* at 5. According to the Company, jurisdictional retail customers taking generation supply from the Company on cost of service schedules would pay for RPS-related costs and receive benefits through base rate or rate adjustment clause recovery mechanisms. *Id.*

Notices of participation were filed by Amazon Data Services, Inc.; the Apartment and Office Building Association of Metropolitan Washington ("AOBA"); the Board of Supervisors of Culpeper County, Virginia; Calpine Energy Solutions, LLC ("Calpine"); Chaparral (Virginia) Inc.; Collegiate Clean Energy, LLC ("Collegiate"); Constellation NewEnergy, Inc. ("Constellation"); Costco Wholesale Corporation ("Costco"); Direct Energy Business, LLC and Direct Energy Services, LLC (collectively, "Direct Energy"); Kroger Limited Partnership I and Harris Teeter, LLC (collectively, "Kroger"); Reynolds Group Holdings Inc. ("Reynolds"); the Virginia Committee for Fair Utility Rates ("Committee"); Walmart Inc. ("Walmart"); and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On November 2, 2020, AOBA, Calpine, Constellation, Kroger, Consumer Counsel, Reynolds, and Walmart filed comments on Dominion's Filing, and Collegiate, Costco, and Direct Energy filed prefiled testimony. Calpine and Direct Energy also filed requests for hearing on November 2, 2020.

On November 16, 2020, the Commission issued an Order for Notice and Hearing wherein we granted the requests for hearing; provided interested persons further opportunity to participate in the proceeding as respondents, to file testimony, or to submit written public comments; directed Commission Staff ("Staff") to investigate the Filing and file testimony describing the results of its investigation; and appointed a Hearing Examiner to conduct all further proceedings on behalf of the Commission. To comply with the statutory requirement that Dominion's tariff provisions be implemented no later than January 1, 2021, the Commission, through this order, also permitted the Company to implement rates on an interim basis.

On February 4, 2021, Dominion supplemented its Petition with information filed in the 2020 RPS proceeding ("Supplement"). In this Supplement, the Company stated that Staff proposed an alternative framework for the recovery of RPS-related costs in the 2020 RPS proceeding, which proposes to align the costs and benefits of the RPS program in a single rate mechanism.[5] Dominion stated it generally supported Staff's proposed rate recovery design, with a few suggested refinements.[6]

Direct Energy, Walmart, and Costco filed testimony in this proceeding on February 19, 2021, and Consumer Counsel filed testimony on February 22, 2021. On March 5, 2021, Staff filed testimony. On March 18, 2021, Dominion filed rebuttal testimony.

On March 26, 2021, as a result of the ongoing public health concern related to the spread of COVID-19, a hearing was convened remotely for the receipt of testimony from any public witnesses and opening statements from counsel.[7] A public evidentiary hearing was convened remotely on March 29 and 30, 2021, with no party present in the Commission's courtroom, to receive testimony and evidence offered by Dominion, respondents and Staff on the Filing. Counsel for Dominion, Calpine, Collegiate, Costco, Direct Energy, Kroger, the Committee, Walmart, Consumer Counsel, and Staff participated in the hearing.

On June 22, 2021, the Chief Hearing Examiner issued the Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner in the present proceeding ("Report"). In his Report, the Chief Hearing Examiner made the following findings: (i) Rider NBC should be dismissed; (ii) issues related to distinguishing between RPS Program compliance costs and other costs, as well as class cost allocation methodology and accelerated renewable energy buyers ("ARBs") should be deferred until a future RPS proceeding; (iii) the "net of benefits" language of Code § 56-585.5 F is limited to the benefits associated with compliance with the VCEA and includes energy, capacity, environmental attributes, and ancillary services produced by the resources acquired or constructed to comply with the VCEA; (iv) if the Commission finds the "net of benefits" language of Code § 56-585.5 F requires a broader interpretation, Dominion should be directed to perform an analysis to determine all costs and benefits associated with Shopping Customers leaving the system and report on the result in its next RPS Filing; (v) the exclusion of the benefits of shopping from a Shopping Customer's non-bypassable charge is not unreasonable or unjust, nor does it create an unconstitutional taking; (vi) customers receiving 100 percent renewable energy from CSPs, including Shopping Customers who take service under Code § 56-577 A 5 ("A 5 Shopping Customers"), do not help Dominion meet its RPS Program requirements; and (vii) the Commission should reconsider the determination it made in Case No. PUR-2018-00039 and now provide A 5 Shopping Customers the option of selling or monetizing their renewable energy certificates ("RECs").[8] The Chief Hearing Examiner further recommended that the Commission issue an Order that adopts the findings in the Report and dismisses Rider NBC.[9]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows.

As recommended by the Chief Hearing Examiner, Rider NBC shall be dismissed. On April 30, 2021, the Commission issued its Final Order in Dominion's 2020 RPS proceeding ("2020 RPS Final Order").[10] As part of the 2020 RPS Final Order, the Commission adopted the general rate adjustment clause framework for the recovery of RPS-related costs as proposed by Staff, and as refined by Dominion, under which the Company will recover costs of resources approved under the VCEA, including the non-bypassable charge, in a single rate mechanism.[11] As such, Rider NBC is no longer needed. Issues related to distinguishing between RPS Program compliance costs and other costs, as well as class cost allocation methodology and ARBs, shall be addressed in appropriate subsequent proceedings.[12]

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[5] Ex. 5 (Supplement) at 5-6.

[6] *Id*. at 5, 8.

[7] No public witnesses testified at the hearing. Tr. 5.

[8] Report at 55.

[9] *Id*. at 55-56. On July 14, 2021, the following participants filed comments to the Report: Dominion, Calpine, Collegiate, the Committee, Constellation, Costco, Direct Energy, Walmart, Consumer Counsel, and Staff.

[10] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order (Apr. 30, 2021).

[11] *See id*. at 26-29.

[12] *See, e.g.*, Report at 39, 55.

Next, the Commission finds that the "such costs, net of benefits" provision in Code § 56-585.5 F refers back to the express "costs" of VCEA compliance as contained in the preceding provisions of Code § 56-585.5 F. Thus, "net of benefits" references benefits related to such costs. As found by the Chief Hearing Examiner, this includes "energy, capacity, environmental attributes, and ancillary services produced by the *resources acquired or constructed* to comply with the VCEA."[13]

The costs listed in Code § 56-585.5 F, however, are not limited to acquiring or constructing VCEA resources, but also expressly reference "costs associated with the *purchase of RECs* associated with RPS Program requirements" (emphasis added). Accordingly, "net of benefits" likewise includes benefits related to these REC purchase costs. As explained below, such benefits thus include the value of RPS Program RECs provided by Shopping Customers.[14]

Specifically, Code § 56-585.5 C requires Dominion to participate in an RPS Program "that establishes *annual goals* for the sale of renewable energy to *all retail customers* in the utility's service territory, … regardless of whether such customers purchase electric supply service from the utility *or from suppliers other than the utility*" (emphasis added).[15] Code § 56-585.5 C lists these annual goals of purchases from RPS eligible resources as "a percentage of the total electric energy sold." For sales by the utility, Code § 56-585.5 C further states that "[t]o comply with the RPS Program, each [utility] shall procure and retire [RECs] originating from [RPS eligible sources]."

Because the RPS Program in Code § 56-585.5 C expressly encompasses sales of renewable energy from *both* the utility and CSPs, RPS Program compliance necessarily requires recognition of RPS eligible renewable energy sales from *both* the utility and CSPs. Otherwise, the utility would be required to double-procure and double-retire RECs for RPS eligible sales already made by CSPs for purposes of meeting the annual statutory goals. Recognition of CSPs' RPS eligible sales is necessary to accurately calculate the percentage goals charted in Code § 56-585.5 C. This means that, like the utility, CSPs must track and report the RECs procured and retired originating from RPS eligible sources, so that this RPS eligible renewable energy can be included in calculating the annual percentage of total electric energy sold from such sources for purposes of Code § 56-585.5 C.[16]

In this manner, the RPS eligible RECs procured and retired by or on behalf of Shopping Customers – and which are included in calculating the annual percentage of total electric energy sold from RPS eligible sources under Code § 56-585.5 C – reduce the amount of RPS eligible RECs that must be procured and retired by the utility. As a result, the RPS eligible RECs provided by Shopping Customers represent a benefit related to the "costs associated with the purchase of RECs associated with RPS Program requirements" as referenced in Code § 56-585.5 F. Thus, the monetary value of this benefit shall also be included in the "net of benefits" calculation attendant to Shopping Customers that provide such benefit.[17]

Contrary to certain legal arguments presented in the record, recognition of this REC benefit related to REC purchase costs does not have the effect of creating an additional exemption from the non-bypassable charge. Rather, just like the other benefits identified herein, recognition of this REC benefit represents a finding as to a specific "benefit" related to a specific "cost" that is expressly referenced in Code § 56-585.5 F. Moreover, the identification and recognition of such benefit falls squarely within the authority provided to the Commission by the General Assembly when it delegated to the Commission in Code § 56-585.5 F the determination and implementation of "such costs, net of benefits."

Finally in this regard, the Commission emphasizes that recognition of this REC benefit for purposes of Code § 56-585.5 F does not result in a double-counting of RECs. A Shopping Customer's RPS eligible REC is procured and retired as part of the CSP's sale of renewable energy to such customer. That REC is then subsequently reflected in calculating the percentage of total electric energy sold from RPS eligible sources under the RPS Program statutory construct in Code § 56-585.5 C. That REC is not procured and retired *again* by the utility.[18]

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

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[13] *Id*. at 55 (emphasis added).

[14] We find that this is the only additional "benefit" under the statute beyond the category referenced in the Chief Hearing Examiner's Recommendation #3. Report at 55. The Commission rejects the Chief Hearing Examiner's alternative finding in Recommendation #4. *Id*. That is, we find that the statutory plain language does not include an undefined broader set of costs and benefits not expressly referenced in Code § 56-585.5 F and, thus, does not require an open-ended analysis of all potential costs and benefits associated with Shopping Customers obtaining generation supply from CSPs.

[15] This provision also excludes sales to ARBs pursuant to Code § 56-585.5 G.

[16] The purpose of this proceeding, and the instant discussion, is to address the "such costs, net of benefits" provision in Code § 56-585.5 F. Thus, the Commission does not – as part of the instant case – address any specific requirements for calculating, reporting, and verifying RPS eligible sales from CSPs for RPS Program compliance under Code § 56-585.5 C.

[17] As with the other benefits related to the costs reflected in Code § 56-585.5 F (including energy, capacity, environmental attributes, and ancillary services produced by the resources acquired or constructed to comply with the VCEA as noted above), the specific calculation and allocation of these benefits for purposes of calculating a Shopping Customer's non-bypassable charge shall be addressed in appropriate subsequent proceedings. *See, e.g.*, Report at 38-39.

[18] Therefore, in reference to Recommendation #7 (Report at 55), there is no need to revisit the Commission's established precedent that "renewable energy - without the renewable attribute – is just energy." *Appalachian Power Company v. Collegiate Clean Energy, LLC*, Case No. PUR-2018-00039, 2018 S.C.C. Ann. Rept. 382, 384, Final Order (Sept. 21, 2018).

CASE NO. PUR-2020-00169
AUGUST 4, 2021

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a rate adjustment clause, designated Rider RGGI, under § 56-585.1 A 5 e of the Code of Virginia

ORDER APPROVING RATE ADJUSTMENT CLAUSE

On November 9, 2020, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") a petition ("Petition") for approval of a rate adjustment clause, designated Rider RGGI, pursuant to § 56-585.1 A 5 e of the Code of Virginia ("Code").[1] Through its Petition, Dominion requested approval to recover projected and actual costs related to the purchase of allowances through the Regional Greenhouse Gas Initiative ("RGGI") market-based trading program for carbon dioxide ("CO_2") emissions.[2]

In May 2019, the Virginia Department of Environmental Quality ("DEQ") issued a final rule establishing a state carbon regulation program linked to RGGI (the "DEQ Carbon Rule" or "Rule"). Although the DEQ Carbon Rule was finalized in 2019, language in the state budget bill prohibited DEQ from continued work on the Rule. During its 2020 Regular Session, the General Assembly passed the Clean Energy and Community Flood and Preparedness Act, which authorized Virginia to become a full participant of RGGI and authorized DEQ to implement the DEQ Carbon Rule.[3] The legislation became effective July 1, 2020. With the passage of this legislation, DEQ revised the DEQ Carbon Rule to clarify that the Commonwealth will join RGGI in 2021.

The revenue requirement for Rider RGGI in the instant proceeding includes only a Projected Cost Recovery Factor ("Projected Factor").[4] Beginning with the next filing, which the Company expects to make in 2021, the total revenue requirement will include both a Projected Factor and an Actual Cost True-Up Factor ("True-Up Factor"). No True-Up Factor is included in this proceeding because this filing represents the initial request for cost recovery.[5] In this proceeding, the Company seeks approval of a total revenue requirement of $168,260,000 for the rate year of August 1, 2021, to July 31, 2022 ("Rate Year").[6]

If the proposed Rider RGGI for the Rate Year is approved as filed, the impact on customer bills would depend on the customer's rate schedule and usage. According to Dominion, implementation of its proposed Rider RGGI on August 1, 2021, would increase the monthly bill of a residential customer using 1,000 kilowatt-hours per month by approximately $2.39.[7]

On December 11, 2020, the Commission issued an Order for Notice and Hearing 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 public evidentiary hearings to convene on April 27 and 28, 2021; and directed the Commission Staff ("Staff") to investigate the Petition and file testimony and exhibits containing its findings and recommendations. The Virginia Committee for Fair Utility Rates ("Committee"); Appalachian Voices; the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"); and the Board of Supervisors of Culpeper County filed notices of participation.

On March 11, 2021, the Commission entered an Order appointing a Hearing Examiner to conduct all further proceedings on behalf of the Commission. On March 24, 2021, a Hearing Examiner's Ruling directed that the April 28, 2021 hearing would be convened virtually due to the ongoing COVID-19 emergency.

On April 27, 2021, a hearing was convened to receive public witness testimony telephonically, as scheduled. One member of the public signed up to testify but did not answer his phone to provide testimony.

On April 28, 2021, a hearing to receive the testimony and evidence of the parties and Staff was convened, as scheduled, using Microsoft Teams. The Company, Appalachian Voices, the Committee, Consumer Counsel and Staff participated in the hearing. On May 19, 2021, Dominion, Appalachian Voices, Staff, Consumer Counsel, and the Committee filed post-hearing briefs.

On June 2, 2021, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") was issued. In the Report, the Hearing Examiner recommended that the Company's proposed Rider RGGI be approved, with an initial Rider RGGI rate designed to recover $167.76 million.[8]

The Hearing Examiner made the following additional findings and recommendations:

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[1] On December 4, 2020, the Company filed an updated Schedule 46, completing its Petition.

[2] Ex. 2 (Petition) at 1.

[3] 2020 Va. Acts Ch. 1219 and 1280.

[4] Ex. 2 (Petition) at 5.

[5] *Id*.

[6] *Id*.

[7] *Id*. at 6.

[8] Report at 35.

(1) By the close of the record, Dominion had spent approximately $40 million ($32 million Virginia jurisdictional) to purchase CO_2 allowances that effectively cover the Company's regulated emissions for the first three months of 2021.

(2) Dominion will need to purchase many more CO_2 allowances through the end of the [R]ate [Y]ear (July 31, 2022), although the exact prices or quantities of such additional purchases cannot be known at this time.

(3) Record evidence, including actual CO_2 allowance prices in 2021, indicates the $6.84 allowance price used to calculate the proposed Rider RGGI revenue requirement could be too low. However, CO_2 allowance prices fluctuate and any price differentials (higher or lower) can be trued-up in future Rider RGGI proceedings.

(4) Dominion's proposed use of weighted averages to calculate the cost of allowance consumption reasonably incorporates the actual prices of CO_2 allowance purchases by Dominion.

(5) Like CO_2 allowance price differentials discussed above, adjustment clause recovery allows any quantity differentials (higher or lower) to be trued-up in future Rider RGGI proceedings.

(6) Dominion will not incur any costs through the end of the [R]ate [Y]ear to build a CO_2 allowance bank. An allowance bank, if implemented temporarily at the end of a control period, generally appears to be a reasonable measure to ensure CO_2 compliance and avoid significant penalties for non-compliance. However, Dominion should provide sufficient support for any cost recovery associated with an allowance bank in any future proceeding in which it seeks to recover such costs.

(7) Dominion will incur financing costs associated with a CO_2 allowance inventory, cash working capital, and deferred balances.

(8) The Commission has previously authorized adjustment clause recovery under Code § 56-585.1 A 5 e for financing costs associated with an emissions allowance inventory, cash working capital, and deferred balances.

(9) Legislation enacted in 2020 does not appear to limit RGGI compliance costs to only the "sticker price" of allowances, but the Commission has not previously interpreted this legislation. Should the Commission interpret this legislation to include such a limitation, approximately $4.95 million (3%) of the proposed $167.76 million revenue requirement request should be recoverable through base rates, rather than Rider RGGI.

(10) It is reasonable for Dominion to obtain CO_2 allowances from both the RGGI auctions and the secondary market.

(11) While Dominion's RGGI compliance approach generally appears to be a reasonable way to manage operational facilities in the short-term, Dominion's Petition was not presented with analysis indicating such short-term compliance is part of a least-cost strategy that integrates the requirements of RGGI and other legal requirements, including new mandatory [Renewable Energy Portfolio Standards ("RPS")] requirements that could affect CO_2 emissions. The Commission recently directed Dominion to conduct and present this type of analysis in separate proceedings and the instant proceeding offers the Commission the opportunity to provide guidance on whether such analysis should also be presented in Rider RGGI proceedings.

(12) The Commission can approve a projected cost Rider RGGI revenue requirement in the instant case, based largely on projected need and prices forecasted at the outset of a three-year compliance period, without foreclosing the Commission's authority to review, in future Rider RGGI proceedings, the reasonableness or prudence of expenditures once they have actually been incurred and are known.

(13) If RGGI compliance cost recovery is not approved until a future Rider RGGI proceeding, Dominion's ongoing CO_2 allowance costs would accumulate and could result in a significant deferral balance with a larger ratepayer impact.

(14) The energy allocation and rate design for Rider RGGI are reasonable.[9]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows.

The Commission finds that Rider RGGI meets the statutory requirements for approval of a RAC under Code § 56-585.1 A 5 e. The Commission herein approves a revenue requirement, as recommended by the Hearing Examiner, of $167.76 million.

Statutory Authority

Code § 56-585.1 A 5 e states in relevant part as follows:

5. A utility may at any time, after the expiration or termination of capped rates, but not more than once in any 12-month period, petition the Commission for approval of one or more rate adjustment clauses for the timely and current recovery from customers of the following costs:
. . .

e. Projected and actual costs of projects that the Commission finds to be necessary . . . to comply with state or federal environmental laws or regulations applicable to generation facilities used to serve the utility's native load obligations, including the costs of allowances purchased through a market-based trading program for [CO_2] emissions. The Commission shall approve such a petition if it finds that such costs are necessary to comply with such environmental laws or regulations;

[9] *Id*. at 34-35.

Allowance Bank

In its Petition, Dominion identified its plan to obtain a quantity of allowances that would be 10% to 20% above the Company's projected annual compliance obligation.[10] According to the Company, the purpose of this planned "bank" is "to protect customers from forecast uncertainty, price volatility, and noncompliance penalties."[11] Appalachian Voices agreed that it is "wise for the Company to develop a banking strategy and to consider the procurement of an appropriate amount of excess allowances as a hedge against market volatility and unexpected increases in demand for energy," but argued that a 10% to 20% level for such bank is unreasonable.[12]

The Hearing Examiner noted that Dominion did not plan to implement an allowance bank during the Rate Year and recommended that the Commission evaluate any banked allowances during future Rider RGGI proceedings.[13]

In its comments on the Hearing Examiner's Report, Appalachian Voices argued that the Company's proposed 10% to 20% allowance bank is not supported by any economic analysis. Appalachian Voices requested that the Commission find that any purchases made to establish an allowance bank are not approved in this case, and the Company must provide detailed economic analysis to support any future request for a bank.[14]

We agree with the Hearing Examiner and will direct the Company, in any applicable future Rider RGGI proceeding, to identify and provide support for any banked allowances.[15]

Financing Costs

Dominion's Petition requested a revenue requirement, as corrected by Staff, of approximately $168 million. The Hearing Examiner's Report notes that the actual cost of the allowances the Company projects to obtain through the end of the Rate Year is higher than this amount.[16] The proposed revenue requirement instead includes only the costs of allowances that would be both obtained and consumed by the end of the Rate Year, plus the financing of projected allowances that would be purchased but not yet consumed.[17] Dominion proposed to recover the financing costs for purchased allowances through a proposed return on a rate base that consists of: (a) allowance inventory, which is the positive or negative balance of purchased allowances minus required allowances; (b) cash working capital; and (c) deferred costs. The financing costs represent approximately $5 million of the $168 million revenue requirement.[18]

Dominion argued that financing costs are part of "the costs of allowances purchased through a market-based trading program for [CO_2] emissions," and are therefore recoverable as part of Rider RGGI pursuant to Code § 56-585.1 A 5 e.[19]

Staff asserted that the Commission has discretion to decide whether to approve financing costs under Code § 56-585.1 A 5 e and that the statute "neither expressly forbids, nor explicitly requires, that the costs recovered through a rate adjustment clause related to RGGI participation include the financing costs associated with such participation."[20] Staff noted that the Commission has previously rejected financing costs in cases conducted under Code § 56-585.1 A 4.[21] Consumer Counsel recognized the Commission's discretion in this area and argued that the Commission should exercise this discretion by excluding the financing costs from recovery under Rider RGGI.[22]

The Committee, on the other hand, stated that there is no authority to support Staff's argument that the Commission has discretion to include financing costs, arguing that Code § 56-585.1 A 5 e does not include the terms "carrying cost" or "financing cost" and arguing that the statute does not suggest that "any costs associated with, or even resulting from, an underlying compliance cost were intended to be recovered through a rider such as Rider RGGI."[23]

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[10] Ex. 4 (Hitch direct) at 8.

[11] Ex. 25 (Hitch rebuttal) at 10.

[12] Ex. 15 (Rábago) at 8, 15.

[13] Report at 25.

[14] Appalachian Voices Comments at 13-14.

[15] *See* Report at 26.

[16] *Id*. at 26. According to the Report, the actual costs of the allowances is approximately $174 million, as estimated in the Petition, or $199 million, based on updated estimates. *Id*. at n.199.

[17] *Id*. at 26-27.

[18] *Id*. at 27; *See, e.g.*, Tr. at 150, 154.

[19] Dominion Post-Hearing Brief at 8-9.

[20] Staff Post-Hearing Brief at 2.

[21] Tr. at 160-162.

[22] Consumer Counsel Post-Hearing Brief at 5-7.

[23] Committee Post-Hearing Brief at 3.

The Hearing Examiner concluded that "the legal issue of whether allowance financing costs should be approved for recovery in this case does not appear to implicate Commission discretion."[24] The Hearing Examiner further concluded that financing costs of allowances procured are a part of the costs of allowances recoverable under the Code, noting that Code § 56-585.1 A 5 e

> has provided rate adjustment clause recovery of environmental compliance expenses and a return on environmental compliance rate base items. For adjustment clause recovery under this statute, environmental compliance rate base items have included, among other things, environmental allowance inventory, cash working capital, and deferred balances. These and other costs have been considered the "cost of [compliance] projects" upon a finding that they were necessary to comply with environmental laws or regulations, unless the applicant utility failed to demonstrate (1) the actual level of compliance costs, or (2) the prudence or reasonableness of costs.[25]

We agree with Consumer Counsel that nothing in Code § 56-585.1 A 5 e expressly forbids the costs recovered through a rate adjustment clause related to RGGI participation from including the financing costs associated with such participation. We agree with the Hearing Examiner and Staff that these financing costs are "costs of allowances purchased through a market-based trading program for [CO_2] emissions" and are therefore part of the Company's costs of complying with the DEQ Carbon Rule.[26] We will, therefore, approve recovery of the approximately $5 million in financing costs as part of the Rider RGGI revenue requirement.

Statutory Standards

Appalachian Voices requested that the Commission reject the Petition, arguing that the Petition "was not presented with analysis indicating such short-term compliance is part of a least-cost strategy that integrates the requirements of RGGI and other legal requirements, including new mandatory RPS requirements that could affect CO_2 emissions."[27] Appalachian Voices further argued that "[a] sophisticated, vertically-integrated utility like the Company, seeking $167 million from its customers, should be required to perform sophisticated economic analysis to develop and support an optimized procurement strategy."[28]

The Company responded that the focus of this proceeding is short-term. While long-term planning occurs in the Company's Integrated Resource Plan and RPS proceedings, this proceeding is limited to the projected and actual costs of compliance with the DEQ Carbon Rule during the Rate Year, subject to true-up annually.[29]

The Hearing Examiner concluded that "Dominion's RGGI compliance approach, in general, [is] a reasonable way to manage operational facilities in the short-term" but agreed with Appalachian Voices that the Petition did not include analysis that this compliance was part of a long-term, least-cost strategy.[30] The Hearing Examiner recommended that the "instant proceeding offers the Commission the opportunity to provide guidance on whether such analysis should likewise be presented in Rider RGGI proceedings."[31]

We find that the Code provides the standard for review of Rider RGGI costs. In each case, the Company must establish that the costs included in the requested revenue requirement are reasonably and prudently incurred and are "costs of allowances purchased through a market-based trading program for [CO_2] emissions. . . . necessary to comply with [state or federal] environmental laws or regulations."[32] We agree with the Hearing Examiner that the Company's compliance approach, as presented in the record of this case, is "a reasonable way to manage operational facilities in the short-term."[33] Consequently, we find that the costs requested by the Company in this proceeding comply with this statutory requirement. The Company will continue to bear the burden of establishing that this standard has been met in future proceedings.

In addition, the Commission recognizes that Dominion's RGGI compliance is not isolated from its RPS plans, which are also required by statute. Indeed, in Dominion's recent RPS proceeding, the Commission expressly directed the Company to include in future RPS filings a least-cost plan that meets applicable carbon regulations, including Virginia's participation in RGGI.[34] Similarly, we herein direct the Company to include in future Rider RGGI filings an analysis of how its RGGI compliance corresponds to its RPS plan filings.

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[24] Report at 28.

[25] *Id*. at 29 (internal footnotes omitted).

[26] *See id.* at 30; Ex. 18 (Carr) at 4.

[27] Ex. 15 (Rábago) at 12; Appalachian Voices Post-Hearing Brief at 8-12.

[28] Appalachian Voices Comments at 15-16.

[29] Dominion Comments at 6-8.

[30] Report at 31.

[31] *Id*. at 32.

[32] See Code §§ 56-585.1 A 5 e, 56-585.1 D.

[33] Report at 31, 35.

[34] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Ctr. No. 210440236, Final Order at 6 n.15 (Apr. 30, 2021).

Based on the foregoing, we find that the statutory requirements for a rate adjustment clause under Code § 56-585.1 A 5 e have been met. We further agree with the Hearing Examiner that the revenue requirement for the initial Rate Year should be $167.76 million, subject to actual cost true-up in future cases that may include an evaluation of the reasonableness and prudence of actual allowance costs incurred by the Company.[35]

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations set forth in the Hearing Examiner's Report are adopted, as modified herein.

(2) Rider RGGI is approved, as discussed herein, with a revenue requirement of $167,759,000 for the Rate Year.

(3) Rider RGGI, as approved herein, shall be effective for usage on and after September 1, 2021.

(4) The Company forthwith shall file a revised Rider RGGI 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 Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: scc.virginia.gov/pages/Case-Information.

(5) This case is dismissed.

JAGDMANN, Commissioner, concurs:

I agree in all respects with the majority opinion. A least-cost plan for compliance with RGGI and RPS requirements should be included in future Rider RGGI and RPS plan filings. While there may be reasons for a utility's deviation from a least-cost plan for either or both programs, additional information on the cost of compliance with these requirements will be informative.

This discussion, however, raises the question of the need for two separate and distinct modes for achieving carbon reduction. RGGI is a CO_2 emissions cap-and-trade program[36] that currently is expected to cost Dominion's Virginia jurisdictional ratepayers approximately $3 billion through 2045.[37] While there tends to be much discussion of the revenues RGGI "generates" for various programs,[38] RGGI does not create this money. Rather, RGGI directly charges generators, including utilities such as Dominion who in turn bill ratepayers for these very costs.

RGGI requirements and the associated costs are in addition to the requirements and associated costs of the VCEA which, among other things, requires participation by Dominion and Appalachian Power Company ("Appalachian") in RPS programs.[39] For Dominion, the RPS program requirements attach to 14% of total electric energy sales in 2021 (based on the energy sold in the previous calendar year), steadily increasing to 52% in 2033 and continuing to 100% in 2045.[40] The VCEA is highly prescriptive as to how these requirements are to be met. For example:

- By December 31, 2035, Dominion must "petition the Commission for necessary approvals to (i) construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes" of 16,100 megawatts ("MW") of onshore wind and solar generation.[41] There are interim requirements for years 2024, 2027, and 2030 for petitions of, respectively 3,000 MW, another 3,000 MW, and an additional 4,000 MW of such generation.[42]

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[35] *See* Report at 32-33.

[36] Code § 10.1-1329 defines RGGI as "the program to implement the memorandum of understanding between signatory states dated December 20, 2005, and as may be amended, and the corresponding model rule that established a regional carbon dioxide electric power sector cap and trade program." RGGI defines itself as "a cooperative, market-based effort among the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and Virginia to cap and reduce CO_2 emissions from the power sector." *See* https://www.rggi.org/.

[37] Report at 13-14 (citing Ex. 18 (Carr) at 5 and Appendix page 12) (showing total Rider RGGI required revenues for the Virginia jurisdiction of approximately $2.946 billion, excluding financing costs). As reported to the General Assembly's Commission on Electric Utility Regulation and others in a report dated August 18, 2020, Dominion identified potential Virginia regulated entity capital investments of $50-59 billion from 2020-2035. While this total includes items outside of the Virginia Clean Economy Act ("VCEA"), 2020 Va. Acts chs. 1193, 1194, the renewable portfolio standard program related categories of solar, onshore wind, offshore wind, and energy storage investments account for $34-43 billion of such investment. *Status Report: Implementation of the Virginia Electric Utility Regulation Act Pursuant to § 56-596 B of the Code of Virginia* at 9-10 (Aug. 18, 2020), available at: https://rga.lis.virginia.gov/Published/2020/RD282/PDF.

[38] Pursuant to Code § 10.1-1330 C: (i) 45% of the revenue is allocated to assisting localities and residents affected by recurrent flooding, sea level rise, and flooding from severe weather events; (ii) 50% of the revenue is allocated to supporting Department of Housing and Community Development ("DHCD") low-income energy efficiency programs, including programs for eligible housing developments; (iii) 3% is used to cover administrative expenses and to carry out statewide climate change planning and mitigation activities; and (iv) the remaining 2% is used by DHCD, in partnership with the Department of Mines, Minerals and Energy ("DMME") to administer and implement the low-income energy efficiency programs.

[39] *See* Code § 56-585.5 C.

[40] *Id*.

[41] Code § 56-585.5 D 2.

[42] Code § 56-585.5 D 2 a, b, and c.

- By December 31, 2035, Dominion must petition the Commission to construct or purchase one or more offshore wind facilities of up to 5,200 MW capacity.[43]

- There is similar language requiring Dominion to petition to construct or acquire 2,700 MW of energy storage capacity.[44]

- If the utility is unable to meet the compliance obligations of the RPS statute or if the cost of renewable energy certificates ("RECs") exceeds $45 per megawatt-hour ("MWh"), utilities shall make $45 per MWh deficiency payments for any shortfall.[45] The deficiency payments go to DMME to administer and direct to job training programs in historically economically disadvantaged communities, energy efficiency measures for public facilities, renewable energy programs located in historically economically disadvantaged communities, and administrative costs.[46]

Utilities subject to VCEA requirements are allowed to pass through the costs of compliance to ratepayers. Several avenues are provided for such cost recovery, namely: (i) dollar-for-dollar recovery of all costs through one or more rate adjustment clauses;[47] (ii) the potential to accelerate cost recovery from customers of the aggregate amount of approved capital investment in solar, onshore wind, or offshore wind generating facilities as a customer credit reinvestment offset in a Triennial Review case;[48] or (iii) the opportunity to recover such costs over the lives of the facilities through the utility's base rates.[49] In other words, customers will pay for all the utility's RPS costs, whether through a rate adjustment clause or base rates. As noted above, the cost to ratepayers for VCEA compliance, along with associated necessary transmission and distribution infrastructure builds and upgrades, will be significant.[50]

This is not to question the policy of the General Assembly to achieve specific carbon reductions.[51] Indeed on April 30th of this year, in our Final Orders on the annual RPS plans for both Dominion and Appalachian we stated, "[W]e have exercised the Commission's delegated discretion in a manner that faithfully implements the VCEA requirements that include carbon reduction, while best protecting consumers who expect and deserve reliable and affordable service."[52] It is appropriate, however, to note potential costly duplications that may impede realization of the General Assembly's intent. The VCEA plainly states that the RPS program requirements for Dominion shall be 100% by 2045. Thus, it remains unclear whether the significant cost required for participation in an additional cap-and-trade program – which is expected to cost customers billions of dollars – are necessary for Dominion's and Appalachian's ratepayers to bear in order to achieve the General Assembly's carbon reduction objectives. [53]

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[43] Code § 56-585.5 D 2.

[44] Code § 56-585.5 E 2.

[45] Code § 56-585.5 D 5. The deficiency payment is greater, $75 per MWh, "for any shortfall in procuring RECs for solar, wind, or anaerobic digesters located in the Commonwealth" for resources 1 MW and lower. Further, the amount of any deficiency payment increases by one percent annually after 2021. *Id*.

[46] *Id*.

[47] Code § 56-585.1 A 5 d (for recovery of the cost of complying with RPS program requirements not recoverable under Code § 56-585.1 A 6); Code § 56-585.1 A 5 e (for recovery of, among other things, the costs of allowances purchased through a market-based trading program for CO_2 emissions); and Code § 56-585.1 A 6 (for recovery of the costs of, among other things, solar, onshore wind, and offshore wind facilities).

[48] Code §§ 56-585.1 A 6 and A 8 d.

[49] Code § 56-585.5 D. Also pursuant to this Code provision, costs related to "the purchase of energy, capacity, or environmental attributes from facilities owned by the persons other than the utility required by the subsection" are recoverable under either base rates or the Company's fuel factor.

[50] *See* n.37, *supra*.

[51] *See Old Dominion Comm. for Fair Util. Rates v. State Corp. Comm'n*, 294 Va. 168, 175 (2017) ("The Commission rejected the public policy arguments against the statute . . . [and] focused instead on the purely legal issue of whether Old Dominion had carried its burden of overcoming the presumption in favor of the statute's constitutionality . . . . Thus, its 'duty in this case,' the Commission explained, 'is to decide the legal question of constitutionality without regard to our public-policy preferences and not to conflate the two.'") (affirming and quoting *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, 362, Final Order (July 1, 2016)).

[52] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 4 (Apr. 30, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Appalachian Power Company*, Case No. PUR-2020-00135, Doc. Con. Cen. No. 210440238, Final Order at 3 (Apr. 30, 2021).

[53] RGGI extends to more generators than the two utilities (Dominion and Appalachian) required to participate in RPS programs. An option that would move Dominion and Appalachian ratepayers closer to neutral would be for revenues associated with their RGGI compliance to be returned and then credited to ratepayers.

CASE NO. PUR-2020-00169
AUGUST 25, 2021

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a rate adjustment clause, designated Rider RGGI, under § 56-585.1 A 5 e of the Code of Virginia

ORDER GRANTING RECONSIDERATION

On August 4, 2021, the State Corporation Commission ("Commission") issued an Order Approving Rate Adjustment Clause in this docket. On August 24, 2021, Appalachian Voices filed a Petition for Reconsideration or Clarification ("Petition").

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

Accordingly, IT IS ORDERED THAT:

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

(2) Pending the Commission's consideration of the Petition, the Order Approving Rate Adjustment Clause is suspended.

(3) This matter is continued generally.

CASE NO. PUR-2020-00169
NOVEMBER 17, 2021

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a rate adjustment clause, designated Rider RGGI, under § 56-585.1 A 5 e of the Code of Virginia

ORDER ON RECONSIDERATION

On August 4, 2021, the State Corporation Commission ("Commission") issued an Order Approving Rate Adjustment Clause in this docket. On August 24, 2021, Appalachian Voices filed a Petition for Reconsideration or Clarification ("Petition"). On August 25, 2021, the Commission issued an order granting reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition. The Commission also suspended the Order Approving Rate Adjustment Clause while considering the Petition.

On September 9, 2021, the Commission directed that any responses to the Petition be filed on or before September 22, 2021, with any reply by Appalachian Voices to be filed on or before September 29, 2021. Timely responses to the Petition were filed by Virginia Electric and Power Company d/b/a Dominion Energy Virginia and the Office of the Attorney General, Division of Consumer Counsel. Appalachian Voices filed its reply on September 29, 2021.

NOW THE COMMISSION, upon consideration of this matter, exercises its discretion not to modify the Order Approving Rate Adjustment Clause, which found that "the statutory requirements for a rate adjustment clause under Code § 56-585.1 A 5 e have been met."[1] Issues that may arise attendant to subsequent Rider RGGI applications, whether legal or factual, may be appropriately addressed at that time.[2]

Accordingly, IT IS SO ORDERED, the Order Approving Rate Adjustment Clause is no longer suspended, and this case is DISMISSED.

[1] Order Approving Rate Adjustment Clause at 11.

[2] In exercising our discretion not to modify the Order Approving Rate Adjustment Clause, the Commission makes no findings herein on any of the substantive arguments presented in the pleadings filed subsequent thereto.

CASE NO. PUR-2020-00170
JULY 1, 2021

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a rate adjustment clause, designated Rider RPS, under § 56-585.1 A 5 d of the Code of Virginia

FINAL ORDER

On November 9, 2020, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") a petition ("Petition") for approval of a rate adjustment clause, designated Rider RPS, pursuant to § 56-585.1 A 5 d of the Code of Virginia ("Code").[1] Through its Petition, Dominion seeks to recover costs related to compliance with the mandatory renewable energy portfolio standard program ("RPS Program") established in the Virginia Clean Economy Act ("VCEA").[2]

Pursuant to Code § 56-585.5 C, Dominion is required to participate in an RPS Program that establishes annual goals for the sale of renewable energy to all retail customers in the Company's service territory, with certain limited exceptions. To comply with the RPS Program, Dominion must procure and retire renewable energy certificates ("RECs") originating from qualifying sources. The RPS Program requirements "shall be a percentage of the total electric energy sold in the previous calendar year" and must be implemented in accordance with the schedule set forth in Code § 56-585.5 C. The statute permits Dominion to apply renewable energy sales achieved or RECs acquired in excess of the sales requirement for a specific year's RPS Program to the sales requirements for certain future years. Code § 56-585.5 C further provides that, to the extent Dominion procures RECs for RPS Program compliance from resources it does not own, the Company shall be entitled to recover the costs of such RECs pursuant to Code §§ 56-249.6 or 56-585.1 A 5 d.

Code § 56-585.1 A 5 d, as amended by the VCEA, provides that a utility may petition the Commission for approval of one or more rate adjustment clauses for the timely and current recovery from customers of:

> [p]rojected and actual costs of compliance with renewable energy portfolio standard requirements pursuant to § 56-585.5 that are not recoverable under subdivision 6. The Commission shall approve such a petition allowing the recovery of such costs incurred as required by § 56-585.5, provided that the Commission does not otherwise find such costs were unreasonably or imprudently incurred….

In its Petition, Dominion states that it will meet the annual requirements of the RPS Program through the retirement of RECs that will be sourced from a combination of RECs generated as a result of the operation of Company-owned renewable energy facilities, RECs generated from the operation of renewable energy facilities owned by an entity other than the utility with which the Company has entered into a power purchase agreement, long-term REC-only contracts, and market purchases.[3]

The revenue requirement for Rider RPS in the instant proceeding includes only a Projected Cost Recovery Factor ("Projected Factor").[4] Beginning with the next filing, which the Company expects to make in 2021, the total revenue requirement will include both a Projected Factor and an Actual Cost True-Up Factor ("True-Up Factor"). No True-Up Factor is included in this proceeding because this filing represents the initial request for cost recovery.[5] In this proceeding, the Company seeks approval of a total revenue requirement of $13,230,000 for the rate year of August 1, 2021, to July 31, 2022 ("Rate Year").[6]

If the proposed Rider RPS for the Rate Year is approved, the impact on customer bills would depend on the customer's rate schedule and usage. According to Dominion, implementation of its proposed Rider RPS on August 1, 2021, would increase the monthly bill of a residential customer using 1,000 kWh per month by approximately $0.18.[7]

On December 11, 2020, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Petition; scheduled public hearings on the Petition; required Dominion to publish notice of its Petition; gave interested persons the opportunity to comment on, or participate in, the case; 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 Board of Supervisors of Culpeper County, Virginia; the Virginia Committee for Fair Utility Rates ("Committee"); Walmart Inc. ("Walmart"); Direct Energy Business, LLC, and Direct Energy Services, LLC (collectively, "Direct Energy"); and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On March 9, 2021, Walmart filed testimony. Commission Staff ("Staff") filed testimony on April 6, 2021. Dominion filed rebuttal testimony on April 20, 2021. The Commission did not receive written comments from any interested person regarding the Petition.

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[1] On December 4, 2020, the Company filed an updated Schedule 46, completing its Petition.

[2] Ex. 2 (Petition) at 1.

[3] *Id*. at 3.

[4] *Id*. at 4.

[5] *Id*.

[6] *Id*. at 4, 5 (errata filing).

[7] *Id*. at 5.

Due to the ongoing public health emergency related to the spread of the coronavirus, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on May 4, 2021.[8] Dominion, Walmart, the Committee, Direct Energy, Consumer Counsel, and Staff participated in the hearing.

On June 3, 2021, the Hearing Examiner issued the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report"). In the Report, the Hearing Examiner stated that no party or Staff opposed either the requested $13,230,000 revenue requirement or the Rider RPS rate proposed in this proceeding.[9] He also noted that the Commission approved a rate design framework proposed by Staff, as modified by Dominion, in Case No. PUR-2020-00134, which would require a proxy value for RECs to be transferred from renewable energy projects to Rider RPS.[10] The Hearing Examiner also made the following findings: (i) approval of the proposed Rider RPS and $13,230,000 revenue requirement, subject to true-up, is reasonable; (ii) Rider RPS true-ups and subsequent Rider RPS proceedings will allow the Commission to incorporate into Rider RPS the rate framework approved in Case No. PUR-2020-00134; (iii) incorporation of the rate framework approved in Case No. PUR-2020-00134, including a REC proxy value determination, in a future proceeding(s) would allow for a more robust record to be developed; (iv) in future Rider RPS proceedings, Dominion should provide information supporting its actual decisions to use, bank, and/or optimize RECs; and (v) in the next Rider RPS proceeding, Dominion should address "partial accelerated renewable energy buyers ("ARB")" that become exempt by obtaining RECs from RPS-eligible resources.[11]

The Hearing Examiner recommended the Commission adopt the findings in the Report, approve the proposed Rider RPS rate, and direct Dominion to provide, in its next Rider RPS petition, the information described in the Hearing Examiner's findings.[12]

No participant objected to the findings or recommendations in the Report.

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Hearing Examiner's Report and finds that a total revenue requirement for Rider RPS of $13,230,000 for the Rate Year should be approved.[13]

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations set forth in the Hearing Examiner's Report are hereby adopted.

(2) Rider RPS is approved herein with a revenue requirement in the amount of $13,230,000 for the Rate Year.

(3) Rider RPS, as approved herein, shall be effective for service rendered on and after August 1, 2021.

(4) The Company forthwith shall file a revised Rider RPS 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: scc.virginia.gov/pages/Case-Information.

(5) The Company shall file its next Rider RPS application on or after December 4, 2021.

(6) This case is dismissed.

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[8] A telephonic public witness hearing was scheduled to convene on May 3, 2021, but was canceled after no public witnesses signed up to testify. *See* Tr. 6.

[9] Report at 14.

[10] *See id*. at 8, n.59; Ex. 9 (Long) at 6; *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order (Apr. 30, 2021).

[11] Report at 17.

[12] *Id*. at 18.

[13] We note that Walmart recommended the Commission provide guidance on ARB certification processes. *See* Tr. 151; Report at 15. On May 12, 2021, the Commission initiated a proceeding concerning the establishment of rules and regulations related to accelerated renewable energy buyers and provided Dominion, Appalachian Power Company, and other interested persons an opportunity to file comments or propose specific regulations on or before June 21, 2021. Walmart filed comments in that docket. *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of establishing rules and regulations pursuant to § 56-585.5 G of the Code of Virginia related to accelerated renewable energy buyers*, Case No. PUR-2021-00089, Doc. Con. Cen. No. 210510251, Order Establishing Proceeding (May 12, 2021).

CASE NO. PUR-2020-00172
JANUARY 29, 2021

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

Ex Parte: 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

ORDER ADOPTING REGULATIONS

The Virginia General Assembly enacted legislation during its 2020 Session[1] requiring the State Corporation Commission ("Commission") to establish rules by which large general services customers may be exempted from participation in energy efficiency programs.[2] The new rules are to be effective by June 30, 2021.

On September 30, 2020, the Commission entered an Order for Notice and Comment ("Initial Order") initiating this proceeding to promulgate rules governing the manner in which large general services customers may be exempted from participation in energy efficiency programs. 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 November 9, 2020. Additionally, those persons and entities identified by Staff as potentially having an interest in this matter were provided notice via electronic transmittal of the Initial Order. Furthermore, the notice in the Attachment to Initial Order was sent by Virginia Electric and Power Company ("DEV") and Appalachian Power Company ("APCo"), to each of their Large General Service ("LGS") customers, by separate first class mailing, by electronic mail, or by bill insert. An electronic version of the Proposed Rules was also 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 November 17, 2020.

The Virginia Committee for Fair Utility Rates & Old Dominion Committee for Fair Utility Rates ("the Committees"), DEV, APCo, the Virginia Department of Mines, Minerals, and Energy ("DMME"), and the Natural Resources Defense Council ("NRDC") filed comments. Comments were also received from the Virginia Poverty Law Center ("VPLC"), Virginia Energy Efficiency Council ("VAEEC"), as well as three LGS customers. (All of these entities collectively are referred to as the "Commenters"). No one requested a hearing on the Proposed Rules. On December 17, 2020, the Staff filed its report.

The Committees, DEV, APCo, and the NRDC proposed specific changes to the language of the Proposed Rules. The other Commenters provided more general recommendations related to the Proposed Rules.

SECTION 20 VAC 5-250-10: APPLICABILITY AND SCOPE

DEV recommended that the rules be modified to require that a customer must have a verifiable history of using at least one megawatt of demand at least three months within a consecutive twelve-month period.[3] Per DEV, requiring a minimum of three occurrences would eliminate anomalies caused by extreme weather or other external conditions.[4] DEV also recommended that the twelve-month period in which the demand exceeds one megawatt be required to be within the most recent three years of the customer's electric service.[5] Finally, DEV recommended that the word "contiguous" be added to the description of a "single site" to avoid ambiguity about certain geographical locations.[6]

APCo recommended that LGS customers have a verifiable history of one megawatt of demand in any single billing month during the three previous calendar years.[7]

NRDC argued that Staff's restatement of § 56-585.1 A 5 c was incomplete and that this provision only permits exemption if an applicant has energy efficiency "programs" in place, that provide measured and verified savings which are both "consistent with industry standards" and "other regulatory criteria stated in § 56-585.1."[8] NRDC further argued the Code "plainly requires that any applied-for exemption is dependent upon the Commission first making a 'finding' of each of the above requirements."[9] NRDC proposed changes to Section 20 VAC 5-350-10 that require the customer demonstrate it has implemented energy efficiency programs that the Commission finds are consistent with industry standards for similar such customers and which meet other regulatory criteria in § 56-585.1.[10]

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[1] Chapters 1193 (HB 1526) and 1194 (SB 851) of the 2020 Virginia Acts of Assembly.

[2] These duplicate Acts of Assembly, known as the Virginia Clean Economy Act ("VCEA"), became effective on July 1, 2020.

[3] Staff Report at 2; DEV Comments at 3.

[4] Staff Report at 2; DEV Comments at 3.

[5] *Id.*

[6] *Id.*

[7] Staff Report at 4; APCo Comments at 1.

[8] Staff Report at 5; NRDC Comments at 1.

[9] *Id.*

[10] Staff Report at 5; NRDC Comments at 2.

VAEEC recommended that an LGS customer be defined as a facility whose peak measured demand has reached or exceeded one megawatt during at least three billing months within any prior twelve-month period during the last three years prior to the exemption.[11] VAEEC further recommended that the Commission not only set an energy savings threshold that must be met in order for an LGS customer to receive an exemption, but also to set it at such a level that these internal programs are producing effective energy savings for the customer.[12]

SECTION 20 VAC 5-350-20: ADMINISTRATIVE PROCEDURES FOR NOTICE TO UTILITY AND COMMISSION

DEV recommended that a deadline be established for utilities to provide responses by June 1 of a given year to the notices of nonparticipation submitted during January 1 through March 1 of that year, rather than utilities having to process the notices on a rolling basis.[13] Per DEV, having a more structured process with firm dates will better enable utilities to manage workflow and monitor compliance deadlines.[14] Similarly, DEV recommended that the billing changes for nonparticipating LGS customers become effective on July 1 of the applicable calendar year rather than on a rolling basis.[15] DEV further proposed that notices of nonparticipation received after the March 1 deadline not be processed for that year.[16] DEV suggested the customers that provided notices after March 1 should be required to submit a new notice of nonparticipation for the following year.[17] Lastly, DEV recommended that this section include a notification of material changes by nonparticipating customers to be provided within sixty days of the material change.[18]

APCo recommended that customers should not be qualified for exemption if they have participated in or received a rebate through a Commission-approved utility energy efficiency program in the last sixty months.[19]

The Committees requested insertion of a new paragraph E in Section 20 VAC 5-350-20 related to customers exempted from any rate adjustment clause approved by the Commission pursuant to § 56-585.1 A 5 c at the time this chapter comes into effect. Pursuant to the Committees' newly proposed paragraph E, such customers would be presumed to remain exempt; those seeking to continue an exemption would have to provide a notice of nonparticipation to their utility on or before March 1 of the year after this chapter is approved.[20] The Committees argued these changes provide clarity to customers as to when they must provide their notice of nonparticipation in order to continue exemptions uninterrupted from rate adjustment clauses for energy efficiency programs ("EE RACs").[21]

SECTION 20 VAC 5-350-30: STANDARD CRITERIA FOR NOTICE TO THE UTILITY

DEV recommended that the LGS customers include the applicable utility account numbers within the notice and stated this was relevant for those customers that may seek to aggregate multiple accounts within a single site to reach the one megawatt demand threshold.[22] Regarding annual reporting requirements, DEV recommended that each LGS customer provide an annual report that describes the energy efficiency savings achieved by the customer during each twelve-month period in which such notice of nonparticipation is in effect to both the utility and Commission Staff.[23] DEV proposed that the report also include the status of the measures and operational changes included in the notice of nonparticipation.[24]

APCo recommended that the notice of nonparticipation describe the energy efficiency savings achieved in kilowatt-hours during each of the prior five years as well as the life expectancy of each measure.[25] APCo also recommended a new requirement that energy savings achieved by the customer meet or exceed the required percentage energy reduction as required by the VCEA for their respective utility, and that the customer include analysis in its notice of nonparticipation regarding such savings.[26] APCo recommended that the utility have no responsibility for verifying such compliance but would "verify information has been provided by the customer in its notice of nonparticipation."[27] In paragraphs E and F of this Section, APCo recommended language

[11] Staff Report at 7; VAEEC Comments at 2.

[12] Staff Report at 7; VAEEC Comments at 3.

[13] Staff Report at 2; DEV Comments at 3-4.

[14] *Id.* at 4.

[15] Staff Report at 2-3; DEV Comments at 4.

[16] Staff Report at 3; DEV Comments at 4-5.

[17] Staff Report at 3; DEV Comments at 5.

[18] Staff Report at 3; DEV Comments at 5.

[19] Staff Report at 4; APCo Comments at 1.

[20] Staff Report at 7; Committees' Comments at 1.

[21] Staff Report at 7; Committees' Comments at 4.

[22] Staff Report at 3; DEV Comments at 5.

[23] Staff Report at 3; DEV Comments at 5.

[24] *Id.*

[25] Staff Report at 4; APCo Comments at 2.

[26] *Id.*

[27] *Id.*

stating that it is the customer's sole responsibility to ensure that the energy savings claimed in the customer's notice of nonparticipation meet the definition of "measured and verified" as defined in § 56-576 of the Code, and that compliance be attested to in the customer's affidavit.[28] Lastly, APCo recommended removing paragraph G of this Section from the rules.[29]

NRDC argued that Section 20 VAC 5-350-30 also fails to include a Commission finding requirement,[30] and NRDC recommended language in paragraph E of this Section that indicates nonparticipation would not be approved by the Commission unless the Commission first finds that each annual report demonstrates energy efficiency savings of a level consistent with commonly accepted industry standards.[31] NRDC further commented that such industry standards "may be based on ISO 50001 or other similar energy management systems standards."[32]

DMME recommended that specific energy savings targets be established that compel participants to implement programs that achieve substantial savings in line with the energy efficiency standards applied to the investor-owned utilities in the VCEA.[33] DMME also encouraged the inclusion of more detailed information on qualifying Evaluation, Measurement, and Verification ("EM&V") measures, including the prescription of an International Performance Measurement and Verification Protocol and its associated options for different types of energy efficiency measures in order to establish a strong performance standard for this program.[34] DMME further recommended use of a standardized EM&V tool for administering this program, as the standardization and digitization of data may provide benefits for both users and Commission Staff.[35]

DMME also suggested adjusting the baselines to the 2016-2019 timeframe given the impacts of COVID-19 affecting energy demand, as well as establishing an energy savings account which could be administered by the Commission or the utility and would enable a participating LGS customer to earmark funds for energy efficiency measures.[36]

VAEEC recommended aligning LGS customer internal program EM&V protocols and reporting requirements with the Federal Energy Management Program Protocols as used by DMME for public Energy Savings Performance Contracting ("ESPC").[37] VAEEC recommended aligning LGS customer self-direct enforcement guidelines with the protocols set forth by DMME for public ESPC contracts with an additional option of revoking an exemption if needed.[38] Finally, VAEEC recommended developing a process to address end-of-life measure savings in relation to the customer exemption, which VAEEC argued should include a timeline or submitting EM&V plans for new measures.[39]

VPLC did not provide any specific changes to the language of the Proposed Rules but supported the comments of VAEEC and emphasized the importance of incorporating energy savings targets for the LGS customers.[40]

SECTION 20 VAC 5-350-40: DISPUTE RESOLUTION

APCo recommended incorporating language which states, "For the utility, all costs incurred shall be recoverable through rates."[41]

STAFF'S REPORT

In its Report, Staff noted some agreement with the Commenters' suggestions, objected to some of the comments as outside the scope of the authority granted by the Code, and proffered modifications to some of the suggested edits in order to both address the concerns of the Commenters as well as alleviate potential undue burdens on LGS participants. A copy of the black-lined Rules with Staff's additional edits was included as Attachment A to the Staff Report.

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[28] Staff Report at 4, 5; APCo Comments at 2, 3.

[29] Staff Report at 5; APCo Comments at 3.

[30] Staff Report at 5; NRDC Comments at 1.

[31] Staff Report at 5-6; NRDC Comments at 2.

[32] Staff Report at 13; NRDC Comments at 2.

[33] Staff Report at 6; DMME Comments at 1.

[34] Staff Report at 6; DMME Comments at 2.

[35] Staff Report at 6; DMME Comments at 2.

[36] *Id.*

[37] Staff Report at 7-8; VAEEC Comments at 4.

[38] Staff Report at 8; VAEEC Comments at 5.

[39] *Id.*

[40] Staff Report at 8; VPLC Comments at 2.

[41] Staff Report at 5; APCo Comments at 3.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the revised regulations appended hereto as Attachment A should be adopted as final rules, as discussed herein. 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, changes to the Proposed Rules, and the Staff Report filed in this case.

The Rules we now adopt strike a reasonable balance of the interests of LGS customers and utilities and support the objectives of Code § 56-585.1 A 5 c, while also protecting the electric system and Virginia consumers. These Rules provide a workable solution for the unique issues faced in this rulemaking. As experience is gained and lessons are learned, these Rules may be updated and revised. In this regard, we further note that the Rules, as adopted herein, permit requests for waiver for good cause shown.[42]

The Rules we adopt herein contain certain modifications to those that were first proposed by Staff and published in the *Virginia Register of Regulations* on November 9, 2020. Although we will not comment on each modification in detail, we now address: (i) NRDC's request for Commission findings on initial notices of nonparticipation and annual reports, (ii) NRDC's and DMME' s requests to include in the Rules specifically named energy efficiency protocols, and (iii) the Committees' comments on the timing of the filing of notices of nonparticipation and continued exemptions.

First, NRDC stated in its comments that the Commission must make an affirmative finding regarding each LGS customer's notice of nonparticipation.[43] NRDC further asserted that the Commission must make affirmative findings regarding each LGS customer's energy efficiency annual report for that customer to maintain nonparticipant status.[44] Staff responded by modifying the last sentence of 20 VAC 5-350-10 to require LGS customers to "certify" implementation of energy efficiency programs, at the customer's expense, showing measured and verified results within the prior five years, consistent with industry standards and any other regulatory criteria in Code § 56-585.1 A 5 c that the Commission reasonably deems appropriate.[45] The Rules we adopt herein incorporate Staff's recommended approach requiring certification. To the extent that objections are made to an LGS customer's certified notice of nonparticipation, the Commission's informal and formal complaint processes are available to the disputants to resolve their differences.[46]

Such certification process complies with the VCEA[47] and provides administrative efficiencies. NRDC's alternative would require the expenditure of significant Commission resources related to the initial notice of nonparticipation and each year thereafter for each and every LGS customer seeking an initial or continuing exemption. Ongoing proceedings before the Commission are not required by the statute, and we decline to adopt such.

Second, NRDC requested that the Commission add language to these rules specifying that industry standards for energy savings "may be based on ISO 50001 or other similar energy management systems standards"[48] and DMME recommended the use of more detailed information on qualifying EM&V measures, including the prescription of an International Performance Measurement and Verification Protocol.[49] Similarly, Staff recommended use of the following language: "Such industry standards for energy savings may be based on ISO 50001, or the International Performance Measurement and Verification Protocol, or other similar energy management systems standards."[50]

The Commission appreciates NRDC's, DMME's and Staff's recommendations on this point and encourages the use of highly regarded EM&V protocols. We decline at this time, however, to adopt specific EM&V protocols within the text of these rules. EM&V protocols are updated periodically, so adopting specific protocols may hinder the ability to use the most up-to-date protocols available at the time of such filings.[51]

We next address the Committees' concerns related to the expiration of exemptions for those exempt from paying for EE RACs before the effective date of the VCEA and the timing by which such customers must provide notices of nonparticipation to their utilities to continue their exemptions uninterrupted.[52] As initially proposed, Rule 20 VAC 5-350-20 A provided the relevant deadline by which notices of nonparticipation must be received,

[42] 20 VAC 5-350-50 A.

[43] NRDC Comments at 2.

[44] *Id*.

[45] Staff Report at 10.

[46] See 5 VAC 5-20-70, *Informal complaints*, and 5 VAC 5-20-100, *Other proceedings*, of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

[47] The Commission notes that in the same Code § 56-585-1 A 5 c paragraph cited by NRDC, the Commission is charged with drafting rules wherein LGS customers will: *notify the utility* of their nonparticipation intent; *certify to the utility and the Commission* all claimed energy efficiency measures; and "in adopting such rules or regulations, the Commission shall also specify the timing as to *when a utility shall accept and act on such notice*." (Emphasis added.)

[48] NRDC Comments at 2.

[49] DMME Comments at 2.

[50] Staff Report at 14.

[51] In fact, Staff's recommended language otherwise, which is being adopted in part, by this Commission, expressly states:

> Each customer shall certify that each such annual report demonstrates energy efficiency savings at a level consistent with *commonly accepted industry standards* for energy efficiency savings obtained by similarly situated customers, and adheres to *any other regulatory criteria the commission reasonably deems appropriate*.

Revised 20VAC5-350-30 D (emphasis added). We further note that, if a specific protocol is identified in these final rules, users would be bound to the version of that protocol embedded in the rules, even if such protocols are updated in the future.

[52] Committees' Comments at 2-4.

specifically "on or before March 1 of the year in which an exemption is sought." In an effort to provide clarification regarding expiration of exemptions and the timing of filing of notices of nonparticipation for those LGS customers that held exemption under the pre-VCEA wording of Code § 56-585.1 A 5 c, the Committees proposed adding a new subsection E to Rule 20 VAC 5-350-20 which, among other things, specifies that "customers seeking to continue an existing exemption must provide a new notice of nonparticipation . . . on or before March 1 of the year after this chapter is approved."[53]

Absent swift resolution to this rulemaking and a reasonable opportunity for the filing of notices of nonparticipation by eligible LGS customers, there would be a chance that any LGS customers eligible for exemption under Code § 56-585.1 A 5 c, as revised by the VCEA, and who previously enjoyed exemption from the utilities' EE RACs under the pre-VCEA wording of Code § 56-585.1 A 5 c, would become subject to such RACs with the onset of new EE RAC rates starting in the summer of 2021. To remedy this situation, the Commission has established an April 1 filing deadline for receipt of notices of nonparticipation from all eligible LGS customers for the year 2021, with a standing June 1 deadline for acceptance by the utilities.[54] Any LGS customer, including those desiring to continue a prior statutory exemption, would thus have the opportunity to provide notice of nonparticipation therefor, on or before April 1, 2021.[55] This solution, for 2021 only, is a reasonable way in which to ensure the continuation of pre-VCEA exemptions. Further, all LGS customers were provided notice of this rulemaking[56] and thus, have been on notice of the exemption question and the proposed notice of nonparticipation requirement. Accordingly, all eligible LGS customers should be prepared to act affirmatively should they desire this VCEA exemption.

Accordingly, IT IS ORDERED THAT:

(1) The rules governing exemptions for large general services customers under Code § 56-585-1 A 5 c, as shown in Attachment A to this Order, are hereby adopted and are effective as of February 4, 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 publication in the *Virginia Register of Regulations*.

(3) An electronic copy of this Order with Attachment A including the rules governing exemptions for large general services customers under Code § 56-585-1 A 5 c shall be made available on the Division of Public Utility Regulation's section of the Commission's website: scc.virginia.gov/pages/Rulemaking.

(4) Any LGS customer seeking an exemption, including those desiring to continue a prior statutory exemption from a rate adjustment clause authorized by the Commission pursuant to Code § 56-585.1 A 5 c for the rate year beginning in 2021, shall provide a notice of nonparticipation concerning the rate adjustment clause to its utility on or before April 1, 2021.

(5) Consistent with the rules adopted herein, on or before June 1, 2021, APCo and DEV shall accept or reject all notices of nonparticipation provided by eligible LGS customers on or before April 1, 2021.

(6) DEV and APCo shall forthwith, but in no event later than February 5, 2021, transmit to each of their Large General Service Customers by electronic mail, or where electronic mail is not available by separate first class mailing, a copy of this Order and Attachment A. Proofs of Service of such notice shall be filed with the Commission by February 15, 2021.

(7) This docket is dismissed.

NOTE: A copy of the attachment entitled "Rules Governing Exemption for Large General Services Customers" 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.

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[53] *Id.* at 1.

[54] For all subsequent years beyond 2021, the deadline for receipt of notices of nonparticipation is March 1.

[55] The Commission notes the late-filed motion and comments regarding exemptions filed by the Committees (*Motion for Leave to File Additional Comments and Comments of the Virginia Committee for Fair Utility Rates and the Old Dominion Committee for Fair Utility Rates*, Doc. Con. Cen. No. 210120013 (Jan. 13, 2021)). With the findings made in this Order, the Committees' late-filed submission is rendered moot.

[56] *See* Proofs of Service filed by APCo on October 27, 2020 and DEV on October 29, 2020.

CASE NO. PUR-2020-00172
MARCH 3, 2021

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

Ex Parte: 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

ORDER ON MOTION

On January 29, 2021, the State Corporation Commission ("Commission") issued its Final Order and Rules in this rulemaking proceeding ("Final Order").[1] Provided for therein was the requirement that Virginia Electric and Power Company ("DEV") provide a copy of the Final Order to all of its Large General Services customers ("LGS customers") on or before February 5, 2021.[2] Proof of such service was required to be filed with the Commission on or before February 15, 2021.[3] Thereafter, on February 16, 2021,[4] DEV filed its Motion to Accept Proof of Service ("Motion"), advising that due to an administrative error, the Final Order including Attachment A (the adopted rules) "was not transmitted to the Company's LGS customers until February 12, 2021 - one week after the deadline established for such service."[5]

On February 19, 2021, the Commission's Staff ("Staff") filed its letter response to DEV's Motion. Therein, Staff stated that it does not object to DEV's Motion but recommends that the Commission require DEV to accept LGS customers' notices of nonparticipation through and including April 8, 2021, to compensate for DEV's delayed service of the Final Order upon its LGS customers.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that DEV shall accept LGS customers' notices of nonparticipation through and including April 8, 2021.

Accordingly, IT IS ORDERED THAT:

(1) DEV shall accept LGS customers' notices of nonparticipation through and including April 8, 2021.[6]

(2) DEV shall forthwith, but in no event later than March 9, 2021, transmit to each of its LGS customers by electronic mail, or where electronic mail is not available by separate first class mailing, a copy of this Order on Motion. Proof of Service required by this Ordering Paragraph shall be filed with the Commission by March 12, 2021.

(3) This matter is dismissed.

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[1] *Ex Parte*: *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*, Case No. PUR-2020-00172, Doc. Con. Cen. No. 210140069, Final Order (Jan. 29, 2021).

[2] Final Order at 14.

[3] *Id.*

[4] Code § 1-210 E provides, "When an . . . order of the court, or administrative regulation or order requires, either by specification of a date or by a prescribed period of time, that an act be performed or an action be filed on a . . . legal holiday . . ., the act may be performed or the action may be filed on the next business day . . . ." February 15, 2021, was a legal holiday; thus, pursuant to Code § 1-210, DEV's filing on February 16, 2021, is considered timely. To the extent the Motion requests that the Proof of Service be accepted because it was filed with the Commission's Clerk's Office on February 16, 2021, such request is moot.

[5] Motion at 2.

[6] In accordance with 20 VAC 5-350-50, *Waiver and* enforcement, such directive shall be deemed a waiver and modification of the requirements of Subsection E of 20 VAC 5-350-20, *Administrative procedures for notice to utility and commission*.

CASE NO. PUR-2020-00195
MARCH 2, 2021

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 ("Code"), 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 October 21, 2020, the Commission entered an Order Establishing Proceeding ("Order") in this docket to consider revisions to the Net Energy Metering Rules to reflect statutory changes enacted by Chapter 1188 of the 2020 Acts of Assembly, which amended § 56-594 of the Code to (1) increase the caps on participation in net metering by residential and non-residential customers; (2) establish revised limits on capacity on net metering facilities based on the customer's expected annual energy consumption; (3) require the Commission to conduct a net metering proceeding under parameters set by the Code when certain criteria have been met; and (4) permit localities meeting criteria established in the Code to install solar or wind-powered facilities under parameters set forth in the statute.

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 1188.

Notice of the proceeding and the Proposed Rules were published in the *Virginia Register of Regulations* on November 23, 2020. 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 December 22, 2020.

Virginia Electric and Power Company ("Dominion") and the Association of Electric Cooperatives ("Cooperatives") filed comments. The Commission also received electronic comments from one interested person. No one requested a hearing on the Proposed Rules.

Dominion states that "the proposed revisions track the changes made to Va. Code § 56-594." The Cooperatives propose changes to the definitions of "net metering customer" and "renewable fuel generator" to conform to the definitions of these terms for cooperatives provided in Code § 56-594.01. We agree with the Cooperatives and have modified 20 VAC 5-315-20 accordingly.

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 15, 2021.

(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) An electronic copy of this Order with Appendix 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) On or before May 1, 2021, each utility in the Commonwealth subject to Chapter 10 (§ 56-232 *et seq.*) of Title 56 of the Code of Virginia shall file in this docket, with the Clerk of the Commission, any revised tariff provisions necessary to implement the regulations adopted herein, and shall also provide 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.

(5) This docket shall remain open to receive the filings from electric utilities pursuant to Ordering Paragraph (4).

NOTE: A copy of the attachment entitled "Rules Governing Net Energy Metering" 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-2020-00197
MARCH 25, 2021

PETITION OF
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

ORDER APPROVING BROADBAND PILOT PROJECTS

On October 1, 2020, Virginia Electric and Power Company ("Dominion" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission") pursuant to § 56-585.1:9 of the Code of Virginia ("Code") and Code § 56-585.1 A 6 for (i) approval of pilot programs to make available and provide broadband capacity to unserved areas in Surry County, Botetourt County, and the Northern Neck region of Virginia ("Surry Pilot," "Botetourt Pilot," and "Northern Neck Pilot" respectively, and collectively the "Pilot Projects"); and (ii) establishment of a rate adjustment clause ("RAC") for the Surry Pilot and Botetourt Pilot, designated Rider RBB, for the rate year commencing August 1, 2021, through July 31, 2022 ("Rate Year").[1] The Company asserts that it will partner with nongovernmental internet service providers RURALBAND, BARC Connects, and All Points Broadband (collectively, "ISPs") to extend broadband capacity in unserved areas.[2] Pursuant to Code § 56-585.1:9 I, the Company requests that the term of the Pilot Projects be extended three years beyond the three-year minimum provided in the Code, for a total of six years.[3]

Dominion also is seeking approval of Rider RBB for the Rate Year pursuant to Code § 56-585.1 A 6. The Company states that it will use the lease revenues it receives from the ISPs to offset the costs of the Pilot Projects.[4] For the Rate Year, the Company is requesting recovery of a total revenue requirement of $1.2 million.[5] The Company states that its revenue requirement includes the Projected Cost Recovery Factor.[6] The Company further states that no Actual Cost True-Up Factor is included in this initial proceeding because this filing represents the initial request for cost recovery.[7] The Company states it is utilizing a rate of return on common equity of 9.2% in this proceeding consistent with the Commission's Final Order in Case No. PUR-2019-00050.[8]

On October 15, 2020, the Commission entered an Order for Notice and Hearing that, among other things, (i) docketed the Petition; (ii) directed Dominion 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 February 16, 2021, 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.

On December 9, 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, the hearing in this matter would be conducted virtually, with no party present in the Commission's courtroom.

Notices of participation were filed by the Board of Supervisors of Culpeper County, Virginia; the Virginia Committee for Fair Utility Rates ("Committee"); the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"); and the Virginia Cable Telecommunications Association ("VCTA").

On January 15, 2021, Staff filed testimony documenting the results of its investigation of Dominion's Petition and the Staff's recommendations in this proceeding. In addition, the Commission received numerous written comments in support of the Petition from individuals, organizations, and local governments.

The Chief Hearing Examiner convened a public hearing as scheduled on February 16, 2021. Two public witnesses testified by telephone at the hearing. Dominion, Consumer Counsel, VCTA, the Committee, and Staff participated in the hearing, the evidentiary portion of which was convened via Microsoft Teams. At the hearing, Dominion presented the terms of a Stipulation signed by Dominion, Staff, and the Committee.[9] Consumer Counsel and the VCTA represented that while not signatories, they do not oppose the Stipulation.[10]

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[1] Ex. 3 (Petition) at 1. On November 19, 2020, the Company filed a corrected Petition, in public, confidential and extraordinarily sensitive versions.

[2] *Id.* at 5.

[3] *Id.* at 6.

[4] *Id.* at 11.

[5] *Id*. at 12; Ex. 13 (Ingram Direct) at 8.

[6] Ex. 3 (Petition) at 11; Ex. 13 (Ingram Direct) at 3.

[7] *Id.*

[8] Ex. 3 (Petition) at 10-11. *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, 2019 S.C.C. Ann. Rept. 400, Final Order (Nov. 21, 2019).

[9] *See* Ex. 1 (Stipulation). The Committee signed the Stipulation as to Paragraph 11 only and took no position on the remainder of the Stipulation.

[10] Tr. 22-23.

On March 4, 2021, the Report of Alexander F. Skirpan, Chief Hearing Examiner ("Report") was filed. In the Report, the Chief Hearing Examiner thoroughly summarized the record, the testimony and exhibits presented during the evidentiary hearing, and the applicable law. The Chief Hearing Examiner found that the Commission should approve the Stipulation including a Rider RBB revenue requirement for the Rate Year of $1.2 million.[11] The Chief Hearing Examiner further found, as provided in the Stipulation, that:

1. The proposed Pilot Projects meet the requirements of Code § 56-585.1:9 ("Broadband Statute");

2. The Company has appropriately identified RURALBAND as the non-governmental ISP for the Surry Pilot, BARC Connects for the Botetourt Pilot, and All Points Broadband for the Northern Neck Pilot, to which it will lease broadband capacity;

3. For purposes of this proceeding, the areas covered by the Pilot Projects are unserved as defined by the Broadband Statute;

4. The annual costs of the Pilot Projects do not exceed the statutory limit;

5. The Company should remove the approximately four miles of fiber extending into Sussex County from the Surry Pilot and should exclude costs associated with the fiber extending into Sussex County from the projected and true-up cost recovery associated with the Surry Pilot;

6. The Company should annually provide to Staff the information agreed to in the Stipulation, until such time as administratively relieved by the Director of the Division of Public Utility Regulation. The agreed to information includes: (i) miles of fiber installed and miles of fiber remaining to be installed; (ii) a tabular breakdown of the number of poles replaced and rationale for replacement (*e.g.* pole too short, pole has deteriorated, etc.); (iii) a tabular breakdown of customers for each ISP, by the speed offerings, rate of offerings, the number of fiber residential subscribers, wireless residential subscribers, fiber business subscribers, and wireless business subscribers ("ISP Proprietary Information"); (iv) a tabular breakdown of economic benefits resulting from each Pilot Project as suggested by the Company, such as impacts to businesses, educational institutions, health clinic industry, ecotourism industry, and household income; and (v) copies of all pilot related reports given to the counties being served by the Company and its partnering entities. The annual reports will be publicly available subject to the Hearing Examiner's Protective Rulings issued on October 19, 2020, and November 10, 2020, in this proceeding, and the protections of Rule 170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-170, which permits confidential commercial information such as ISP Proprietary Information to be withheld from public disclosure;

7. The Pilot Projects should be approved for six years, three years beyond the three-year minimum set forth in the Broadband Statute;

8. The Company should establish a rate adjustment clause denoted as Rider RBB, to recover the costs of the Botetourt and Surry Pilots;

9. For purposes of this specific proceeding, the Company's incremental costs for the Surry and Botetourt Pilots will be used to calculate the revenue requirement for Rider RBB;

10. The Company may defer incremental costs of the Northern Neck Pilot until a future rate adjustment clause proceeding. The Commission will determine whether such costs are reasonable and prudent in a future rate adjustment clause proceeding;

11. RBB-related costs should be recovered from customers in the GS-2, GS-3, and GS-4 rate classes using per-kilowatt ("kW") demand charges, and not the per-kilowatt-hour ("kWh") energy charges proposed by the Company's Petition subject to the following: (i) Schedule 5 customers and Schedule DP-2 customers in the GS-2 class shall have costs recovered through a per-kWh charge; (ii) Schedule 6, 6TS and 10 customers in the GS-3 and GS-4 classes shall have costs recovered through a per-kWh charge; (iii) GS-3 and GS-4 customers, including those on MBR and SCR rate schedules, shall have costs recovered through a per-kW demand charge applicable to On-Peak Electricity Supply Demand for GS-3 customers and On-Peak Electricity Demand for GS-4 customers; and (iv) for Schedule GS-2 and Schedule GS-2T customers, if the monthly load factor is less than or equal to 50%, the kWh charge applies; otherwise, the kW charge applies to the kW of Demand for Schedule GS-2 customers and the On-Peak Electricity Supply Demand for Schedule GS-2T customers;

12. The revenue requirement for Rider RBB is $1.2 million for the Rate Year of August 1, 2021, through July 31, 2022. Any difference between the Company's projections and the actual costs incurred will be addressed through a future Rider RBB True-Up Factor; and

13. Consistent with Subsection D of the Broadband Statute, the Commission should condition approval of the Company's Petition to require construction to commence within three years of the Commission's final order.[12]

The Chief Hearing Examiner recommended that the Commission issue an order adopting the findings in the Report and approving the Company's Petition and Rider RBB consistent with the recommendations in the Report.[13] On March 11, 2021, Dominion, Consumer Counsel, and Staff filed comments to the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the proposed Pilot Projects meet the requirements of the Broadband Statute. We approve the proposed Pilot Projects for a period of six years, effective as of the date of this Order, subject to the reporting requirements agreed to in the Stipulation and the Company's removal of the approximately four miles of fiber extending into Sussex County (and associated costs) from the Surry Pilot. We also condition approval of the Pilot Projects upon the requirement that the Company commence construction within three years of the date of this Order. The Company may defer incremental costs of the Northern Neck Pilot until a future rate adjustment clause proceeding, at which time the Commission will determine whether such costs are reasonable and prudent.

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[11] Report at 34.

[12] *Id*. at 34-35.

[13] *Id*.

The Company requested approval of the proposed Pilot Projects under Code § 56-585.1:9, which directs the Commission to enter a final order no later than six months after the date of filing of the Petition, *i.e.*, April 1, 2021. The Company requested approval of its proposed rate recovery mechanism for the Pilot Projects – Rider RBB – pursuant to Code § 56-585.1 A 6. We note that Code § 56-585.1 A 7 states the following (emphasis added):

> The Commission's final order regarding any petition filed pursuant to subdivision 4, 5, or 6 shall be entered not more than three months, eight months, and nine months, respectively, after the date of filing of such petition. If such petition is approved, *the order shall direct that the applicable rate adjustment clause be applied to customers' bills not more than 60 days after the date of the order*, or upon the expiration or termination of capped rates, whichever is later.

The revenue requirement agreed to in the Stipulation is based on a Rate Year beginning August 1, 2021, which is four months after the April 1, 2021 deadline for the final order regarding the proposed Pilot Projects. Accordingly, the Commission will address the Company's request for approval of Rider RBB in a later order. In future cases where the final order deadlines under Code §§ 56-585.1 A 6 and 56-585.1:9 do not line up, we encourage the Company to synchronize the beginning of the rate year to be within 60 days of the earlier deadline.

Accordingly, IT IS ORDERED THAT:

(1) Dominion's Pilot Projects are approved as described herein for an initial period of six years.

(2) The approval is conditioned upon Dominion beginning construction within three years of the date of this Final Order.

(3) Dominion shall submit annually a report to Staff containing the information described herein.

(4) The Company's Petition for approval of a RAC, designated Rider RBB, will be addressed in a subsequent order.

(5) This case is continued.

CASE NO. PUR-2020-00197
JUNE 9, 2021

PETITION OF
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

FINAL ORDER

On October 1, 2020, Virginia Electric and Power Company ("Dominion" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission") pursuant to § 56-585.1:9 of the Code of Virginia ("Code") and Code § 56-585.1 A 6 for (i) approval of pilot programs to make available and provide broadband capacity to unserved areas in Surry County ("Surry Pilot"), Botetourt County ("Botetourt Pilot"), and the Northern Neck region of Virginia ("Northern Neck Pilot") (collectively, the "Pilot Projects"); and (ii) establishment of a rate adjustment clause ("RAC") for the Surry Pilot and the Botetourt Pilot, designated Rider RBB, for the rate year commencing August 1, 2021, through July 31, 2022 ("Rate Year").[1] The Company asserts that it will partner with nongovernmental internet service providers RURALBAND, BARC Connects, and All Points Broadband (collectively, "ISPs") to extend broadband capacity in unserved areas.[2] Pursuant to Code § 56-585.1:9 I, the Company requests that the term of the Pilot Projects be extended three years beyond the three-year minimum provided in the Code, for a total of six years.[3]

[1] Ex. 3 (Petition) at 1. On November 19, 2020, the Company filed a corrected Petition in public, confidential, and extraordinarily sensitive versions. The November 19, 2020 public corrections to the Petition are included as part of Exhibit 3. Tr. 26.

[2] Ex. 3 (Petition) at 5.

[3] *Id.* at 6.

Dominion also is seeking approval of Rider RBB for the Rate Year pursuant to Code § 56-585.1 A 6 to recover costs for the Surry Pilot, the Botetourt Pilot, and related facilities.[4] The Company states that it will use the lease revenues it receives from the ISPs to offset the costs of the Pilot Projects.[5] For the Rate Year, the Company is requesting recovery of a total revenue requirement of $1.2 million.[6] The Company states that its revenue requirement includes the Projected Cost Recovery Factor.[7] The Company further states that no Actual Cost True-Up Factor is included in this initial proceeding because this filing represents the initial request for cost recovery.[8] The Company states it is utilizing a rate of return on common equity of 9.2% in this proceeding consistent with the Commission's Final Order in Case No. PUR-2019-00050.[9]

At the February 16, 2021 hearing, Dominion presented the terms of a Stipulation signed by Dominion, Commission Staff, and the Virginia Committee for Fair Utility Rates ("Committee").[10] The Attorney General's Division of Consumer Counsel and the Virginia Cable Telecommunications Association represented that while not signatories, they do not oppose the Stipulation.[11]

On March 4, 2021, the Report of Alexander F. Skirpan, Chief Hearing Examiner ("Report") was filed. Among other things, the Chief Hearing Examiner recommended that the Commission approve the Stipulation, including a Rider RBB revenue requirement for the Rate Year of $1.2 million.[12] The Chief Hearing Examiner also found that Dominion may defer incremental costs of the Northern Neck Pilot until a future RAC proceeding, at which time the Commission will determine whether such costs are reasonable and prudent.[13] Further, the Chief Hearing Examiner found that Rider RBB-related costs should be recovered from customers in the GS-2, GS-3, and GS-4 rate classes using per-kilowatt demand charges, not the per-kilowatt-hour energy charges proposed in Dominion's Petition, subject to certain conditions listed in the Stipulation.[14]

On March 25, 2021, the Commission entered an Order Approving Broadband Pilot Projects ("Pilot Projects Order"), which, among other things, approved the Pilot Projects for an initial period of six years. Due to (1) the different statutory deadlines for a Petition filed under Code § 56-585.1:9 (six months)[15] and one filed pursuant to Code § 56-585.1 A 6 (nine months),[16] and (2) the requirement in Code § 56-585.1 A 7 that an order approving a petition filed under Code § 56-585.1 A 6 "shall direct that the applicable rate adjustment clause be applied to customers' bills not more than 60 days after the date of the order," the Commission stated in the Pilot Projects Order that "the Commission will address the Company's request for approval of Rider RBB in a later order."[17]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the proposed Stipulation should be approved and that the Chief Hearing Examiner's findings and recommendations should be adopted. The Commission approves a revenue requirement in the amount originally noticed of $1.2 million for recovery through Rider RBB during the Rate Year of August 1, 2021, through July 31, 2022. 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 law 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 findings and recommendations of the Chief Hearing Examiner are adopted, and the proposed Stipulation is approved.

(2) The Company's Petition for approval of a RAC, designated Rider RBB, is approved as discussed herein, with a revenue requirement of $1.2 million.

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[4] *Id*. at 11; Ex. 13 (Ingram Direct) at 1-2.

[5] Ex. 3 (Petition) at 11.

[6] *Id*. at 12; Ex. 13 (Ingram Direct) at 8.

[7] Ex. 3 (Petition) at 11; Ex. 13 (Ingram Direct) at 3.

[8] *Id.*

[9] Ex. 3 (Petition) at 10-11. *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, 2019 S.C.C. Ann. Rept. 400, Final Order (Nov. 21, 2019).

[10] *See* Ex. 1 (Stipulation). The Committee signed the Stipulation as to Paragraph 11 only and took no position on the remainder of the Stipulation. *See* Tr. 22.

[11] Tr. 22-23.

[12] Report at 34.

[13] *Id*. at 35.

[14] *Id*. at 28-29, 35.

[15] *See* Code § 56-585.1:9 D ("The Commission's final order regarding any such petition shall be entered by the Commission not more than six months after the date of the filing of such petition.").

[16] *See* Code § 56-585.1 A 7 ("The Commission's final order regarding any petition filed pursuant to subdivision 4, 5, or 6 shall be entered not more than three months, eight months, and nine months, respectively, after the date of filing of such petition.").

[17] Pilot Projects Order at 7. The Pilot Projects Order also encouraged the Company, in future cases, to synchronize the beginning of the rate year to be within 60 days of the earlier deadline where final order deadlines under Code §§ 56-585.1 A 6 and 56-585.1:9 do not line up. *Id*.

(3) Rider RBB, as approved herein, shall be effective for usage on and after August 1, 2021.

(4) The Company forthwith shall file revised Rider RBB tariffs 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 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: scc.virginia.gov/pages/Case-Information.

(5) On or after September 2, 2021, the Company shall file an application to revise Rider RBB effective August 1, 2022.

(6) This case is dismissed.

CASE NO. PUR-2020-00198
JUNE 24, 2021

APPLICATION OF
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)

FINAL ORDER

On September 29, 2020, 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 and certification of electric transmission facilities in Fairfax County, Virginia. Dominion filed its Application pursuant to § 56-585.1:5 and § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq*. Through its Application, the Company proposed:

(1) to remove an approximate 0.56 mile segment of its existing overhead 230 kilovolt ("kV") Reston-Tysons Line #2010 from the Tysons Substation to just south of the site for the future Spring Hill Substation and to relocate and replace the line underground;

(2) to complete work at the Tysons Substation to allow this segment of Line #2010 to be relocated underground; and

(3) to construct a transition pole just south of the future Spring Hill Substation to transition Line #2010 from an underground line to an overhead line (collectively, "Project").[1]

Dominion stated that the Project is necessary to support economic development priorities of the Commonwealth, including the economic development priorities and the Comprehensive Plan of Fairfax County, Virginia.[2] The Company requested that the Project be approved by the Commission as a project that qualifies as a line to be placed underground, in part, because the Project meets all of the statutory requirements set forth in Code § 56-585.1:5 D for the Underground Pilot Program.[3] Dominion represented that pursuant to Code § 56-585.1:5 D, Fairfax County had adopted a resolution in support of the Project and requested that the Company relocate and convert a portion of Transmission Line #2010 between the Tysons Substation and the future Spring Hill Substation from overhead to underground to facilitate the construction of a large planned mixed-use development, named "The View," that supports the economic development priorities and Comprehensive Plan of Fairfax County.[4]

The Company stated that the desired in-service date for this project is December 31, 2025.[5] The Company represented that the estimated conceptual cost of the Project (in 2020 dollars) is approximately $30.4 million, which includes approximately $22.6 million for underground transmission line-related work, approximately $0.70 million for overhead transmission line-related work, and approximately $7.10 million for substation-related work.[6]

On October 29, 2020, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, 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; directed the Commission's Staff ("Staff") to investigate the Application and to file testimony containing Staff's findings and recommendations; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

The Commission received four written public comments, and on December 18, 2020, the Fairfax County Board of Supervisors ("Fairfax") filed a notice of participation.

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[1] Ex. 2 (Application) at 3.

[2] *Id*.

[3] *Id.* at 2. *See* Code § 56-585.1:5 D (listing six criteria that a project must meet for the project to be qualified to be placed underground).

[4] Ex. 2 (Application) at 3.

[5] *Id.* at 6, Appendix at 61. Dominion requests that the Commission enter a final order by June 30, 2021, for the Company to begin construction by January 1, 2023, and complete construction by December 31, 2025. *Id.* at 6.

[6] *Id*. at 6, Appendix at 62.

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 December 7, 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 Recommendations regarding the Rebuild Project. According to the DEQ Report, the Company should:

(1) follow the Virginia Marine Resources Commission's recommendation to initiate a new review with the agency, should the proposed project change;

(2) follow DEQ's recommendations regarding erosion and sediment control and stormwater management, as applicable;

(3) follow DEQ's recommendations regarding air quality protection, as applicable;

(4) reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, as applicable;

(5) coordinate with the Department of Conservation and Recreation's Division of Natural Heritage for updates to the Biotics Data System database if six months have passed before the project is implemented or if the scope of work changes;

(6) coordinate with the Department of Wildlife Resources regarding its recommendations to minimize adverse impacts from linear utility projects;

(7) coordinate with the Department of Historic Resources ("DHR") regarding the recommended archaeological and architectural surveys, and submit the results of any surveys to DHR;

(8) coordinate with the Virginia Outdoors Foundation ("VOF") if the project area changes or the project does not start for 24 months;

(9) follow the principles and practices of pollution prevention to the maximum extent practicable; and

(10) limit the use of pesticides and herbicides to the extent practicable.[7]

On January 22, 2021, Fairfax filed the direct testimony of Barbra Byron, Director of the Fairfax County Department of Planning and Development.

On February 19, 2021, Staff filed testimony along with an attached 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, as proposed, meets the statutory requirements set forth in Code § 56-585.1:5 D for the Underground Pilot Program.[8] Staff therefore did not oppose the issuance of the certificate of public convenience and necessity ("CPCN") requested in the Company's Application.[9] Staff did, however, make two recommendations.[10] First, Staff recommended that the Company be directed to include in its Annual Project Cost Report a section documenting the steps the Company is taking to ensure that more accurate construction cost estimates are provided with future transmission line CPCN applications.[11] Second, Staff recommended that the Company be required to request approval from the Commission for any costs incurred above the $40 million statutory limit set forth in Code § 56-585.1:5.[12]

On March 12, 2021, Dominion filed its rebuttal testimony. The Company agreed with Staff's recommendation and approach to provide the requested information in future Annual Project Cost Reports.[13] The Company also stated that should the costs of the Project exceed $40 million, then it will return to the Commission consistent with Code § 56-585.1:5.[14] Additionally, the Company did not object to most of the recommendations included in the DEQ Report but requested that the Commission reject two of DEQ's recommendations and several agency recommendations that were not included in DEQ's list of recommendations.[15]

On March 30, 2021, the Senior Hearing Examiner issued a ruling cancelling the telephonic public witness hearing scheduled for March 31, 2021, as no public witness signed up to testify. On April 1, 2021, the Senior Hearing Examiner convened an evidentiary hearing, as scheduled, by virtual means, due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, with no party present in the Commission's courtroom. The Company, Fairfax, and Staff participated in the evidentiary hearing.

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[7] Ex. 15 (DEQ Report) at 5-6.

[8] Ex. 10 (Staff Report) at 21-22.

[9] *Id.* at 22.

[10] *See id.*

[11] *Id.*

[12] *Id.*

[13] Ex. 12 (Allen Rebuttal) at 7.

[14] *Id.* at 8.

[15] *See* Ex. 13 (Weil Rebuttal) at 3; Ex. 14 (Studebaker Rebuttal) at 3.

On April 15, 2021, the Senior Hearing Examiner issued his report ("Report"). In the Report, the Senior Hearing Examiner made the following findings:

- The record supports the need for the Project to meet the economic development priorities of Fairfax County and the Commonwealth.
- The Project uses existing right-of-way to the maximum extent practicable.
- The Project will have no material adverse impact on scenic assets and historic districts.
- There are no adverse environmental impacts that would prevent the construction of the Project.
- The Commission should reject recommendation No. 7 in the DEQ Report.
- The Commission should retain recommendation No. 8 in the DEQ Report.
- Recommendation Nos. 1-6 and 8-10 in the DEQ Report are "desirable or necessary to minimize adverse environmental impact" associated with the Project.
- The Project does not represent a hazard to public health or safety.
- The Company decision not to consider other route alternatives was reasonable considering the Project is being proposed as an overhead to underground conversion on existing right-of-way except for a portion of the route being relocated to accommodate construction of The View.
- The Company reasonably considered the various construction alternatives for the Project and selected the open trench/duct bank method as the least costly construction alternative.
- The Project meets the requirements of Code § 56-585.1:5 D to be accepted into the Underground Electric Transmission Line Pilot Program.[16]

Based on these findings, the Senior Hearing Examiner recommended that the Commission enter an order that (1) accepts the Project into the Underground Electric Transmission Line Pilot Program, (2) adopts the findings and recommendations of the Report, and (3) issues a CPCN to the Company to construct and operate the Project.[17]

On April 23, 2021, Dominion, Fairfax, and Staff filed comments on the Report. In its comments, Staff noted that the Report ultimately did not find and recommend that the Commission adopt Staff's recommendations regarding its Project cost concerns.[18] Staff emphasized that it stands by those recommendations and asked that they be adopted as part of any approval granted in this case.[19]

The Company stated in its comments that it recognizes and acknowledges Staff's concerns and, as stated in the Report, agrees to provide additional information in future Annual Project Costs Reports, and to return to the Commission, consistent with Code § 56-585.1:5, to seek approval if the Project's costs exceed $40 million.[20] Dominion further stated that it supports the Report's findings and recommendations and requests that the Commission adopt the Report.[21]

Finally, Fairfax stated in its comments that it strongly supports the Senior Hearing Examiner's finding that the Project meets all the qualifying requirements of Code § 56-585.1:5 D and that it therefore urges the Commission to accept the Project into its Underground Pilot Program.[22]

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 Project. The Commission finds 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."

[16] Report at 25.

[17] *Id.* at 25-26.

[18] Staff Comments at 1-2.

[19] *Id.*

[20] Dominion Comments at 3.

[21] *Id.*

[22] Fairfax Comments at 4.

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 chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, 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."

For purposes of the Underground Pilot Program,[23] a proposed transmission line project that meets the following criteria set forth in Code § 56-585.1:5 D shall be qualified to be placed underground, in whole or in part:

> (i) an engineering analysis demonstrates that it is technically feasible to place the proposed line, in whole or in part, underground; (ii) the governing body of each locality in which a portion of the proposed line will be placed underground indicates, by resolution, general community support for the project and that it supports the transmission line to be placed underground; (iii) a project has been filed with the Commission or is pending issuance of a certificate of public convenience and necessity by October 1, 2020; (iv) the estimated additional cost of placing the proposed line, in whole or in part, underground does not exceed $40 million or, if greater than $40 million, the cost does not exceed 2.5 times the cost of placing the same line overhead, assuming accepted industry standards for undergrounding to ensure safety and reliability; if the public utility, the affected localities, and the Commission agree, a proposed underground line whose cost exceeds 2.5 times the cost of placing the line overhead may also be accepted into the pilot program; (v) the public utility requests that the project be considered as a qualifying project under this section; and (vi) the primary need of the project shall be for purposes of grid reliability, grid resiliency, or to support economic development priorities of the Commonwealth, including the economic development priorities and the comprehensive plan of the governing body of the locality in which at least a portion of line will be placed, and shall not be to address aging assets that would have otherwise been replaced in due course.

Additionally, Code § 56-585.1:5 E provides that "[a] transmission line project that is found to meet the criteria of [Code § 56-585.1:5 D] shall be deemed to satisfy the requirements of subsection B of § 56-46.1 with respect to a finding of the Commission that the line is needed."

Underground Pilot Program

We agree with and adopt the Senior Hearing Examiner's finding that the Project meets the requirements of Code § 56-585.1:5 D to be accepted into the Underground Pilot Program.[24]

Public Convenience and Necessity

In its Application, the Company asserted that the primary need for the Project is to support the economic development priorities of the Commonwealth generally, and Fairfax County specifically, including the economic development priorities and the Comprehensive Plan of Fairfax County.[25] We agree with the Senior Hearing Examiner and find that the evidence in this case supports the need for the Project to meet the economic development priorities of Fairfax County and the Commonwealth.[26] Additionally, we note that as the Project meets the requirements of Code § 56-585.1:5 D, it is statutorily deemed to satisfy the requirements of Code § 56-46.1 B with respect to a finding that the line is needed.[27]

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[23] *See* Code § 56-585.1:5.

[24] *See* Report at 22-25.

[25] Ex. 2 (Application) at 3, 5, Appendix at 5.

[26] *See* Report at 17.

[27] *See* Code § 56-585.1:5 E.

In its pre-filed testimony, Staff expressed concerns related to cost projections for the Project and made two recommendations to address those concerns.[28] Staff then, in its comments to the Report, again asked the Commission to adopt its recommendations.[29] The Company, both in its rebuttal testimony[30] and in its comments on the Report,[31] agreed to Staff's recommendations. We find that Staff's recommendations are appropriate and should be adopted as part of the approval granted herein.

Economic Development

The Commission finds that the evidence in this case demonstrates that the Project will support economic development in the Commonwealth. As noted by the Senior Hearing Examiner, Fairfax County contributes approximately 22% of the tax revenues collected by the Commonwealth; therefore, the Commonwealth benefits from economic development in Fairfax County.[32]

Rights-of-Way and Routing

Dominion has adequately considered usage of existing right-of-way. The Senior Hearing Examiner noted that the proposed route makes two small departures from existing right-of-way.[33] We agree with the Senior Hearing Examiner that these two departures from the existing right-of-way are necessary to avoid the development area for The View.[34] Accordingly, we find that the Project uses existing right-of-way to the maximum extent practicable.

Scenic Assets and Historic Districts

As required by Code § 56-46.1 B, we find that the proposed route will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets and historic resources recorded with the Department of Historic Resources.

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. This finding is supported by the DEQ Report, as nothing therein suggests that the Project should not be constructed. There are, however, recommendations included in the DEQ Report for the Commission's consideration.[35] The Company ultimately opposed one of these recommendations, along with several agency recommendations that were not included in DEQ's list of recommendations.[36]

The Company requests that the Commission reject DHR's recommendation that the Company coordinate with DHR regarding the recommended archaeological and architectural surveys and submit the results of any surveys to DHR.[37] As noted by the Senior Hearing Examiner, the Company has established that this recommendation is no longer applicable because there are no architectural or historic resources located in the buffer areas to the Project.[38] We agree with the Senior Hearing Examiner's finding on this item and thus reject DEQ recommendation No. 7.

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[28] Ex. 10 (Staff Report) at 21-22.

[29] Staff Comments at 2.

[30] Ex. 12 (Allen Rebuttal) at 7-8.

[31] Dominion Comments at 3.

[32] Report at 17.

[33] *See id*. at 17-18.

[34] *See id.* at 18.

[35] *See* Ex. 15 (DEQ Report) at 5-6. Dominion shall comply with all uncontested recommendations included in the DEQ Report. However, to the extent that 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.

[36] Dominion initially opposed two of the recommendations in the DEQ Report, along with several agency recommendations that were not included in DEQ's list of recommendations. In comments on the Report, however, the Company noted that it does not object to the Report's finding that the Commission should retain DEQ Report recommendation No. 8 and that the Company commits to coordinating with the VOF if the Company's plans for the Project area change in the next 24 months. We adopt the Senior Hearing Examiner's findings regarding the agency recommendations not included in DEQ's list to which the Company objected. Of the four recommendations to which Dominion objected, the Hearing Examiner found one no longer applicable, one inapplicable, and two moot. *See* Report at 20.

[37] Ex. 13 (Weil Rebuttal) at 3-4.

[38] Report at 20.

Environmental Justice

In its Application, Dominion stated that it researched the demographics of the surrounding communities using the 2017 U.S. Census American Community Survey data to determine that there are 11 Census Block Groups within the Project area that fall within a mile of the existing transmission line.[39] The Company further stated that a review of minority, income, and education census data identified populations within the study area that meet the Virginia Environmental Justice Act[40] defined threshold for Environmental Justice protections ("EJ Communities").[41]

The Company asserted that it does not anticipate disproportionately high or adverse impacts to the EJ Communities located within the study area, consistent with the Project design to reasonably minimize such impacts.[42] Dominion further stated that in addition to its evaluation of impacts, the Company has worked with Fairfax County, local Chambers, and businesses to provide information on the Project (in English, Spanish, and Vietnamese—the largest identified populations in the immediately impacted area) and will continue to engage the EJ Communities in a manner that allows them to participate meaningfully in the Project development and approval process so that the Company can take their views and input into consideration.[43]

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Project as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, 56-585.1:5, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCN 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, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCN to Dominion:

> Certificate No. ET-DEV-NVA-2021-A, 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 Cities of Alexandria, Fairfax, and Falls Church, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00198, cancels Certificate No. ET-79rr, 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 each Certificate 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 CPCN issued in Ordering Paragraph (3) with the maps attached.

(6) The Project approved herein must be constructed and in service by December 31, 2025. 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) The Company shall include in its Annual Project Cost Report a section documenting the steps that it is taking to ensure that more accurate construction cost estimates are provided with future transmission line CPCN applications.

(8) Should the cost of the Project exceed $40 million, Dominion shall request Commission approval for any costs incurred above that amount.

(9) This matter is dismissed.

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[39] Ex. 2 (Application) Appendix at 130.

[40] Code § 2.2-234 *et seq.*

[41] Ex. 2 (Application) Appendix at 130.

[42] *Id. See also* Ex. 10 (Staff Report) at 19-20.

[43] Ex. 2 (Application) Appendix at 130.

CASE NO. PUR-2020-00227
JUNE 28, 2021

APPLICATION OF
OLD DOMINION ELECTRIC COOPERATIVE

For approval and certification of electric facilities: Wallops-Chincoteague Line Nos. 6745 and 6746 69 kV Transmission Line Rebuild

FINAL ORDER

On October 30, 2020, Old Dominion Electric Cooperative ("ODEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application ("Application") for approval and certification for electric facilities: Wallops-Chincoteague Line Nos. 6745 and 6746 69 kilovolt ("kV") Transmission Line Rebuild.[1] ODEC 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*.

Specifically, the Cooperative proposes to (i) remove an approximately 0.5-mile segment of its existing overhead Wallops-Chincoteague Line Nos. 6745 and 6746 just east of Wallops Flight Facility ("WFF") Runway 35 ("Existing Facilities"); and (ii) relocate and replace the lines underground in a new duct bank within existing and new right-of-way in Accomack County, Virginia ("Relocated Facilities") (collectively, "Rebuild Project").

The Cooperative states that the Rebuild Project is needed as the Existing Facilities' structures are nearing their end of life and need to be replaced.[2] ODEC states that the Rebuild Project is necessary to continue providing reliable electric transmission service consistent with the Cooperative's obligation to provide generation and transmission service to its Members[3] who in turn provide retail electric distribution service to their member-customers.[4] ODEC further states that while Line Nos. 6745 and 6746 generally follow a direct-line path along Virginia State Route 175 ("Rt. 175") in the area of the Rebuild Project, the Existing Facilities veer away from the road into marshland to avoid proximity to the flight path of WFF Runway 35.[5] ODEC states that it cannot replace these structures in their current right-of-way due to conflicting requirements for the height of the structures.[6] The Cooperative states that the Relocated Facilities will be placed underground and will follow a shorter, direct-line path along Rt. 175. ODEC represents that it will acquire two new 100-foot width right-of-way easements in properties paralleling Rt. 175.[7]

The Cooperative states that the desired in-service date for the Rebuild Project is May 31, 2023.[8] The Cooperative represents that the estimated cost of the Rebuild Project is approximately $3.8 million.[9]

On November 19, 2020, the Commission issued an Order for Notice and Hearing ("Procedural Order"), which, among other things, docketed the Application; scheduled a public hearing on the Application; required ODEC 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. No notices of participation or public comments were filed.

As also directed in the Procedural Order, the Commission's Staff ("Staff") requested that DEQ coordinate an environmental review of the Rebuild Project by the appropriate agencies and provide a report on the review. On January 27, 2021, 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 Cooperative should:

- Follow DEQ's general recommendations concerning potential surface water impacts to the maximum extent possible.
- Follow the Virginia Marine Resources Commission's recommendation to initiate a new review with the agency, should the proposed project change.

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[1] A copy of the Application, including the Department of Environmental Quality ("DEQ") Supplement and Appendix, was admitted as an exhibit ("Ex.") at the hearing. *See* Ex. 1.

[2] Ex. 1 (Application) at 3.

[3] ODEC supplies capacity and energy to 11 electric distribution cooperatives: A&N Electric Cooperative, BARC Electric Cooperative, Community Electric Cooperative, Mecklenburg Electric Cooperative, Northern Neck Electric Cooperative, Prince George Electric Cooperative, Rappahannock Electric Cooperative, Shenandoah Valley Electric Cooperative, Southside Electric Cooperative, Choptank Electric Cooperative, Inc., and Delaware Electric Cooperative, Inc. (collectively, "Members"). *Id*. at 1.

[4] *Id*. at 2.

[5] *Id.*

[6] Replacing the structures in the Existing Facilities in approximately the same location within existing right-of-way is not feasible because the height of the structures would violate either the Federal Aviation Administration's ("FAA's") glide path criteria or the National Electrical Safety Code ground clearance requirements. Further, a second alternative considered, to relocate the structures in the Existing Facilities to a new right-of-way farther east and in the tidal marshes of Simoneaston Bay, is infeasible due to its environmental impact, cost, visual impact, and potential for delay of the in-service date. *See id.* at 4.

[7] *Id.* at 3.

[8] *Id.* at 3 and Appendix at 17.

[9] *Id.* at Appendix at 18.

- Follow DEQ's recommendations regarding air quality protection, as possible.
- 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 obtain an update on natural heritage information, as necessary.
- Coordinate with the Department of Wildlife Resources regarding its recommendations to minimize adverse impacts from linear utility projects.
- Coordinate as necessary with the Virginia Department of Health regarding its recommendations to protect public drinking water sources.
- Coordinate with the Virginia Outdoors Foundation if the project area changes or the project does not start for 24 months.
- Follow the principles and practices of pollution prevention to the maximum extent practicable.
- Limit the use of pesticides and herbicides to the extent practicable.[10]

On March 31, 2021, Staff filed testimony attaching its report ("Staff Report"), which summarized the results of its investigation of ODEC's Application. Staff concluded that ODEC has reasonably demonstrated the need for the proposed Rebuild Project.[11] Staff therefore did not oppose the issuance of the §certificate of public convenience and necessity requested in the Cooperative's Application.[12]

On April 14, 2021, ODEC filed its rebuttal testimony. In its rebuttal, the Cooperative did not object to the findings contained in the Staff Report.[13]

On April 28, 2021, the Hearing Examiner convened an evidentiary hearing on the Application and admitted evidence into the record.

On May 19, 2021, the Senior Hearing Examiner issued the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report"). In her Report, the Senior Hearing Examiner recommended that the Commission grant the Cooperative's proposal to complete the Rebuild Project and issue an appropriate CPCN for the Rebuild Project.[14]

On May 26, 2021, ODEC filed comments on the Report supporting the Hearing Examiner's findings and recommendations.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require that the Cooperative 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 Cooperative'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 Cooperative'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 chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

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[10] Ex. 8 (DEQ Report) at 5-6.

[11] Ex. 7 (Joshipura Direct) at Staff Report at 15-16.

[12] *Id.* at 16.

[13] Ex. 9 (Lindenmuth Rebuttal) at 2-4.

[14] Report at 8.

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."[15] 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

ODEC represents that the Rebuild Project is necessary to maintain the structural integrity and reliability of its transmission system in compliance with the planning criteria of the Reliability Coordinator, PJM Interconnection, L.L.C.[16] Based on information provided by the Cooperative, Staff confirmed that the existing structures have reached the end of their useful life and do not comply with the FAA's current criteria for WFF Runway 35's glide path.[17] In her Report, the Senior Hearing Examiner concluded that based on the evidence presented, the Rebuild Project would have no material adverse effect upon the reliability of electric service and is not otherwise contrary to the public interest.[18] The Commission finds that the Cooperative's proposed Rebuild Project is needed to replace aging infrastructure, thereby enabling the Cooperative to maintain the overall long-term reliability of its transmission system.

Economic Development

The Hearing Examiner stated that the record reflects the Rebuild Project would promote economic development in the Commonwealth of Virginia by maintaining the reliability of the transmission line and, in turn, continuing to ensure the delivery of sufficient supplies of electrical power.[19] The Commission agrees with the Hearing Examiner's assessment.

Rights-of-Way and Routing

ODEC has adequately considered usage of existing ROW. As noted by the Senior Hearing Examiner, the replacement of the facilities in the existing ROW will conflict with FAA height restrictions with regard to WFF Runway 35.[20] The Rebuild Project as proposed will be placed underground along both existing and new ROW and will eliminate "a need to veer away from [WFF] Runway 35 and, instead, allowing the Rebuild Project to follow a shorter, direct-line path along Rt. 175."[21] The Senior Hearing Examiner further found that the main alternative to the proposed Rebuild Project, involving construction of overhead transmission lines farther away from WFF Runway 35, could be completed at lower cost but would require permitting from the U.S. Fish and Wildlife Service, would require ODEC to obtain more new ROW than the proposed path for the Rebuild Project, and would have more significant environmental impacts.[22] The Senior Hearing Examiner concluded that consideration of ROW and routing factors supports the Commission's approval of the Rebuild Project along the proposed path.[23] We agree.

Scenic Assets, Historic Resources, and the Environment

The Senior Hearing Examiner concluded that: (i) relocating and replacing the Existing Facilities underground in a new duct bank within existing and new ROW, as proposed in the Application, constitutes a reasonable and cost-effective way to mitigate the environmental and scenic impacts of the Rebuild Project; (ii) there are no adverse environmental impacts that should prevent the construction of the Rebuild Project if the Cooperative complies with the recommendations in the DEQ Report; and (iii) no historic landmark properties have been identified in the vicinity of the Rebuild Project.[24] The Commission agrees that ODEC's relocation and replacement of the Relocated Facilities as proposed in the Application will minimize adverse impacts on scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned as required by § 56-46.1 B of the Code.[25]

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.

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[15] ODEC is a "public service corporation" or "public service company" as defined in Code § 56-1.

[16] *See* Ex. 1 (Application) at 2.

[17] Ex. 7 (Joshipura Direct) at Staff Report at 3-4, 15.

[18] Report at 7.

[19] *Id*. (citing Ex. 7 (Joshipura Direct) at Staff Report at 14).

[20] *Id*. (citing Ex. 6 (Gray Direct) at 2).

[21] *Id*. at 7-8 (citing Ex. 6 (Gray Direct) at 2).

[22] *Id*. at 8. *See also* Ex. 7 (Joshipura Direct) at Staff Report at 6-7. Among the environmental impacts are that the alternative would require the facilities to be built farther out into the tidal marshes of Simoneaston Bay and that ongoing maintenance of the facilities would require heavy equipment to cross the environmentally sensitive area during the facilities' lifetime. Ex 7 (Joshipura Direct) at Staff Report at 7 (citing Ex. 1 (Application) at Appendix at 12).

[23] Report at 8.

[24] *Id*. (citing Ex. 8 (DEQ Report) at 18).

[25] *See* Ex. 7 (Joshipura Direct) at Staff Report at 13-16.

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. Further, ODEC did not object to any of the recommendations in the DEQ Report. We find that the Cooperative's proposed route reasonably minimizes adverse environmental impacts provided that ODEC complies with the recommendations set forth in the DEQ Report. We therefore find that as a condition of our approval herein, ODEC must comply with all of DEQ's recommendations as provided in the DEQ Report.[26]

Environmental Justice

The Cooperative retained Stantec Consulting Services, Inc., to review the Rebuild Project in light of the Environmental Justice Act.[27] The consultant used the U.S. Environmental Protection Agency's Environmental Justice screening tool to assess risk to environmental justice populations. Based on the consultant's analysis, ODEC reported that the census block in which the Rebuild Project would be located has a population of zero. However, due to the presence of a low-income community within one mile of the proposed Rebuild Project, low-income communities are considered present in the Rebuild Project vicinity. The Cooperative further states that there do not appear to be any fenceline communities within the Rebuild Project vicinity.[28]

Further, ODEC asserts that the Rebuild Project will have minimal impact on low-income communities, fenceline communities, and/or communities of color for the following reasons, among others: (i) the Rebuild Project is not considered to be a major source of air, noise, or water pollution; (ii) undergrounding of the existing transmission line will not emit any harmful air pollutants or greenhouse gases during operations; (iii) during construction, ODEC will control fugitive dust in accordance with DEQ regulations; (iv) erosion and sediment control measures will protect downstream waters from stormwater runoff; (v) no hazardous materials will be stored at the Rebuild Project location; (vi) the Rebuild Project will produce no odors; and (viii) undergrounding the existing transmission line will improve the visual character of the area.[29] There is no evidence in the record in this case disputing these claims.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Report are adopted.

(2) ODEC is authorized to construct and operate the Rebuild Project as proposed in its Application, subject to the findings and conditions imposed herein.

(3) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Cooperative's request for approval of the necessary certificate of public convenience and necessity to construct and operate the Rebuild Project is granted as provided for herein, subject to the requirements set forth herein.

(4) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following to ODEC:

Certificate No. ET-ODEC-ACC-2021-A, which authorizes Old Dominion Electric Cooperative under the Utility Facilities Act to operate certificated transmission lines and facilities in Accomack County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00227, cancels Certificate No. ET-177, issued to Old Dominion Electric Cooperative in Case No. PUE-2007-00063 on October 19, 2007.

(5) Within thirty (30) days from the date of this Final Order, the Cooperative shall provide to the Commission's Division of Public Utility Regulation three copies of an appropriate map for each Certificate that shows the routing of the transmission lines approved herein.

(6) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Cooperative copies of the certificate of public convenience and necessity issued in Ordering Paragraph (3) with the maps attached.

(7) The Rebuild Project approved herein must be constructed and in service by May 31, 2023. No later than 90 days before the in-service date approved herein, except for good cause shown, the Cooperative is granted leave to apply, and to provide the basis, for any extension request.

(8) The Cooperative shall file with the Division of Public Utility Regulation information regarding the total cost of the Rebuild Project not later than seven (7) months after the in-service date of the Rebuild Project.

(9) This matter is dismissed.

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[26] The Senior Hearing Examiner also concluded that the Cooperative should be required to obtain all necessary environmental permits and approvals needed to construct and operate the Rebuild Project. Report at 8.

[27] Code §§ 2.2-234 and -235.

[28] Ex. 7 (Joshipura Direct) at Staff Report at Appendix A, Set 4 Question 15.

[29] *Id*. at Appendix A, Set 4 Question 16 (citing generally, Ex. 1 (Application) Volumes 3 and 4).

CASE NO. PUR-2020-00230
JULY 1, 2021

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, 2021

FINAL ORDER

On October 5, 2020, 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-2019-00160,[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 since annually updated its Rider BW rate adjustment clause.[5]

In this proceeding, Dominion has asked the Commission to approve Rider BW for the rate year beginning September 1, 2021, and ending August 31, 2022 ("2021 Rate Year").[6] The two key components of the proposed total revenue requirement for the 2021 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 $112,977,000 and an Actual Cost True-Up Factor revenue requirement of $457,000.[8] Thus, the Company is requesting a total revenue requirement of $113,434,000 for service rendered during the 2021 Rate Year.[9] Dominion requests a rate effective date for usage on and after the latter of September 1, 2021, 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 22, 2020, 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. Notices of participation were timely filed by the Board of Supervisors of Culpeper County, Virginia ("Culpeper"), and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On February 26, 2021, the Staff of the Commission ("Staff") filed testimony.

On March 12, 2021, Dominion filed its letter in lieu of rebuttal testimony. In its letter in lieu of rebuttal testimony, the Company agreed with the revenue requirement updates presented in Staff's testimony, noting that Staff calculated the weighted average cost of capital using the rounded capital structure amounts included in Staff's late-filed exhibit in Case No. PUR-2020-00003, resulting in an approximately $1,600 difference between the total revenue requirements calculated by Staff and the Company.[11]

On March 23, 2021, the Hearing Examiner convened an evidentiary hearing on the Application and admitted evidence into the record.

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[1] *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*, Case No. PUR-2019-00160, Doc. Con. Cen. No. 200640088, Final Order (June 23, 2020).

[2] Ex. 2 (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. 2 (Application) at 3.

[5] *See* Case Nos. PUE-2013-00122; PUE-2014-00103; PUE-2015-00102; PUE-2016-00112; PUR-2017-00128; PUR-2018-00166; and PUR-2019-00160.

[6] Ex. 2 (Application) at 4.

[7] *Id*. at 7.

[8] *Id*. at 7; Ex. 4 (Lee Direct) at 5, 7, 9.

[9] Ex. 2 (Application) at 7-8.

[10] *Id.* at 8.

[11] Ex. 8 (Letter in Lieu of Rebuttal Testimony) at 2. See also *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*, Case No. PUR-2020-00003, Doc. Con. Cen. No. 200640223, Staff Exhibit 8 (Late Filed) (June 25, 2020).

On April 12, 2021, 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 BW rate adjustment clause with a revenue requirement of $113.434 million.[12] In addition, the 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 Estaña M. Davis.[13]

On April 19, 2021, the Company filed comments on the Report agreeing with the findings and recommendations in the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Rider BW revenue requirement is $113.434 million, based on a Projected Cost Recovery Factor revenue requirement of $112.977 million, and an Actual Cost True-Up Factor revenue requirement of $0.457 million. We find that recovery in this proceeding should be limited to the amount noticed in the Order for Notice and Hearing. We adopt the findings and recommendations set forth in the Report, as clarified herein.

Accordingly, IT IS ORDERED THAT:

(1) Rider BW, as approved herein with an updated revenue requirement in the amount of $113.434 million.

(2) 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, 2021.

(3) 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.

(4) The Company shall file its next annual Rider BW application between October 5, 2021, and November 30, 2021.

(5) This case is dismissed.

[12] Report at 9 (citing Ex. 6 and 6C (Wong Direct) at 7 and Ex. 8 (Letter in Lieu of Rebuttal Testimony) at 2). The Hearing Examiner further found that the Rider BW revenue requirement computes to $113.889 million but that recovery in this proceeding should be limited to the amount noticed in the Order for Notice and Hearing of $113.434 million. *Id*.

[13] Report at 9.

CASE NO. PUR-2020-00231
JULY 1, 2021

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, 2021

FINAL ORDER

On October 5, 2020, 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.[1]

On October 21, 2020, 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 case; 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 Board of Supervisors of Culpeper County, Virginia. Commission Staff ("Staff") filed testimony on February 16, 2021. On March 2, 2021, Dominion filed a letter in lieu of rebuttal testimony stating that it did not object to the findings and recommendations contained in Staff's testimony.[2] The Commission did not receive written comments from any interested person regarding the Application.

On March 16, 2021, the Hearing Examiner convened an evidentiary hearing on the Company's Application. The Company and Staff participated in the hearing.

On March 23, 2021, the Hearing Examiner issued the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report"). As stated in the Report,

[1] Ex. 2 (Application) at 1.

[2] Ex. 8 (March 2, 2021 Dominion Letter) at 2.

> [T]he Company and Staff . . . agree that the Commission should approve a revenue requirement of $9.149 million for the updated Rider US-2. Furthermore, such revenue requirement is supported by the evidence and was not opposed by Culpeper, the only respondent in this case. Similarly, the Company's proposed cost allocation and rate design methodologies are supported by the evidence and not disputed herein.[3]

The Hearing Examiner therefore recommended that the Commission approve an updated Rider US-2 with a revenue requirement of $9.149 million, consisting of a Projected Cost Recovery Factor of $8.964 million and an Actual Cost True-Up Factor of $185,000.[4] The Hearing Examiner also recommended that the Company be directed to account for the value of lost renewable energy certificates ("RECs") during 2020 in the 2021 US-2 rate adjustment clause case through the 2020 Actual Cost True-Up Factor, as agreed by the Company.[5]

On March 29-30, 2021, the Company and Staff filed comments on the Hearing Examiner's Report.

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Hearing Examiner's Report and finds that a total revenue requirement of $9.149 million, consisting of a Projected Cost Recovery Factor of $8.964 million and an Actual Cost True-Up Factor of $185,000, should be approved. We further direct the Company to account for the value of lost RECs during 2020 in the next annual Rider US-2 application.

Accordingly, IT IS ORDERED THAT:

(1) Rider US-2 is approved herein with an updated revenue requirement in the amount of $9.149 million.

(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 Division 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, 2021.

(4) The Company shall file its next annual Rider US-2 application between October 5, 2021, and November 30, 2021.

(5) This case is dismissed.

[3] Report at 9.

[4] *Id.* at 10.

[5] *Id.* at 9-10.

CASE NO. PUR-2020-00235
MAY 27, 2021

APPLICATION OF
CAVALIER SOLAR A, LLC

For Certificates of Public Convenience and Necessity for solar generating facilities totaling up to 240 megawatts in Surry County, and Isle of Wight County, Virginia

FINAL ORDER

On October 5, 2020, Cavalier Solar A, LLC ("Cavalier" or "Applicant"),[1] filed with the State Corporation Commission ("Commission") an application for approval and certificates of public convenience and necessity ("CPCNs") to construct and operate solar generating facilities in Surry County and Isle of Wight County, Virginia ("Application").[2] Cavalier filed the Application pursuant to §§ 56-46.1, 56-265.2, and 56-580 D of the Code of Virginia ("Code") and the Commission's Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility, 20 VAC 5-302-10 *et seq.*

[1] According to the Applicant, Cavalier is a special-purpose entity responsible for developing, constructing, owning and operating the Project. Ex. 2 (Application) at 5. For a description of the Project, *see infra* page 2 and Ex. 2 (Application) at 4.

[2] Ex. 2 (Application) and Ex. 4-ES (Audited Financials).

Cavalier seeks to construct solar generating facilities in southeastern Surry County and northeastern Isle of Wight County,[3] totaling up to 240 megawatts ("MW") (alternating current) (the "Solar Generating Facilities") as well as the necessary transmission lines to interconnect the Solar Generating Facilities to the transmission grid.[4] Cavalier's proposed interconnection facilities include: (a) approximately two (2) miles of 34.5 kilovolt ("kV") medium voltage feeder line ("Feeder Line") to interconnect the Solar Generating Facilities with the collector substation; and (b) an approximately 0.35 mile 500 kV generation-tie line ("Gen-Tie Line") to interconnect the collector substation to the transmission grid at the Septa Substation (the "Interconnection Facilities," and together with the Solar Generating Facilities, the "Project").[5] The Applicant anticipates an in-service date for the Project of December 31, 2022.[6]

According to Cavalier, the Project would be constructed on approximately 1,776 acres in a rural area on a compilation of parcels consisting of agricultural land and cleared forest and timber land (the "Project Site").[7] The Septa Substation, where the Project will interconnect to the transmission system, is located adjacent to the southeast portion of the Project Site, in Isle of Wight County, on a parcel owned by the Virginia Electric and Power Company.[8]

According to Cavalier's Application, the electricity, capacity and associated green attributes generated from the Project will be sold pursuant to a long-term power purchase agreement with a customer located in the transmission region operated by PJM Interconnection, L.L.C. ("PJM").[9]

Cavalier asserts that "there will be minimal adverse environmental effects associated with the Project."[10] Cavalier further asserts that it "will comply with all necessary conditions imposed by the regulatory agencies with oversight responsibilities for all environmental aspects of the Project to ensure protection of public health and the environment."[11]

Cavalier asserts that the Project would promote the public interest by providing economic benefits to Surry and Isle of Wight Counties and the surrounding area.[12] Cavalier further asserts that the Project will have no material adverse effect on the reliability of electric service provided by any regulated public utility and that only relatively minor upgrades to the electric transmission system are required as a result of the Project.[13] Cavalier notes in its Application that as a condition of interconnection with the interstate transmission system, the Applicant will be obligated to complete and/or pay for all required upgrades to the system in accordance with an Interconnection Services Agreement and Interconnection Construction Service Agreement that have been or will be entered into among the Applicant, PJM, and the transmission owner.[14] Cavalier further represents that since the Applicant is not a regulated utility, Cavalier's associated business risk for the proposed Project will be borne solely by the Applicant, with no impact on rates paid by ratepayers in Virginia.[15]

On October 29, 2020, the Commission entered an Order for Notice and Hearing ("Procedural Order") in this proceeding, which, among other things, directed Cavalier to provide notice of its Application, provided interested persons the opportunity to comment or participate in the proceeding, directed the Staff to investigate the Application, scheduled an evidentiary hearing, and assigned a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

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[3] Ex. 2 (Application) at 6.

[4] *Id.* at 4.

[5] *Id.* at 4, 7-8. The proposed routes for the Interconnection Facilities are provided in Attachment F to the Application. According to Cavalier's Application, there is potential for the Project to include an intelligent battery system at the Project Site for energy storage. To the extent that the Applicant would elect to move forward with a storage option, the Applicant represents that Cavalier would seek separate Commission approval (or supplement then existing approvals), if necessary. *See id.* at 6, n.4.

[6] *Id.* at 6.

[7] *Id.*

[8] *Id.* at 7. Based on the totality of the Application, it is Commission Staff's ("Staff") understanding that both the property upon which the substation sits as well as the Septa Substation itself are owned by Virginia Electric and Power Company. ("The 500 kV Gen-Tie Line, traveling south from the Cavalier Collector Substation, runs east for 0.35 miles and enters the north side of the VEPCO [Virginia Electric and Power Company] Septa Substation property." *Id.* at 8.).

[9] *Id.* at 8.

[10] *Id.* at 9.

[11] *Id.*

[12] *See, e.g., id.* at 10, 12.

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

[14] *Id.* at 10.

[15] *Id.* at 11.

As directed in the Procedural Order, 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 December 9, 2020, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ.[16] 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 Project. According to the DEQ Report,[17] the Company should:

- Follow DEQ's recommendations including the avoidance and minimization of 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.
- Evaluate identified Pollution Complaint case and its potential to impact the proposed project.[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.
- Coordinate with the Department of Conservation and Recreation on the development of an inventory for natural heritage resources related to coastal plain depression swamps and bogs.
- Development of an invasive species management plan and the planting of native pollinator plants may be coordinated with the Department of Conservation and Recreation.
- Coordinate with the Department of Conservation and Recreation on a plan to minimize the fragmentation of ecological cores.
- 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).
- Coordinate with the Department of Wildlife Resources on measures to enhance the passage of wildlife.
- Coordinate with the Department of Wildlife Resources to evaluate available information on the "lake effect" of solar facilities and post-construction monitoring.
- Coordinate with the Department of Wildlife Resources on post-construction monitoring and the sharing of meteorological data related to the potential thermal-island effect.
- Coordinate with the Department of Wildlife Resources on the preparation and implementation of a plan using a native plant seed mix for ground cover.
- Coordinate with the Virginia Outdoors Foundation should the project change or if construction does not begin within 24 months of the DEQ Report.
- Employ best management practices and Spill Prevention and Control Countermeasures as appropriate for the protection of water supply sources.
- Follow the principles and practices of pollution prevention to the extent practicable.
- Limit the use of pesticides and herbicides to the extent practicable.[19]

On January 26, 2021, the Applicant filed additional information regarding its corporate ownership.[20] The Applicant also filed corrected Application exhibits on January 27, 2021.[21]

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[16] *See generally*, Ex. 10 (DEQ Report). On March 11, 2021, the Virginia Department of Wildlife Resources ("DWR") filed revised recommendations to the DEQ Report. *See* Ex. 11 (DWR Comments).

[17] Ex. 10 (DEQ Report) at 6-7.

[18] *Id*. at 6. To the extent that a petroleum release is identified during project development (thereby creating a Pollutant Complaint case), Cavalier shall notify DEQ. *See id*. at 16 (Environmental Impacts and Mitigation, item 7(d).

[19] *Id*. at 6-7.

[20] Ex. 5 (1/26/21 Public Upstream Corp. Ownership filing) and Ex. 6-C (1/26/21Confidential Upstream Corp. Ownership filing).

[21] Ex. 3 (Revised exhibits to Application).

The Hearing Examiner remotely convened a public hearing on March 22, 2021, and the evidentiary hearing on March 23, 2021. Cavalier and Staff appeared at both hearings, and all pre-filed direct and rebuttal testimonies were entered into the record, [22] with reservation, at the Applicant's request, for two-late filed exhibits.[23] Cavalier witness Saunders testified to answer questions from the Hearing Examiner regarding Environmental Justice screens,[24] local approval authority,[25] Staff's recommended sunset provision,[26] and the PJM queuing process.[27]

On March 24, 2021, the Applicant filed its requested Late Filed Exhibits 7 and 8-C, concerning Cavalier's corporate ownership. On March 26, 2021, Staff filed a letter with the Commission advising that given the last-minute change in Cavalier's corporate ownership, Staff was revising its "sunset" provision recommendation from five years, to two.[28] On April 7, 2021, Cavalier filed its letter accepting Staff's recommended two-year sunset provision.[29] Also on this date, Staff responded by letter to the Commission, indicating its concerns with Cavalier's late-filed upstream corporate ownership change were resolved with the Company's agreement to the two-year sunset provision.[30]

On April 19, 2021, Hearing Examiner D. Mathias Roussy, Jr., issued his report ("Report"). In his Report, the Hearing Examiner recommended that the Commission authorize the Company to construct and operate the Project, subject to the findings, recommendations and conditions included in the Report; based thereon, the Hearing Examiner recommended issuance of the requested CPCNs for the Project.[31]

No comments were filed opposing the findings and recommendations set forth in the Report. Cavalier affirmatively supported the findings, recommendations and conditions included in the Report.[32]

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.

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.

[22] *See* Ex. 9 (Saunders Direct); Ex. 12 (Lohmeyer); Ex. 13 (Dodson); and Ex. 15-C (Saunders Rebuttal).

[23] Ex. 7 (Second Updated Corporate Organizational Chart); Ex. 8-C (Second Confidential Updated Corporate Organizational Chart); Tr. 30.

[24] Tr. 35-43.

[25] *Id*. at 43-45.

[26] *Id*. at 24, 45-46.

[27] *Id*. at 46-51.

[28] Staff's Letter to the Commission (Mar. 26, 2021) at 1.

[29] Cavalier's Letter to the Commission Accepting Two Year Sunset (Apr. 7, 2021) at 1-2.

[30] Staff's Letter to the Commission Resolving Staff's Concerns (Apr. 7, 2021) at 1.

[31] Report at 22-24.

[32] Cavalier's Letter in Lieu of Comments (May 3, 2021) at 2.

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.
>
> . . .
>
> As a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned.

Reliability

We agree with the Hearing Examiner and find 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.[33] We therefore condition the three (3) CPCNs granted to Cavalier herein on the Applicant paying for all transmission system network upgrade costs PJM assigns to the Applicant, or its designated representative at PJM, which PJM concludes are necessary to ensure reliable operation of the transmission system.

Economic Development

We further agree with the Hearing Examiner and find that the proposed Project will likely generate direct and indirect economic benefits to Surry and Isle of Wight Counties as a result of employment and spending from construction and operation of the proposed Project.[34] The Project is projected to create approximately 787 jobs during the construction period and thereafter approximately six full-time jobs.[35] Additionally, Surry and Isle of Wight Counties will likely benefit from an increase in the local tax base.[36]

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."[37] As noted above, DEQ coordinated an environmental review of the proposed Project and submitted a DEQ Report that, among other things, sets forth recommendations for the proposed Project.[38]

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[33] Report at 15.

[34] *Id.* at 15-16.

[35] *Id*. at 15. *See also* Ex. 2 (Application) at Exhibit M, p. 17.

[36] Report at 15.

[37] 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 . . ."). Further, Code § 56-46.1 B states that the Commission must determine "that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

[38] Report at 16-17. *See also* Ex. 10 (DEQ Report) at 6-7.

We agree with the Hearing Examiner that Cavalier's CPCN approval should be and is, as "desirable or necessary ... to minimize adverse environmental impact," conditioned upon Cavalier's compliance with the uncontested recommendations in the DEQ Report, including DWR's revised recommendation concerning native seed.[39] Our approval does not relieve Cavalier from: (1) obtaining any necessary environmental permits or approvals from federal or state agencies; or (2) obtaining applicable local government approvals.[40] Additionally, this CPCN approval is conditioned upon Cavalier obtaining all such permits and approvals necessary to construct and operate the Project.[41]

Environmental Justice

In developing the record on environmental justice, the Hearing Examiner explored three key aspects: inclusiveness of the process, potential benefits and disproportionate adverse impact.[42]

The Commission's established procedures for CPCN cases are consistent with the EJ Act's policy of inclusion.[43] In addition to the various public outreach efforts undertaken by Cavalier in the attendant counties,[44] this Commission proceeding has provided opportunities for any person - regardless of race, color, national origin, income, faith, or disability - to participate by submitting public comments, offering testimony as a public witness, or filing a notice of participation as a respondent, with all the attendant rights of such participation.[45]

The record identifies significant benefits that the Project's construction and operation will make available to local workers in Surry and Isle of Wight Counties, one of which Cavalier has identified as a historically economically disadvantaged community,[46] including *inter alia*: receipt of significant tax revenues from the Project, with the potential for siting agreement revenue due to Surry County's status as a historically economically disadvantaged community; receipt by vendors in the Counties of an estimated 55% of total architecture, engineering, site preparation, and other construction costs; and employment of approximately six local individuals for the Project's electrical and vegetative maintenance operations.[47]

Regarding disproportionate adverse rate impact, the Hearing Examiner found and we agree, that the Project raises no concerns about disproportionate adverse rate impacts.[48] Moreover, Cavalier provided data from the Environmental Protection Agency's ("EPA") EJSCREEN tool for Surry County, Isle of Wight County, and the Project site area, which shows that EPA indices for measuring environmental justice fall below the 60th percentile in the Commonwealth, with a lower percentile generally considered to be preferable.[49] Notably, many of the indices for which the Project area data exceeds the 50th percentile in the Commonwealth correspond to pollutants that are impossible for the proposed solar facilities to emit during operations.[50] As such, the Project cannot impose any adverse effect - disproportionate or otherwise - from emissions that the Project will not cause.[51] For those environmental impacts the Project could potentially cause, visual impacts and potential erosion and sediment impacts are subject to screening and setback requirements, as well as erosion and sediment control measures, which are part of the local review processes for the Project.[52]

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[39] Report at 17. *See also* Tr. 16-17.

[40] Report at 17.

[41] *Id.*

[42] Report at 17-19. The Commonwealth's Environmental Justice Act is located at Code § 2.2-234 *et. seq.* (the "EJ Act").

[43] Report at 18.

[44] *Id.*

[45] *Id.*

[46] *Id. See also* Ex. 14 (Sanders Rebuttal) at 6-7.

[47] Report at 18-19.

[48] *Id.* at 19.

[49] *Id.*

[50] *Id.*

[51] *Id.* at 19-20.

[52] *Id.*

Public Interest

We agree with the Hearing Examiner and find that with the recommended two-year sunset provision, the Project is "not otherwise contrary to the public interest" as contemplated by § 56-580 D of the Code.[53] 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 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.[54] 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.[55]

Certification

We agree with the Hearing Examiner that, based on the foregoing findings, Cavalier should be granted three (3) separate CPCNs for the generation, transmission and distribution, respectively, required to construct and operate the Project, as follows:[56]

1) A CPCN for the solar generating facility;

2) A CPCN for the proposed approximately 0.35 mile 500 kV Gen-Tie Line to interconnect the collector substation to the transmission grid at the Septa Substation; and

3) A CPCN for the approximately two (2) miles of 34.5 kV medium voltage Feeder Line to interconnect the Solar Generating Facilities with the collector substation.

We further agree with the Hearing Examiner and find that all such certificates are expressly conditioned upon the following:[57]

1) Cavalier shall pay the cost of all network upgrades PJM assigns to Cavalier or its designated representative;

2) Cavalier shall comply with the unopposed recommendations in the October 19, 2021 DEQ Report as well as DWR's revised recommendation concerning native seed; and

3) Cavalier shall comply with the agreed two-year sunset provision (*infra*.).

Sunset Provision

As noted above, Commission Staff and Cavalier ultimately accepted a two-year sunset provision for the CPCNs related to the Project. Based on the totality of the record, and based on the specific facts and circumstances of this case, the Hearing Examiner recommended, and we agree, that Cavalier's CPCNs should be conditioned on the agreed, two-year sunset provision.[58] Consequently, the CPCNs granted herein shall expire two (2) years from the date of this Final Order if Project construction has not commenced.[59] Cavalier may subsequently petition the Commission for an extension of this sunset provision for good cause shown.

Accordingly, IT IS ORDERED THAT:

(1) Subject to the findings and requirements set forth in this Final Order, Cavalier is granted the following Certificates of Public Convenience and Necessity to construct and operate the Project:

- Cavalier Solar A, LLC: Generation Certificate No. EG-CAV-IOW/SUR-2021-A
- Cavalier Solar A, LLC: Distribution Certificate No. ED-CAV-IOW/SUR-2021-A
- Cavalier Solar A, LLC: Transmission Certificate No. ET-CAV-IOW-2021-A

[53] *Id.* at 20.

[54] *Id.* at 15-19.

[55] *Id*. at 15. *See also* Tr. 19.

[56] Report at 21-22.

[57] *Id*.

[58] *Id.*

[59] *Id*. at 22.

(2) Cavalier shall submit forthwith to the Commission's Division of Public Utility Regulation and to the attention of Mr. Mike Cizenski, three (3) map copies for each of the three (3) above-granted certificates,[60] *to wit*: three (3) copies of a map for Generation Certificate No. EG-CAV-IOW/SUR-2021-A displaying the solar generation facilities; three (3) copies of a map for Distribution Certificate No. ED-CAV-IOW/SUR-2021-A displaying the distribution facilities;[61] and three (3) copies of a map for Transmission Certificate No. ET-CAV-IOW-2021-A displaying the transmission facilities.[62]

(3) Should the Applicant experience any changes in corporate ownership prior to the commercial operations date of the Solar Generating Facilities, the Applicant forthwith shall advise the Commission's Division of Public Utility Regulation.

(4) This case is dismissed.

[60] For a total of nine (9) map copies.

[61] The 34.5 kV medium voltage Feeder Line to interconnect the Solar Generating Facilities with the collector substation.

[62] 500 kV Gen-Tie Line to interconnect the collector substation to the transmission grid at the Septa Substation.

CASE NO. PUR-2020-00239
MARCH 23 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: Allied-Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project

FINAL ORDER

On October 14, 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 seeks to rebuild, entirely within existing right of way, an approximately 2.9 mile section of existing 9.9 mile long 230 kilovolt ("kV") Allied-Chesterfield Line #2049, which is located between Structures #2049/20 and Structure #2049/37 in Chesterfield County, Virginia (the "Rebuild Project").[1] Specifically, the Company states that the Rebuild Project will include the rebuild of 16 existing transmission towers (Structures #2049/21 through #2049/36).[2] Additionally, between Structures #2049/20 and Structure #2049/37, the Rebuild Project will include the transfer of four of the six existing sub-conductors to the new structures to be re-used, and the installation of two new sub-conductors.[3]

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.[4] The Company further states that the Rebuild Project will replace aging infrastructure that is at the end of its service life.[5]

The Company states that the desired in-service date for this project is April 15, 2022.[6] The Company represents that the estimated conceptual cost of the Rebuild Project (in 2020 dollars) is approximately $4.8 million, all for transmission-related work.[7]

On November 2, 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.

No written public comments, notices of participation, or requests for hearing were filed.

[1] Application at 2.

[2] *Id.*

[3] *Id.*; Application Appendix II.B.2.

[4] Application at 2.

[5] *Id.* at 2-3.

[6] *Id.* at 3.

[7] *Id.*

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 December 15, 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 Recommendations regarding the Rebuild Project.

According to the DEQ Report, the Company should:

- Follow DEQ's recommendations for construction activities to avoid and minimize impacts to wetlands to the maximum extent possible;
- Follow the Virginia Marine Resources Commission's recommendation to initiate a new review with the agency, should the proposed project change;
- 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, as applicable;
- Coordinate with the Department of Conservation and Recreation's Division of Natural Heritage to obtain an update on natural heritage information;
- Coordinate with the Department of Wildlife Resources ("DWR") regarding its recommendations to minimize adverse impacts from linear utility projects;
- Coordinate with the Department of Historic Resources regarding whether the steel monopoles will be weatherized brown to minimize impacts further;
- Coordinate with the Department of Health regarding its recommendations to protect public drinking water sources;
- Coordinate with the Virginia Outdoors Foundation if the project area changes or the project does not start for 24 months;
- Follow the principles and practices of pollution prevention to the maximum extent practicable; and
- Limit the use of pesticides and herbicides to the extent practicable.[8]

On February 26, 2021, 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 Rebuild Project to continue providing reliable electric transmission service.[9] Staff, therefore, did not oppose the issuance of the CPCN requested in the Company's Application.[10]

On March 12, 2021, 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 two of DEQ's recommendations.[11]

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:

[8] DEQ Report at 5-6.

[9] Staff Report at 21.

[10] *Id.*

[11] *See* Studebaker Rebuttal at 2.

> 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.[12] Based on information provided by the Company, Staff agreed with the Company that the Rebuild Project is needed in order to continue providing reliable electric transmission service.[13] 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.[14]

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.[15]

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.[16]

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.[17] The Company filed a response opposing several of these recommendations.

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[12] *See* Application at 2-3.

[13] Staff Report at 3-10.

[14] *See id*. at 20.

[15] *See* Application Appendix at 47. The Company represented that no alternative routes were thus proposed for the Rebuild Project. *Id*. at 51.

[16] Application Appendix at 106-124; Staff Report at 15-17.

[17] DEQ Report at 5-6. Dominion shall comply with all uncontested recommendations included in the DEQ Report. However, to the extent that 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.

The Company recommends rejection of DWR's recommendation to conduct significant tree removal and ground clearing activities outside of the primary songbird nesting season.[18] Dominion states that it does not expect any ground clearing activities to be "significant."[19] The Company agrees, however, to survey the relevant area for songbird nesting colonies if any significant clearing occurs during nesting season and will coordinate with DWR if any colonies are found.[20] We find that the Company shall coordinate with DWR to create appropriate construction restrictions in the event significant clearing activities occur and songbird colonies are found during a Company survey of the Rebuild Project area.

The Company also requests rejection of the DEQ recommendation to consider the development of an effective Environmental Management System ("EMS").[21] The Company asserts that it already has a comprehensive EMS Manual in place that "ensures the Company is committed to complying with environmental laws and regulations, reducing risk, minimizing adverse environmental impacts, setting environmental goals, and achieving improvements in its environmental performance, consistent with the Company's core values."[22] We find that the Company's existing EMS achieves the purpose of this recommendation.

Regarding the DEQ recommendation for the Company to coordinate with the Department of Historic Resources regarding whether the steel monopoles will be weatherized brown to minimize impacts further, the Company represents that is has reached out to the DHR to clarify that the Company's proposal is to use weathering steel structures.[23] We find, therefore, that this recommendation is not necessary.

Environmental Justice

In its Application, Dominion states that it reviewed minority, income, and education census data to identify populations within the study area that meet the U.S. Environmental Protection Agency thresholds for Environmental Justice protections ("EJ Communities").[24] The Company further asserts that the Rebuild Project will be constructed entirely within existing ROW and will not require additional temporary ROW, the construction of a temporary line, or an increase in operating voltage.[25] The Company states it does not anticipate disproportionately high or adverse impacts to the surrounding EJ communities.[26] In response to a concern noted in the Staff Report, the Company states that it will be prepared to provide additional details about how it addresses environmental justice concerns in the planning of transmission projects for which it seeks CPCNs.[27]

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-DEV-CHE-2021-A, 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-2020-00239, cancels Certificate No. ET-73x, issued to Virginia Electric and Power Company in Case No. PUR-2020-00014 on June 8, 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 each Certificate 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 May 1, 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 is dismissed.

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[18] DEQ Report at 16; Studebaker Rebuttal at 2-3.

[19] Studebaker Rebuttal at 2.

[20] *Id*. at 2-3.

[21] Studebaker Rebuttal at 3.

[22] *Id.*

[23] Reid Rebuttal at 2.

[24] Application Appendix at 91.

[25] *Id.*

[26] *Id.*

[27] Parker Rebuttal at 4.

CASE NO. PUR-2020-00246
JANUARY 14, 2021

PETITION OF
FOLLY CREEK CORPORATION

For A&N Electric Cooperative to restore service

FINAL ORDER

On October 22, 2020, pursuant to Rule 100 B of the Virginia State Corporation Commission's Rules of Practice and Procedure,[1] Folly Creek Corporation ("Folly Creek" or "FCC") petitioned the Virginia State Corporation Commission ("Commission") to: (1) declare that A&N Electric Cooperative ("ANEC" or "Cooperative") has the legal duty to restore electric service to Folly Creek's facility ("Facility") on Cedar Island, Virginia; and (2) enjoin and direct ANEC to do so as soon as reasonably possible.[2] FCC further petitions the Commission for an Order that: (i) requires and directs ANEC to comply with its statutory obligations to repair and restore its service line to FCC; (ii) requires ANEC to charge FCC electric rates according to its Schedule B (Commercial); and, (iii) declares that ANEC is not empowered to charge FCC electric rates pursuant to ANEC's Schedule EF.[3]

FCC's Facility is located within ANEC's exclusive service territory on Cedar Island, one of the barrier islands of Virginia's Eastern Shore.[4] ANEC built the electric line serving FCC in 1964.[5] FCC has been a customer of ANEC receiving service from such line since 1966 and remains a customer in good standing.[6] During a storm in early February 2020, ANEC's facilities were damaged severing electric service to FCC's Facility.[7] Two of the three poles damaged were 60 feet tall and traversed Longboat Creek, a stretch of water that was formerly the intracoastal waterway maintained by the Army Corps of Engineers.[8] It is undisputed that there are complexities involved in restoring and maintaining service to FCC's Facilities after the storm.[9] Since the storm damage, ANEC has not supplied service to FCC's Facility.[10]

On October 30, 2020, the Commission issued an Order in this proceeding assigning the case to a Hearing Examiner to conduct all further proceedings. Through this Order, the Commission also directed ANEC and the Staff of the Commission ("Staff") to respond to the Petition. On November 6, 2020, Staff responded to the Petition. On November 12, 2020, ANEC filed its response to the Petition. On November 19, 2020, FCC filed its Reply. On December 1, 2020, the Hearing Examiner heard oral argument on the Petition. All participants participated.

On December 11, 2020, the Hearing Examiner filed the Report of Michael D. Thomas, Senior Hearing Examiner ("Report"). On December 14, 2020, Staff filed a letter indicating its support for the findings and recommendations in the Report. On December 18, 2020, FCC and ANEC filed comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that ANEC has the legal duty to supply electric service to FCC's Facility. We find that ANEC shall supply such service to FCC as soon as reasonably practicable. In these respects, we grant FCC's Petition.

We also find, however, that the costs attendant to supplying such service shall be recoverable from FCC pursuant to ANEC's Tariff.[11] Specifically, under the plain language of the Tariff, we find that the facilities required to supply electricity to FCC's Facility are excess facilities and ANEC is empowered to charge FCC therefor pursuant to Schedule EF.

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[1] 5 VAC-5-20-10 *et seq.*

[2] Petition at 1.

[3] *Id.* at 8.

[4] *Id.* at 2, 3.

[5] *Id.* at 3.

[6] *Id.* at 3-4.

[7] *Id.* at 3.

[8] *Id.*

[9] *See, e.g.*, Petition at 5-7; ANEC's Response at 2, 10-13, 21-22, Attachment A; FCC Reply at 12.

[10] Petition at 3.

[11] In making the findings herein, we have considered the facts in the light most favorable to FCC.

As expressly stated in ANEC's Tariff, "[w]henever a Customer requests the Cooperative to supply electricity in a manner which requires equipment and facilities in excess of those which the Cooperative would normally provide, and the Cooperative finds it practicable, such excess equipment and facilities may be provided under [Schedule EF]."[12] ANEC has not asserted that serving FCC's Facility is not practicable. FCC's Facility is located on a barrier island surrounded by water nearly two miles from the mainland and cannot be accessed by road.[13] We find therefore, that the facilities needed to serve FCC's Facility are excess facilities—equipment and facilities that are in excess of those which the Cooperative would normally provide. Indeed, FCC concedes "ANEC could have sought to … require FCC to enter into a contract for *new* service under Schedule EF."[14]

We further find that the plain language of Schedule EF is not limited to new service. First, that ANEC has served FCC in this remote location for over 50 years does not transform this exceptionally remote service to service ANEC would "normally provide." Moreover, ANEC's Tariff distinguishes between an "Applicant" and a "Customer."[15] Schedule EF, per its terms, applies to ANEC's Customers, "[w]henever a *Customer* requests...."[16] In addition, Section VI, *Extension of Facilities*, I, *Excess Facilities*, of the Tariff's Terms and Conditions plainly states "[w]henever a Customer *or* applicant requests service or equipment which results in the use of equipment or facilities in excess of those normally provided…." Schedule EF may apply.[17] As ANEC's Customer, Schedule EF applies to FCC "whenever" FCC requests "the Cooperative to supply electricity in a manner which requires equipment and facilities in excess of those which the Cooperative would normally provide." FCC's current request for ANEC to supply electricity to its Facility on Cedar Island is such a request. We thus find that ANEC is empowered to charge FCC the costs of supplying service to FCC's Facility pursuant to the terms of its Schedule EF.

We further find that other sections of ANEC's Tariff may also be applicable to FCC. It is uncontested that the supply of electricity to FCC's Facility requires the crossing of a salt marsh and waters where an Army Corps of Engineers permit is necessary.[18] Section VI, *Extension of Facilities*, E, *Salt Marsh and Water Construction Areas*, of ANEC's Terms and Conditions, is thus applicable and sets forth certain cost sharing for facilities necessary to serve FCC's Facility that cross such marshes or waters.

In addition, Section IV, *Requirements for Securing Electric Service*, F, *Connection Provisions*, 4, *Service Contracts*, states that "[w]hen a large or special investment is necessary for the supply of service, a non-standard contract for terms other than those specified in the Cooperative's rate schedules might be required. Service that is of a temporary or unusual nature may also require a non-standard contract. Non-standard contracts may require special guarantees of revenue." It is uncontested in this case that a large or special investment is necessary to supply electric service to FCC. ANEC estimates the capital cost of restoring the line damaged in the storm to approximately $237,500, with an ongoing projected operations and maintenance cost of $1,948 per month.[19] Moreover, supplying electric service to FCC nearly two miles from the mainland without access by road is unusual in nature. As such, ANEC and FCC may choose to negotiate a non-standard contract pursuant to the Tariff, which, per the Tariff, may entail special guarantees of revenue.

Lastly, we note our longstanding precedent applicable to line extension cases, which we find applicable to the instant case. We approve tariffs which balance the responsibilities between the customer and the Cooperative. As such, the terms of ANEC's Tariffs prevent the imposition of an unreasonable one-time charge to FCC, or any other customer, and protect the Cooperative from significant capital expenditures which result in deterioration of financial condition and an unreasonable increase in the level of rates to all customers.[20]

Accordingly, IT IS ORDERED THAT:

(1) FCC's Petition is granted in part and denied in part as set forth herein.

(2) This case is dismissed.

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[12] ANEC's Tariff, Schedule EF, *Conditions*. *See also* ANEC's Tariff, Terms and Conditions

[13] ANEC Response at 11.

[14] FCC Reply at 4.

[15] ANEC's Tariff, Terms and Conditions, Section II, *Definitions.*

[16] Emphasis added.

[17] ANEC's Tariff, Terms and Conditions, Section II, *Definitions*.

[18] *See, e.g.*, ANEC Response at Attachment A, Exhibit 1.

[19] *Id*. at 10.

[20] *See, e.g., Cent. Virginia Elec. Co-op. v. State Corp. Comm'n*, 221 Va. 807, 273 S.E.2d 805 (1981).

CASE NO. PUR-2020-00247
DECEMBER 2, 2021

APPLICATION OF
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

FINAL ORDER

On October 29, 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 New Kent, King William, King and Queen, Essex, and Richmond Counties, 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 seeks to (1) rebuild, within existing right-of-way or on Company-owned property, approximately 38.3 miles of the existing 41.3-mile long 230 kilovolt ("kV") Lanexa-Northern Neck Line #224; (2) install approximately 40.5 miles of new 230 kV Lanexa-Northern Neck Line #2208, collocated on double circuit structures with Line #224; (3) perform expansion and installation work at the Company's existing Lanexa and Northern Neck Substations and minor work at the existing Dunnsville Substation; and (4) perform minor transmission-related work on Lines #2016, #2076, #2113 and #2129 (collectively, "Rebuild Project").[1]

Dominion stated that the Rebuild Project is necessary to replace aging infrastructure at the end of its service life in accordance with the Company's mandatory electric transmission planning criteria, as well as resolve potential violations of North American Electric Reliability Corporation Standards, thereby enabling the Company to maintain the overall long-term reliability of its transmission system.[2]

The Company stated that the desired in-service date for the Rebuild Project is December 31, 2023.[3] The Company represented that the estimated conceptual cost of the Rebuild Project (in 2020 dollars) is approximately $96.7 million, which includes approximately $87.1 million for transmission-related work and $9.6 million for substation-related work.[4]

On December 18, 2020, the Commission issued an Order for Notice and Comment ("Procedural Order") that, among other things, docketed the Application, directed Dominion to publish notice of its Application, and invited comments, notices of participation, and requests for hearing on the Application from interested persons. The Procedural Order further directed the Commission Staff ("Staff") to investigate the Application and to file a report ("Staff Report") containing Staff's findings and recommendations.

On February 16, 2021, the Rappahannock Tribe ("Tribe") filed a notice of participation. On March 17, 2021, the Tribe filed public comments. No requests for hearing 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 January 14, 2021, 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 a Summary of Recommendations regarding the Rebuild Project. According to the DEQ Report, the Company should:

- Follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams.
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable.
- Coordinate with the Department of Conservation and Recreation's Division of Natural Heritage ("DCR") regarding its recommendations to protect natural heritage resources, conduct an inventory and obtain an update on natural heritage information.
- Coordinate with the Department of Wildlife Resources ("DWR") regarding its recommendations to protect instream habitat, waterbird colonies, bald eagle nests, listed species and other wildlife resources.
- Coordinate with the Virginia Outdoors Foundation regarding its recommendation for additional review if the Rebuild Project area changes or the Rebuild Project does not begin within 24 months.
- Coordinate with the Department of Historic Resources ("DHR") regarding its recommendations to protect historic and archaeological resources.

[1] Application at 2. The Company states that the work on Lines #2016, #2076, #2113 and #2129 qualify as "ordinary extensions or improvements in the usual course of business" that do not require a CPCN from the Commission. *Id.*

[2] *Id*. at 3.

[3] *Id*. at 4.

[4] *Id*.

- 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.[5]

On April 2, 2021, Staff filed its Staff Report summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion has reasonably demonstrated the need for the proposed Rebuild Project.[6] Staff therefore did not oppose the issuance of the CPCN requested in the Company's Application.[7]

On April 16, 2021, Dominion filed its rebuttal testimony. The Company did not object to the majority of the recommendations in the DEQ Report but requested that the Commission reject several of DEQ's recommendations as well a number of the requests from the Tribe.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the construction of the Rebuild Project. The Commission finds that a CPCN authorizing the Rebuild Project should be issued subject to certain findings and conditions contained herein.[8]

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, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 67-101.1, 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 chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the [DHR], 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 in order 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.[9] Based on information provided by the Company, Staff agrees with the Company that the Rebuild Project is needed to continue providing reliable electric transmission service.[10] 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.

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[5] DEQ Report at 6.

[6] Staff Report at 22.

[7] *Id.*

[8] In making its findings, the Commission has considered all the evidence in the case record. Lack of discussion herein of a particular piece of evidence does not mean that the Commission failed to consider it. *See Bd. of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) (citation omitted) ("[P]ursuant 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.").

[9] *See* Application at 2-3.

[10] Staff Report at 6-12, 22.

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.[11]

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.[12]

Scenic Assets and Historic Resources

As noted above, the Rebuild Project would be constructed on existing ROW already owned and maintained by Dominion. The Commission finds that such construction will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on scenic assets and historic resources recorded with DHR as required by § 56-46.1 B of the Code.[13]

Environmental Impact

DEQ Recommendations

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 impact. Code § 56-46.1 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.[14] The Company filed a response opposing several of these recommendations.

First, Dominion requests that the Commission reject DCR's recommendation that Dominion conduct an inventory for the presence of Robust baskettail in the Rebuild Project area crossings with Dragon Swamp and Exol Swamp.[15] The Company states that the Robust baskettail is not a threatened or endangered species under the Endangered Species Act.[16] Furthermore, the Company agrees to educate its construction team with information about the Robust baskettail prior to construction and agrees to coordinate with DCR if the species is found within the Rebuild Project area.[17] The Commission finds that the Company shall educate its construction personnel regarding the Robust baskettail and shall coordinate with DCR to avoid or reasonably minimize the adverse impact to the greatest extent reasonably practicable, should the species be found within the Rebuild Project area.[18]

Next, the Company requests that the Commission adopt a revised version of the recommendation by DWR that the Company (i) perform a visual survey to locate any waterbird colonies adjacent to the Rebuild Project corridor; (ii) if such colonies are detected, to "map them and ensure that no transmission line activities including the rebuild and development of the new line, occur within 0.5 mile of any active colony during nesting season from February 15 through July 31 of any year"; and (iii) establish and protect a 500-foot undisturbed naturally vegetated buffer around the colonies.[19] The Company agrees to have the area surveyed but states that it may need to have further discussions with DWR regarding the recommendation for no significant construction activities within a 0.5-mile buffer of a colony between February 15 and July 31.[20] Dominion also states that it cannot establish and protect a 500-foot undisturbed vegetative buffer around identified colonies, to the extent outside of existing ROW, due to property landowner rights.[21] The Company,

[11] *See id*. at 21.

[12] *See* Application Appendix at 170. The Company represented that no alternative routes were thus proposed for the Rebuild Project. *Id*.

[13] *See* Staff Report at 19-20.

[14] *See* DEQ Report at 6. Dominion shall comply with all uncontested recommendations included in the DEQ Report. However, to the extent that 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.

[15] Studebaker Rebuttal at 3.

[16] *Id*.

[17] *Id*.

[18] The Commission has ruled similarly in other Dominion cases as well. *See, e.g., 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 #161 138 kV Transmission Line Partial Rebuild*, Case No. PUR-2018-00139, 2019 S.C.C. Ann. Rept. 264, Final Order (Apr. 23, 2019); *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Suffolk-Swamp 230 kV Transmission Line #247, Virginia Rebuild Project*, Case No. PUR-2019-00078, 2019 S.C.C. Ann. Rept. 434, Final Order (Nov. 8, 2019).

[19] DEQ Report at 22; Studebaker Rebuttal at 2, 3-5.

[20] Studebaker Rebuttal at 4.

[21] *Id*.

however, agrees to "do its best to accommodate this recommendation" in the ROW and to coordinate with DWR on best practices if the buffer cannot be maintained within the ROW.[22] The Commission finds that Dominion shall perform a visual survey of the Rebuild Project area for colonial waterbird nesting colonies. If colonies are found upon survey, the Company shall work with DWR to develop mitigation to avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on nesting colonial waterbirds. Regarding the 500-foot buffer, Dominion shall comply with this recommendation to the greatest extent reasonably practicable and work with DWR to avoid or reasonably minimize adverse impact to waterbirds where the 500-foot buffer around colonies cannot be maintained.

Dominion also requests that the Commission reject the recommendation by DWR that the Company conduct significant tree removal and ground clearing activities outside of the primary songbird nesting season of March 15 through August 15.[23] The Company states that this recommendation is unnecessary due to the Rebuild Project being proposed for construction in existing cleared ROW.[24] The Company states that it believes any tree and/or ground clearing activities will not be significant and that it will survey the area and coordinate with DWR to create appropriate construction restrictions to the extent significant tree or ground clearing is required during the specified times of year.[25] We find that Dominion shall coordinate with DWR to create appropriate construction restrictions in the event significant clearing activities occur and songbird colonies are found during a Company survey of the Rebuild Project area.[26]

Dominion requests that the Commission reject DEQ's recommendation that the Company should consider development of an effective Environmental Management System ("EMS").[27] The Company asserts that it already has a comprehensive EMS Manual in place that "ensures the Company is committed to complying with environmental laws and regulations, reducing risk, minimizing adverse environmental impacts, setting environmental goals, and achieving improvements in its environmental performance, consistent with the Company's core values."[28] We find that the Company's existing EMS achieves the purpose of this recommendation.[29]

Comments of the Rappahannock Tribe

The Tribe filed comments in this proceeding in which it makes a number of requests for the Commission's consideration. The Tribe first requests that the Commission "require a Phase I archaeological survey of the project route *before* issuing their certificate and . . . require an initial ethnographic survey of the project route within the Rappahannock watershed."[30] The Tribe asks "that any surveys be carried out in consultation with" the Tribe.[31] The Tribe next requests that "archaeologists Dr. Julia King and Scott M. Strickland be added as subconsultants to Dominion's cultural resources management consultant."[32] The Tribe further requests that the Commission "require Dominion subcontractors to coordinate with tribes regarding their methods and level of effort when identifying historical properties."[33] Finally, the Tribe requests that the Commission consider whether horizontal directional drilling for the Rebuild Project's Rappahannock River crossing "would be an appropriate alternative to the ongoing visual effects of the transmission line."[34]

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[22] *Id.*

[23] *Id.* at 2, 5.

[24] *Id.* at 5.

[25] *Id*.

[26] This decision is in keeping with our decision in *Application of 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*, Case No. PUR-2020-00269, Doc. Con. Cen. No. 210730070, Final Order 10 (July 27, 2021); and *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied - Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, Doc. Con. Cen. No. 210330038, Final Order at 8 (Mar. 23, 2021) ("We find that the Company shall coordinate with DWR to create appropriate construction restrictions in the event significant clearing activities occur and songbird colonies are found during a Company survey of the Rebuild Project area.").

[27] Studebaker Rebuttal at 2, 5-6.

[28] *Id.* at 5-6.

[29] The Commission has previously made a similar finding. *See, e.g., Application of 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*, Case No. PUR-2020-00269, Doc. Con. Cen. No. 210730070, Final Order 10 (July 27, 2021); *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied – Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, Doc. Con. Cen. No. 210330038, Final Order at 8 (Mar. 23, 2021).

[30] Tribe Comments at 4.

[31] *Id*.

[32] *Id*.

[33] *Id.* at 5.

[34] *Id.* at 6.

In response, the Company explained the tribal outreach process it followed prior to the filing of its Application.[35] Dominion noted that it has engaged Stantec Consulting Services, Inc. ("Stantec"), to conduct a Phase I Cultural Resources Survey ("Phase I Survey") in accordance with DHR's recommendation.[36] The Company asked the Commission to reject the Tribe's request that the Phase I Survey be required prior to granting approval of the Rebuild Project, which Dominion claims is inconsistent with DHR Guidelines and the typical review process.[37] The Company, however, committed to sharing the results of the Phase I Survey with the Tribe and to work with DHR to avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable.[38] Dominion also asked the Commission to reject the Tribe's requests that Company subcontractors coordinate with tribes regarding their methods and level of effort when identifying historical properties, including the addition of specific subconsultants as part of the survey, and that the Company conduct an ethnographic survey of the Rebuild Project area, as neither were recommended by DHR.[39] Finally, Dominion urged the Commission to reject an underground alternative for construction of the Rappahannock River crossing, distinguishing the Rebuild Project from other Company projects and noting that the Company did not develop or propose an underground alternative in this case.[40]

We find that, as it has committed, Dominion shall conduct the Phase I Survey and share the results of that survey with the Tribe[41] and shall work with DHR to avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable.[42] We otherwise decline the Tribe's requests based on the record before us in this case.

Environmental Justice

Dominion states that it has researched the demographics of the surrounding communities using the 2010 U.S. Census data and has determined that there are six Census Tracks and thirteen Census Block Groups within the Rebuild Project area that fall within a mile of the existing transmission line to be rebuilt.[43] The Company further states that a review of ethnicity, income, age, and education census data identified populations within the study area that meet the U.S. Environmental Protection Agency thresholds for Environmental Justice protections ("EJ Communities").[44]

The Company asserts that it does not anticipate disproportionately high or adverse impacts to the EJ Communities located within the study area, consistent with the Rebuild Project design to reasonably minimize such impacts.[45] Dominion further states that in addition to its evaluation of impacts, the Company will engage with EJ Communities and others affected by the Rebuild Project in a manner that allows them to participate meaningfully in the Rebuild Project development and approval process so that the Company can take their views and input into consideration.[46]

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[35] *See generally*, Carr Rebuttal at 4-7.

[36] *Id*. at 3-4; DEQ Report at 24. Dominion engaged Stantec, and Stantec completed, a Stage I pre-application analysis that was provided to DHR. Brady Rebuttal at 3-4, 8; DEQ Report at 24. This analysis is Attachment 2.H.2 in the Appendix to the Application. As part of the Stage I analysis, Stantec recommended, and DHR agreed, that there should be a Stage II analysis of the Rebuild Project. Attachment 2.H.2 at 9, 53; DEQ Report at 24. The "Stage II" analysis is another name for the "Phase I Cultural Resources Survey." Brady Rebuttal at 4.

[37] Carr Rebuttal at 4, 7. *See also* Brady Rebuttal at 15-16. DHR's *Guidelines for Assessing Impacts of Proposed Electric Transmission Lines and Associated Facilities on Historic Resources in the Commonwealth of Virginia* (2008) ("DHR Guidelines") are available at: https://www.dhr.virginia.gov/wp-content/uploads/2018/08/DHR_Guidelines_for_Transmission_Line_Assessment.pdf.

[38] Carr Rebuttal at 7-8.

[39] *Id*. at 8-9, 9-10.

[40] Poore Rebuttal at 3-7, 8-9. Dominion also explained that, in the case of a transmission line rebuild, the focus is on the difference of the visual impact to historic resources of the proposed facilities as compared to existing facilities, stating, "As proposed, the [Rebuild] Project replaces the existing transmission line structures with new ones utilizing existing foundations present in the Rappahannock River. The new structures as proposed are identical in size and similar in design to the existing structures, and their replacement does not constitute a significant change over what is currently present." Brady Rebuttal at 12.

[41] In making this finding, the Commission specifically requires Dominion to adhere to the statement in DHR's letter attached to the DEQ Report wherein DHR "also encourage[s] Dominion to reach out to other Virginia tribes [in addition to the Pamunkey and Upper Mattaponi] who may have [traditional cultural properties] in the project area" and provide documentation of all past and future correspondence to DHR, as that agency requests. *See* Letter dated December 1, 2020, from Timothy Roberts, Archaeologist, Office of Review and Compliance, DHR, to Julia Wellman, DEQ, attached to the DEQ Report, Doc. Con. Cen. No. 210120047 (Jan. 14, 2021) at 2 in this docket ("DHR Letter"). We direct Dominion to consult the Rappahannock Tribe, as one of the "other Virginia tribes" to which DHR encourages outreach.

[42] In this regard, we note specifically the following DHR recommendation: "4. Avoidance, minimization, and/or mitigation of moderate to severe impacts to [Virginia Landmarks Register/National Register of Historic Places] VLR/NHRP-eligible/listed resources by Dominion in consultation with DHR and other stakeholders." DHR Letter at 2. *See also* DHR Guidelines at 4 ("Minimization and mitigation plans should be developed in consultation with DHR, the affected property owner, and any other interested party."). We direct Dominion to consult the Tribe, as a stakeholder and interested party, in this consultation process.

[43] Application Appendix at 384.

[44] *Id*. Code § 2.2-234 defines "environmental justice community" as "any low-income community or community of color."

[45] Application Appendix at 384. The Company states that its review to identify and reach out to EJ Communities included identification of and outreach with the Tribe as a Native American tribe with potential interest in the Rebuild Project area, along with other tribes. Parker Rebuttal at 4; Carr Rebuttal at 4-7. The Company specifically met with a representative for the Tribe and provided additional outreach by letter dated September 10, 2020. Carr Rebuttal at 4-5 and Rebuttal Schedule 1.

[46] Application Appendix at 384; Parker Rebuttal at 3. We reiterate the requirement for the Company to reach out to the Tribe, and other tribes, as noted elsewhere herein. *See supra* n.41, n.42.

The Commission is aware that the Commonwealth has adopted a policy "to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."[47] As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."[48] The Commission fully supports the Commonwealth's Environmental Justice Policy and expects Dominion to abide by the commitments made in its rebuttal testimony, including its own Environmental Justice Policy,[49] and the requirements of this Final Order.

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 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 CPCNs to Dominion:

> Certificate No. ET-DEV-CCY/NEW-2021-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in the Counties of Charles City and New Kent, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00247, cancels Certificate No. ET-71l, issued to Virginia Electric and Power Company in Case No. PUR-2018-00090 on February 27, 2019.
>
> Certificate No. ET-DEV-ESS-2021-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Essex County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00247, cancels Certificate No. ET-78c, issued to Virginia Electric and Power Company on March 27, 1967.
>
> Certificate No. ET-DEV-KQN-2021-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in King and Queen County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00247, cancels Certificate No. ET-153a, issued to Virginia Electric and Power Company in Case No. PUR-2018-00090 on February 27, 2019.
>
> Certificate No. ET-DEV-KWM-2021-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in King William County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00247, cancels Certificate No. ET-89f, issued to Virginia Electric and Power Company in Case No. PUR-2018-00090 on February 27, 2019.
>
> Certificate No. ET-DEV-RIC-2021-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Richmond County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00247, cancels Certificate No. ET-118d, issued to Virginia Electric and Power Company in Case No. PUE-1986-00066 on June 26, 1987.

(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 the appropriate maps for the CPCNs, which maps show 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 a copy 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, 2023. 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.

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[47] Code § 2.2-235.

[48] Code § 2.2-234. *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 25 (Apr. 30, 2021); *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. 210210007, Final Order at 14-15 (Feb. 1, 2021).

[49] Parker Rebuttal Schedule 1.

CASE NO. PUR-2020-00250
MARCH 3, 2021

JOINT PETITION OF
CCA INDUSTRIES, INC., KESWICK ESTATE UTILITIES, INC., and HISTORIC HOTELS OF ALBEMARLE, LLC

For approval of an acquisition of control of a public utility pursuant to the Utility Transfers Act, Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On October 23, 2020, CCA Industries, Inc. ("CCA Industries"), Keswick Estate Utilities, Inc. ("Keswick Utilities" or "Utility"), and the Historic Hotels of Albemarle, LLC ("HHA") (collectively, "Petitioners") filed with the State Corporation Commission ("Commission") a joint petition ("Petition"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[1] requesting approval of the transfer of control of Keswick Utilities from CCA Industries to HHA ("Proposed Transfer" or "Transfer"). Should the Commission approve the Proposed Transfer, HHA will purchase all outstanding shares in Keswick Utilities from CCA Industries pursuant to the terms of a Stock Purchase Agreement and associated agreements.[2]

The Petition states that Keswick Utilities provides both water production and distribution, and wastewater treatment services to HHA; Keswick Club, LLC; and Keswick Real Estate, LLC ("Keswick Properties"), as well as the Keswick Estates Community.[3] The Petition further states that both the water and wastewater systems are operated by Environmental Systems Service, Ltd. ("Environmental Systems"), a professional environmental firm located in Culpepper, Virginia.[4]

Petitioners assert that approval of the Proposed Transfer will neither jeopardize nor impact the provision of adequate service to the public at just and reasonable rates.[5] Petitioners state that day-to-day operation of the utility will remain unchanged, as Environmental Systems will continue to operate the water and wastewater systems in the same manner that it has previously.[6] Petitioners further state that administrative management and oversight of Keswick Utilities will continue to be managed in coordination with the other Keswick Properties by a common management team.[7]

Finally, Petitioners propose no changes to current rates. They assert there is no anticipated change for customers of Keswick Utilities as a result of the Proposed Transfer, with Keswick Utilities continuing to provide service under its current tariffs.[8]

On November 18, 2020, the Commission entered an Order for Notice and Comment in this proceeding that, among other things, directed the Petitioners to provide public notice of their Petition, provided an opportunity for interested persons to comment or request a hearing on the Petition, and directed the Commission's Staff ("Staff") to file a report ("Staff Report") containing its findings and recommendations. The Commission did not receive any comments or requests for a hearing on the Petition.

On February 17, 2021, Staff filed its Staff Report in this proceeding. Staff noted that the Petitioners represented that the operations of Keswick Utilities will be fundamentally unchanged by the Proposed Transfer.[9] Staff concluded that, based on the Petitioners' representations, the Proposed Transfer will not impair or jeopardize the provision of adequate service to the public at just and reasonable rates.[10] Staff therefore recommended that the Petition be granted subject to certain requirements to protect the public interest.[11] Staff proposed the following requirements:

(a) The Transfer should have no accounting or ratemaking implications.

(b) Within 60 days of the consummation of the Transfer, HHA should file a Report of Action with the Commission that provides: (1) the date of closing of the Transfer; (2) documentation of any HHA funding of Utility capital improvements made prior to closing; and (3) the actual accounting entries recorded on HHA's books to reflect the Transfer. Such accounting entries should be in accordance with the Uniform System of Accounts ("USOA") for Class C Water and Wastewater Utilities, which includes booking any acquisition adjustment to Account 114.

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[1] Code § 56-88 *et seq.*

[2] Petition at 1.

[3] *Id.* at 2. *See Application of Keswick Estates Utilities, LLC, and Keswick Utilities, Inc., For certificates of public convenience and necessity to provide water and sewerage services pursuant to the Utility Facilities Act and for approval of a transfer of utility assets pursuant to the Utility Transfers Act*, Case No. PUE-2013-00056, 2014 S.C.C. Ann. Rept. 276, Final Order Granting Approval (Oct. 14, 2014).

[4] Petition at 2.

[5] *Id.* at 4.

[6] *Id.*

[7] *Id.*

[8] *Id.*; Petition (Exhibit B) at 1.

[9] Staff Report at 9.

[10] *Id.* at 1, 9.

[11] *Id.*

(c) CCA Industries should be directed to provide all Utility records, including any source documentation supporting the original cost of the water and wastewater systems, to HHA at closing, which should be directed to maintain them henceforth in accordance with the USOA.[12]

On February 26, 2021, the Petitioners filed a letter ("Letter") with the Commission stating that they do not object to Staff's recommendations contained in the Staff Report.[13]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the above-described Transfer will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should therefore be approved subject to the requirements set forth in the Staff Report and described herein.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-89 and 56-90 of the Code, the Joint Petitioners hereby are granted approval of the Proposed Transfer as described herein, subject to the requirements set forth in the Staff Report and described herein.

(2) This case is dismissed

[12] *Id.* at 1, 9-10.

[13] Letter at 1.

CASE NO. PUR-2020-00251
JULY 29, 2021

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 November 30, 2020, 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-2019-00122,[1] filed with the Commission its Petition ("Petition") for approval of the continued implementation of a rate adjustment clause – the "EE-RAC" – to recover the costs of its existing portfolio of energy efficiency ("EE") and demand response ("DR") programs, as well as for approval of five new EE/DR programs and one new EE pilot program and to continue two previously approved programs.[2]

Specifically, the Company requested that the Commission permit it to implement the following proposed programs for a five-year period starting January 2022: (1) Residential Home Energy Report Program; (2) Residential Efficient Products Program; (3) Residential Energy Efficiency Kit Program; (4) Residential Home Performance Program; and (5) Business Energy Solutions Program.[3] APCo also requested Commission approval of a three-year Volt VAR Optimization ("VVO") Pilot Program.[4] The Company further requested that the Commission permit it to continue, for an additional five years, the following programs, which the Commission initially approved for a three-year period ending December 31, 2021: (1) Residential Bring-Your-Own SMART Thermostat Program and (2) Small Business Direct Install Program.[5]

[1] *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, Order Approving Rate Adjustment Clause (May 21, 2020).

[2] Supporting testimony and other documents also were filed with the Petition. *See* Ex. 2/2C.

[3] Ex. 2 (Petition) at 4.

[4] *Id.* at 5.

[5] *Id.*

APCo requested approval to continue the EE-RAC for the rate year of July 1, 2021, through June 30, 2022 ("2021 Rate Year"), to recover: (i) 2021 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, 2021 ("True-Up Factor").[6] APCo calculated the margin on operating expenses for the Projected Factor based on a return on common equity ("ROE") of 9.42%, authorized by the Commission in Case No. PUR-2018-00048, but subject to modification based on the Commission's final order in Case No. PUR-2020-00015.[7] The Company proposed a total EE-RAC revenue requirement of $16,586,746 for the 2021 Rate Year, which consists of a Projected Factor in the amount of $18,359,696, and a True-Up Factor credit of $1,772,950.[8] APCo did not request recovery of lost revenues in this proceeding.[9]

On December 21, 2020, 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; directed the Staff of the Commission ("Staff") to investigate the Petition and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter and to file a final report.

The Office of Attorney General's Division of Consumer Counsel ("Consumer Counsel"), Steel Dynamics, Inc. ("SDI"), and the Old Dominion Committee for Fair Utility Rates ("ODCFUR") filed timely notices of participation.

On March 31, 2021, the Staff filed the testimony of two witnesses documenting the findings and recommendations resulting from the Staff's investigation of the Petition.[10] Among the Staff recommendations was an adjustment of $0.95 million to the Company's proposed revenue requirement, resulting in a recommended revenue requirement of $15.64 million for this case.[11] APCo filed rebuttal testimony of two witnesses on April 23, 2021.[12] APCo witness Nichols confirmed the Company agrees with the Staff's application of a 9.20% ROE and recommendation to exclude margins from the revenue requirement beginning January 1, 2022, in this EE-RAC proceeding.[13]

On May 19, 2021, the Senior Hearing Examiner convened an evidentiary hearing, as scheduled, by virtual means due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, with no party present in the Commission's courtroom. The Company, Consumer Counsel, and the Staff participated in the hearing.[14]

On June 25, 2021, the Senior Hearing Examiner issued the Report of Michael D. Thomas, Senior Hearing Examiner ("Report") reviewing in detail the record in this proceeding. In the Report, the Senior Hearing Examiner recommended that:

(1) The Commission approve the following EE/DR Programs for the proposed five-year [implementation] period because they satisfy the public interest criteria in Va. Code § 56-576: (i) Residential Home Energy Report Program; (ii) Residential Efficient Products Program; (iii) Residential Energy Efficiency Kit Program; (iv) Residential Home Performance Program; (v) Business Energy Solutions Program; (vi) Residential Bring-Your-Own Thermostat Program; and (vii) Small Business Direct Install Program;

(2) ENERGY STAR[15] pool pumps remain in the Residential Efficient Products Program;

(3) The Commission approve the VVO Pilot Program as a three-year EE pilot program;

(4) The Commission require the Company to provide notice to customers of their participation in the VVO Pilot Program via targeted postcards;

(5) The Commission not require customer surveys after the completion of the VVO Pilot Program;

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[6] *See id*. at 5-6; Ex. 4 (Bacon Direct) at 5-6.

[7] Ex. 2 (Petition) at 6; Ex. 4 (Bacon Direct) at 5. *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); *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, Doc. Con. Cen. No. 201140127, Final Order (Nov. 24, 2020).

[8] Ex. 2 (Petition) at 6; Ex 4 (Bacon Direct) at 6.

[9] Ex. 2 (Petition) at 6.

[10] *See* Ex. 8 (Blevins); Ex. 11/11C (Mangalam).

[11] Ex. 11 (Mangalam) at 5-7, 12-15.

[12] *See* Ex. 12 (Nichols Rebuttal); Ex.13 (Diebel Rebuttal).

[13] Ex. 12 (Nichols Rebuttal) at 6. Due to changes in Code § 56-585.1 A 5 c promulgated as part of the Virginia Clean Economy Act (2020 Va. Acts chs. 1193, 1994), the Staff excluded margins on operating expenses for the projected EE Programs beginning January 1, 2022. The legislative changes provide that, beginning January 1, 2022, any margin awarded pursuant to Code § 56-585.1 A 5 c shall be applied as part of APCo's next rate adjustment clause true-up proceeding, subject to the Commission's review of the Company's achievement of its annual energy standards as set forth in Code § 56-596.2. *See* Ex. 11 (Mangalam) at 12-15.

[14] SDI and ODCFUR did not participate, having, by counsel, sought and received permission to be excused from the hearing.

[15] ENERGY STAR® and the ENERGY STAR mark are registered trademarks owned by the U.S. Environmental Protection Agency.

(6) The Company perform statistical analysis using power and voltage data provided by its [Advanced Metering Infrastructure] meters to determine the impact of VVO on electric service and energy efficiency, as an alternative to customer service surveys;

(7) That two of the six VVO Pilot Program circuits be left "on" for the duration of the pilot program and that the Company be permitted to cycle the four remaining circuits "on" and "off" to provide the Company the opportunity to establish by preponderance of the evidence, that it is more likely than not, that VVO saves energy;

(8) The Commission approve an EE-RAC revenue requirement for the Rate Year of approximately $15.64 million, which consists of a Projected Factor revenue requirement of approximately $17.43 million and a True-Up Factor revenue requirement credit of approximately $1.79 million;

(9) The Commission establish cost caps based solely on the proposed program costs for each approved EE/DR Program;

(10) The Commission consider either: (i) changing the timing of the annual [Evaluation, Measurement, & Verification ("EM&V")] report so that it may be filed with the annual EE-RAC petition; or (ii) require the Company to file a copy of the most recent EM&V report with its EE-RAC petition, if the annual EM&V report will continue to be filed in Case No. PUE-2014-00039; and

(11) That, in the Company's next annual report, APCo identify the individuals and organizations that comprise its stakeholder group, including those who were invited to participate and those who actually participated in the EE stakeholder process.[16]

Accordingly, the Senior Hearing Examiner recommended that the Commission enter an order that:

(1) adopts the recommendations set forth above;

(2) approves the following EE/DR Programs for the proposed five-year implementation period: (i) Residential Home Energy Report Program; (ii) Residential Efficient Products Program; (iii) Residential Energy Efficiency Kit Program; (iv) Residential Home Performance Program; (v) Business Energy Solutions Program; (vi) Residential Bring-Your-Own Thermostat Program; and (vii) Small Business Direct Install Program;

(3) approves the VVO Pilot Program as a three-year EE pilot program; and

(4) approves an EE-RAC revenue requirement for the Rate Year of approximately $15.64 million, which consists of a Projected Factor of approximately $17.43 million and a True-Up Factor credit of approximately $1.79 million.[17]

The Company, Consumer Counsel, and the Staff filed comments in response to the Report on July 9, 2021. In its filed comments, APCo also proposed, for billing purposes, that the EE-RAC have an effective date for usage on and after the first day of the month that is at least fifteen calendar days following the date of any Commission order approving the EE-RAC. According to the Company, this would allow sufficient time to implement the changes to the EE-RAC in its billing system.[18]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the findings and recommendations set forth in the Senior Hearing Examiner's Report should be adopted except as otherwise discussed herein.

First, as to the VVO Pilot, we agree with the Senior Hearing Examiner's findings and recommendations, but emphasize that such approval in this case of VVO as an EE program is limited to the Pilot and does not mean that the Commission has approved a system-wide deployment of VVO as an EE program. In addition, while we herein approve the Residential Efficient Products Program because it is in the public interest, we do not reach the Senior Hearing Examiner's finding that the Commission lacks statutory authority to do otherwise.

Regarding the stakeholder engagement process, we agree with the Senior Hearing Examiner's recommendation that the stakeholder process be as inclusive as possible. We further agree with Staff that the Company should involve environmental justice communities in the stakeholder review process when evaluating EE and DR programs.[19] The Senior Hearing Examiner found that the Commission should consider either: (i) changing the timing of the annual EM&V report so that it may be filed with the annual EE-RAC petition; or (ii) requiring the Company to file a copy of the most recent EM&V report with its EE-RAC petition, if the annual EM&V report will continue to be filed in Case No. PUE-2014-00039.[20] We find that APCo should continue to file its annual EM&V report in Case No. PUE-2014-00039, and should, going forward, file a copy of its most recent EM&V with the filing of its EE-RAC petition each year.[21]

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[16] Report at 34-35. The Report also documents that the Staff made several recommendations regarding future EE-RAC filings which were agreed to by Consumer Counsel and APCo. *See id.* at 34.

[17] *Id.* at 35-36.

[18] APCo Comments at 3.

[19] *See* Report at 16.

[20] *See id.* at 32, 35.

[21] APCo is not opposed to this requirement. *See* APCo Comments at 2-3.

Further, we find that the recommendations regarding future EE-RAC filings that were agreed to by Staff, Consumer Counsel and APCo should also be approved.[22] Finally, we agree with APCo's proposal that for billing purposes, the EE-RAC should have an effective date for usage on and after the first day of the month that is at least fifteen calendar days following the entry of this Order so that the Company has sufficient time to implement the changes to the EE-RAC in its billing system. Accordingly, we find that the effective date for the revised EE-RAC should be September 1, 2021.

In approving this request for an increase in the EE-RAC, the Commission notes its awareness of the ongoing COVID-19 public health concern, 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 Petition is hereby granted as set forth herein.

(2) The Company forthwith shall file revised tariffs and supporting workpapers designed to recover a 2021 Rate Year revenue requirement of $15.64 million with the Clerk of the Commission and shall submit the same to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as necessary to comply with the directives and findings set forth in this 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.

(3) The EE-RAC as approved herein shall become effective for usage on and after September 1, 2021.

(4) In future EE-RAC filings, the Company shall continue to fulfill the reporting requirements agreed to with the Staff in the form of a pre-filed exhibit(s). The Company shall continue to work with the Staff to prepare such a pre-filed exhibit(s).

(5) The Company shall file an updated EM&V report on or before May 1, 2022, 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, and why the alternative method provides evidence of actual energy savings reasonably comparable to sampling and statistical analysis.

(6) The Company shall file a copy of its most recent EM&V report with the filing of each future EE-RAC petition.

(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) This case is continued.

[22] *See* Report at 34.

CASE NO. PUR-2020-00252
JUNE 8, 2021

PETITION OF
APPALACHIAN POWER COMPANY

For approval of a rate adjustment clause pursuant to § 56-585.1 A 5 b of the Code of Virginia

FINAL ORDER

On November 13, 2020, Appalachian Power Company ("Appalachian" or "Company") filed with the State Corporation Commission ("Commission") a petition ("Petition") pursuant to § 56-585.1 A 5 b of the Code of Virginia for approval of a rate adjustment clause ("DR-RAC") to recover costs related to the Company's former and current peak shaving riders. Specifically, Appalachian requested that the Commission authorize the collection of a Virginia retail revenue requirement of $6,748,421.[1] Appalachian proposed collecting this revenue requirement over a 34-month period from August 1, 2021, through May 31, 2024, which, if approved, would result in an annual revenue requirement of $2,449,387.[2] According to the Company, the proposed DR-RAC would increase the monthly bill of a residential customer using 1,000 kilowatt hours of electricity per month by $0.23.[3] Appalachian requested that the Commission authorize the DR-RAC to go into effect on August 1, 2021.[4]

Appalachian stated that the amount requested is composed of the following:

[1] Ex. 2 (Petition) at 3.

[2] *Id*. at 4.

[3] *Id.* at 1.

[4] *Id.* at 6.

- $1,053,876 of uncollected balances associated with the Company's Peak Shaving Demand Response Rider and Peak Shaving and Emergency Demand Response Rider;[5]

- $2,719,351 of costs through October 2020 of the Company's Rider D.R.S.-RTO Capacity;[6] and

- $2,975,194 of projected costs associated with the one customer currently subscribed to Rider D.R.S.-RTO Capacity through May 31, 2024, at which point the contract ends. These costs are comprised solely of bill credits for monthly demand credits net of any customer monthly or annual non-compliance charges.[7]

Appalachian also requested the Commission's approval to defer for future recovery the costs associated with the Company's Rider D.R.S.[8]

On December 3, 2020, the Commission issued an Order for Notice and Hearing that docketed the Petition; required Appalachian to provide public notice of its Petition; scheduled a public hearing on the Petition; permitted interested persons to file comments on the Petition or participate as a respondent in this proceeding; directed the Commission's Staff ("Staff") to investigate the Petition and file testimony and exhibits containing its findings and recommendations thereon; and assigned a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

The Commission did not receive any notices of participation or comments from interested persons on the Company's Petition.

On February 19, 2021, the Company filed supplemental testimony that reduced its proposed annual revenue requirement from $2,449,387 to $2,357,930.[9] Appalachian also noted that the monthly bill for a residential customer using 1,000 kilowatt hours of electricity would increase by $0.22, as opposed to the $0.23 increase contained in the Petition.[10]

On March 10, 2021, the Staff filed its testimony as directed by the Commission's Order for Notice and Hearing. The Staff did not oppose the Company's requested total annualized revenue requirement of $2,357,930 for the DR-RAC.[11] The Staff recommended that Appalachian be subject to reporting requirements consistent with those established in Case No. PUE-2015-00118.[12] Specifically, the Staff recommended the Company be directed to track and report the following information to the Commission's Division of Utility Accounting and Finance every six months: (1) a schedule quantifying the difference in the estimated monthly cost requested in the Petition compared to the actual monthly credits paid to customers; and (2) a schedule showing the actual monthly DR-RAC revenues, total actual monthly credits, and the accumulated deferred balance.[13] The Staff further recommended that Appalachian file for approval of an updated DR-RAC within 90 days following the end of the recovery period approved herein to address any over- or under-recovery balance.[14] Appalachian elected not to file rebuttal testimony.[15]

On April 30, 2021, the Hearing Examiner issued the Report of Mary Beth Adams, Hearing Examiner ("Report"). In her Report, the Hearing Examiner found that the uncontested revised revenue requirement is reasonable and should be approved.[16] The Hearing Examiner also found that the unopposed reporting requirements recommended by the Staff should be approved.[17] The Hearing Examiner therefore recommended that the Commission adopt the Report's findings and approve the updated DR-RAC and the recommended reporting requirements.[18]

On May 3, 2021, Appalachian filed a letter stating that it supports the Hearing Examiner's findings. On May 7, 2021, the Staff filed a letter in support of the Report requesting that the Commission adopt the Hearing Examiner's findings and recommendations in this case.

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[5] *Id.* at 2-3 (citing *Application of Appalachian Power Company, Pursuant to Chapters 752 and 855 of the 2009 Acts of the Virginia General Assembly, For approval of demand response programs to be offered to its retail customers*, Case No. PUE-2011-00001, 2011 S.C.C. Ann. Rept. 417, Final Order (Sept. 12, 2011)).

[6] Ex. 2 (Petition) at 2-3 (citing *Petition of Appalachian Power Company, For approval to implement two demand response programs and for approval of a rate adjustment clause pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2015-00118, 2016 S.C.C. Ann. Rept. 309, Final Order (June 17, 2016) ("2016 APCo DR Order").

[7] Ex. 2 (Petition) at 3.

[8] *Id.* at 4.

[9] Ex. 5 (Spaeth Supplemental) at 3.

[10] *Id.*

[11] Ex. 6 (Kaufman Direct) at 8-9.

[12] *Id.* at 8; *see* 2016 APCo DR Order, 2016 S.C.C. Ann. Rept. at 311-12.

[13] Ex. 6 (Kaufman Direct) at 8, 9.

[14] *Id.*

[15] *See* Ex. 8 (Appalachian Letter dated March 25, 2021).

[16] Report at 7.

[17] *Id.*

[18] *Id.*

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the findings and recommendations set forth in the Report should be adopted. In approving this request for an increase in the DR-RAC, 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) Appalachian's Petition is approved as set forth herein.

(2) The DR-RAC is approved for usage on and after August 1, 2021, through May 31, 2024.

(3) The Company may defer costs associated with Rider D.R.S. to the extent permitted by statute. Any costs deferred shall be offset by any non-compliance payments received by the Company from customers participating in Rider D.R.S.

(4) The Company forthwith shall file revised tariffs designed to recover $2,357,930 annually over a period of 34 months, from August 1, 2021, through May 31, 2024. Appalachian shall file terms and conditions of service and supporting workpapers with the Clerk of the Commission and submit the same to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as necessary to comply with the directives set forth in this Final Order.

(5) The Company shall track and report the following information to the Commission's Division of Utility Accounting and Finance every six months: (1) a schedule quantifying the difference in the estimated monthly cost requested in the Petition compared to the actual monthly credits paid to customers; and (2) a schedule showing the actual monthly DR-RAC revenues, total actual monthly credits, and accumulated deferred balance.

(6) The Company shall file for approval of an updated DR-RAC within 90 days following the end of the recovery period approved herein to address any over- or under-recovery balance.

(7) This case is dismissed.

CASE NO. PUR-2020-00258
AUGUST 23, 2021

PETITION OF
APPALACHIAN POWER COMPANY

For approval of a rate adjustment clause, the E-RAC, for costs to comply with state and federal environmental regulations pursuant to § 56-585.1 A 5 e of the Code of Virginia

ORDER GRANTING RATE ADJUSTMENT CLAUSE

On December 23, 2020, pursuant to § 56-585.1 A 5 e of the Code of Virginia ("Code"), Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") a petition ("Petition") for approval of a rate adjustment clause ("E-RAC") to recover on a timely basis its projected costs to comply with state and federal environmental laws and regulations applicable to generation facilities used to serve the Company's load obligations.

According to the Petition, APCo requested cost recovery for certain environmental projects ("Projects") related to the installation and retrofitting of certain coal ash ponds at the Company's Amos and Mountaineer Plants (collectively, "Plants"), as well as actual and forecast operations and maintenance costs related to compliance with State Solid Waste regulation, the National Pollution Discharge Elimination System, and provisions of the Clean Water Act at the Plants.[1]

APCo stated that the Projects are required to comply with the United States Environmental Protection Agency's ("EPA") rule to regulate the disposal of coal combustion residuals ("CCR Rule") and the EPA's Steam Electric Effluent Limitations Guidelines ("ELG Rule").[2] APCo stated that the CCR Rule regulates the handling and storage of CCR material in an environmentally responsible manner, and the ELG Rule regulates wastewater discharges for the protection of surface water.[3]

[1] Ex. 2 (Petition) at 2.

[2] Ex. 5 (Spitznogle Direct) at 3-4.

[3] *Id.*

According to the Company, these rules require that, absent an extension, unlined CCR storage ponds, such as the bottom ash ponds at the Plants, must cease operations and initiate closure by April 11, 2021, which would cause the Plants to stop operating by that date.[4] APCo stated that after analyzing various compliance options and scenarios, it is seeking approval of cost recovery of CCR and ELG retrofits at the Plants, which will allow the Plants to provide capacity and energy value to APCo's customers through 2040.[5] APCo also asserted that its proposed investments are the most cost-effective means of compliance.[6]

In this proceeding, the Company asked the Commission to approve its E-RAC for the rate year October 1, 2021, through September 30, 2022 ("Rate Year").[7] APCo proposed a total revenue requirement of approximately $31.614 million during the Rate Year.[8] Specifically, the Company indicated that its proposed revenue requirement comprises three elements: (1) a forecast revenue component of $30.791 million, (2) an allowance for funds used during construction ("AFUDC") revenue component of $0.823 million, and (3) a true-up revenue component of $0.0 million.[9] For purposes of calculating the revenue requirement, APCo stated that it used an after-tax rate of return on rate base of 7.072% based on the year ended December 31, 2019 capital structure.[10] The Company further stated that this rate of return included the 9.20% return on equity approved by the Commission in Case No. PUR-2020-00015.[11]

APCo stated that it seeks to recover the revenue requirement by allocating costs to the Virginia jurisdiction consistent with the Company's methodology in its Dresden G-RAC.[12] According to the Company, implementation of the proposed E-RAC would increase the monthly bill of a residential customer using 1,000 kilowatt-hours per month by $2.50, or 2.4%, when compared to rates effective November 1, 2020.[13]

On January 14, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order"). The Commission's Procedural Order 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 public evidentiary hearings for June 22 and 23, 2021; and directed the Commission Staff ("Staff") to investigate the Petition and file testimony and exhibits containing its findings and recommendations. The Old Dominion Committee for Fair Utility Rates; the Sierra Club; Steel Dynamics, Inc.; and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel") filed notices of participation.

On March 11, 2021, the Commission entered an Order appointing a Hearing Examiner to conduct all further proceedings on behalf of the Commission. On April 19, 2021, a Hearing Examiner's Ruling directed that the June 23, 2021 hearing would be convened virtually due to the ongoing COVID-19 emergency.

On June 22, 2021, the Senior Hearing Examiner convened a hearing to receive public witness testimony telephonically and to receive opening statements from the parties and Staff. No members of the public signed up to testify.

On June 23, 2021, the Senior Hearing Examiner convened a hearing to receive the testimony and evidence of the parties and Staff, as scheduled, using Microsoft Teams. The Company, Sierra Club, Consumer Counsel, and Staff participated in the hearing.

On July 8, 2021, the Senior Hearing Examiner issued the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report"). In the Report, the Senior Hearing Examiner made the following findings:

1. The Commission should approve an E-RAC for APCo's recovery of environmental compliance costs including operating and maintenance compliance expenses related to the handling and disposal of fly ash, bottom ash and flue gas desulfurization by-product, and the costs of CCR investments at the Plants;

2. The Commission should deny, at this time, APCo's request for the approval of ELG investments at the Plants based upon the Company's failure to establish such investments are reasonable and prudent;

3. The Commission should delay its consideration of APCo's proposed deferral of depreciation expense and the reasonableness and prudence of previously incurred ELG investment costs until a future case;

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[4] Ex. 3 (Beam Direct) at 3.

[5] Ex. 9 (Martin Direct) at 3.

[6] Ex. 2 (Petition) at 5.

[7] *Id.*; Ex. 11 (Sebastian Direct) at 3.

[8] Ex. 2 (Petition) at 5; Ex. 11 (Sebastian Direct) at 3-4.

[9] Ex. 2 (Petition) at 5; Ex. 11 (Sebastian Direct) at 3-4. APCo states that no true-up is included in this initial proceeding because the Company does not currently have existing rate factors approved for cost recovery under Code § 56-585.1 A 5 e. Ex. 11 (Sebastian Direct) at 6. The Company further states that it anticipates that any true-up will be included in a 2021 update filing for implementation during the October 1, 2022 - September 30, 2023 rate year. *Id.*

[10] Ex. 2 (Petition) at 5; Ex. 11 (Sebastian Direct) at 5-6.

[11] Ex. 2 (Petition) at 5-6; Ex. 11 (Sebastian Direct) at 5-6. *See 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, 2020 S.C.C. Ann. Rept. 421, Final Order (Nov. 24, 2020).

[12] Ex. 2 (Petition) at 6; Ex. 11 (Sebastian Direct) at 7.

[13] Ex. 2 (Petition) at 6; Ex. 11 (Sebastian Direct) at 8.

4. If the Commission decides not to approve the ELG investment at this time, the Commission should approve an E-RAC with a Rate Year revenue requirement of $27.437 million, consisting of a forecast revenue component of $27.173 million, an AFUDC revenue component of $0.264 million, and a true-up revenue requirement of $0;

5. In the alternative, should the Commission find it appropriate to approve the Company's proposed ELG investment, the Commission should approve an E-RAC with a Rate Year revenue requirement of $31.614 million, consisting of a forecast revenue component of $30.791 million, an AFUDC revenue component of $0.823 million, and a true-up revenue requirement of $0; and

6. The Commission should approve the Company's alternative rate design for GS and MGS rates.[14]

The Senior Hearing Examiner then recommended that the Commission enter an Order that adopts the findings of the Report and dismisses this case from the Commission's docket of active cases.[15]

On July 26, 2021, APCo, Sierra Club, and Consumer Counsel each filed comments on the Report.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Report's findings and recommendations should be adopted except as modified by the discussion herein. Specifically, we find that approval of the Company's proposed ELG investment costs, including those previously incurred, should be denied based on the record before us. This finding is without prejudice, and the Company may re-file for approval of these costs should APCo conclude circumstances so warrant. Accordingly, a revenue requirement of $27.437 million, as recommended by the Senior Hearing Examiner in the Report's fourth finding,[16] should be approved.

Statutory Authority

Code § 56-585.1 A 5 states in relevant part as follows:

> 5. A utility may at any time, after the expiration or termination of capped rates, but not more than once in any 12-month period, petition the Commission for approval of one or more rate adjustment clauses for the timely and current recovery from customers of the following costs:
>
> . . . .
>
> e. Projected and actual costs of projects that the Commission finds to be necessary . . . to comply with state or federal environmental laws or regulations applicable to generation facilities used to serve the utility's native load obligations . . . . The Commission shall approve such a petition if it finds that such costs are necessary to comply with such environmental laws or regulations;

Code § 56-585.1 D further states in relevant part the following:

> 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.).

ELG Investment Costs

The Company has proposed both ELG and CCR Projects at the Plants. According to the Company's testimony at the hearing, the Virginia jurisdictional share of the ELG investments would be approximately $60 million.[17]

Sierra Club argued that, consistent with the Commission's Final Order and Order on Reconsideration in Case No. PUR-2018-00195, the Company's request for approval of the proposed ELG investment costs should be denied because those costs do not make economic sense and therefore are not reasonable and prudent.[18] Similarly, Consumer Counsel asserted that the Commission should withhold approval of the ELG investment costs until the Company has established that those costs are reasonable and prudent.[19]

In her Report, the Senior Hearing Examiner found that the Commission should deny, at this time, APCo's request for the approval of ELG investments at the Plants based upon the Company's failure to establish such investments are reasonable and prudent.[20] The Senior Hearing Examiner made that finding after "taking into account the overall deficiencies and uncertainties associated with the Company's supporting analysis and the relatively small

[14] Report at 53-54.

[15] *Id*. at 54.

[16] *See id*.

[17] *Id*. at 34 (citing Tr. 205).

[18] *Id*. at 46-47 (citing Tr. 277).

[19] *Id*. at 47 (citing Tr. 291-92).

[20] *Id*. at 53.

level of potential savings ultimately forecasted by APCo."[21] Still, the Senior Hearing Examiner did not recommend that the Commission deny the Company's request for approval of the ELG investments outright, but withhold approval until APCo conducted a more comprehensive and updated analysis supporting this investment, including full consideration of the Virginia Clean Economy Act's impacts.[22]

In its comments on the Report, APCo argued, as it did at the hearing,[23] that, among other things, "[t]he [m]andatory [l]anguage" of Code § 56-585.1 A 5 e supersedes the "[g]eneral [g]uidance of [Code] § 56-585.1 D."[24] APCo states that "[t]he Hearing Examiner's decision to elevate the general 'reasonable and prudent language' of [Code § 56-585.1 D] over the specific, mandatory guidance of the [Code § 56-585.1 A 5 e] runs contrary to well-accepted principles of statutory interpretation."[25]

Specifically, the Company argues that "the Commission cannot use the discretionary 'reasonable and prudent' catch-all of [Code] § 56-585.1 D to trump the mandatory language of [Code § 56-585.1 A 5 e] that is specifically applicable to this proceeding."[26] APCo asserts "[a] cardinal rule of statutory interpretation is that '[w]hen one statute addresses a subject in a general manner and another addresses a part of the same subject in a more specific manner, the two statutes should be harmonized, if possible, and when they conflict, the more specific statute prevails.'"[27] APCo further asserts that "[t]he Hearing Examiner's interpretation of the two statutes creates a conflict."[28]

APCo also argues that "[w]hen read in whole, [Code § 56-585.1 A 5 e] places an affirmative obligation on the Commission to approve any costs that are necessary to comply with state and federal regulations."[29] The Company asserts that "[r]eading [Code § 56-585.1 A 5 e] as giving the Commission discretion to deny necessary environmental investments would inevitably result in an interpretation that runs directly contrary to the words used by the General Assembly."[30] In support of its argument, APCo maintains that in its "2011 E-RAC proceeding, the [Supreme Court of Virginia] reversed a Commission [f]inal [o]rder that attempted to add a requirement into [Code § 56-585.1 A 5 e] that would have prevented the Company from recovering costs in a rate-adjustment clause when it could have recovered the same costs through base rates."[31]

We find APCo's argument that Code § 56-585.1 A 5 e supersedes Code § 56-585.1 D to be unpersuasive and without merit. As we held in a recent case involving these two statutory provisions,[32] "[t]he unambiguous plain language of *both* Code § 56-585.1 A 5 e and Code § 56-585.1 D applies to this proceeding."[33] We then explained that "the analysis does not end with a finding that the projects are necessary to comply with environmental regulations."[34] Instead, "the Company must also establish that it was reasonable and prudent to decide - at the time of the decision - to incur such costs, as opposed to avoiding the capital expense by retiring the units prior to the environmental compliance deadlines."[35] We do not reach a different conclusion on the applicability or interplay of these statutory provisions in this case.

Code § 56-585.1 D states: "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."[36] The plain and unambiguous language of this statutory provision contains no express limitation regarding its applicability to proceedings under Code § 56-585.1 A 5. The plain and unambiguous language of Code § 56-585.1 A 5 e likewise contains no express limitation on the applicability of subsection D of Code § 56-585.1. No conflict exists between the plain, unambiguous language of Code § 56-585.1 A 5 e and the plain, unambiguous language of Code § 56-585.1 D, and therefore we need not resort to rules of statutory construction.

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[21] *Id*. at 51.

[22] *Id*.

[23] *Id*. at 48 (citing Tr. 312).

[24] APCo Comments at 8. The quotation incorrectly cites the statute as "56.585.1 D."

[25] *Id*. at 9.

[26] *Id*. at 10.

[27] *Id*. (citing *Lynchburg Div. of Soc. Servs. v. Cook*, 276 Va. 465, 481 (2008)).

[28] *Id*. at 10-11.

[29] *Id*. at 9.

[30] *Id*.

[31] *Id*. at 10 (citing *Appalachian Power Co. v. State Corp. Comm'n*, 284 Va. 695, 706-07 (2012)).

[32] *See 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. 333, Order on Reconsideration (Nov. 14, 2019) ("2019 Rider E Order").

[33] 2019 Rider E Order, 2019 S.C.C. Ann. Rept. at 337.

[34] *Id*.

[35] *Id*.

[36] Emphasis added.

Moreover, the General Assembly knows how to expressly limit Code § 56-585.1 D and, indeed, has done so in subsection A of Code § 56-585.1 - the very same subsection of the Code at issue here. Code § 56-585.1 A 6 provides that "the costs associated with such new underground facilities are deemed to be *reasonably and prudently incurred*, and *notwithstanding the provisions of [Code § 56-585.1] C or D*, shall be approved for recovery by the Commission pursuant to this subdivision . . . ."[37] The Supreme Court of Virginia has "repeatedly said that, when interpreting and applying a statute, we assume that the General Assembly chose, with care, the words it used in enacting the statute, and we are bound by those words. Therefore, 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 choice of language was intentional."[38]

The Commission's interpretation of these two statutory provisions is not, as APCo argues, "directly contrary to the words used by the General Assembly."[39] It is instead APCo's interpretation that would require the Commission to add a limitation to Code § 56-585.1 A 5 e that the General Assembly chose not to add. Indeed, APCo's reliance on *Appalachian Power Company v. State Corporation Commission*,[40] is misplaced for the same reasons that we noted in the 2019 Rider E Order. Namely, "[t]he cited case . . . had nothing to do with the Commission's exercise of discretion under Code §56-585.1 D. . . . [T]he question before the Court was what ratemaking methodology was appropriate for recovery of the costs at issue. Nothing in the Court's opinion spoke to the applicability of [Code § 56-585.1 D] to a [Code § 56-585.1 A 5 e RAC]."[41]

The Commission has fully considered the evidence and arguments in the record both supporting and opposing the Company's requests. To the extent that there is conflicting evidence or differing opinions from expert witnesses, the Commission has interpreted such and decided how much weight to afford it. Further, the Commission has concluded that its findings in this matter are properly supported by the record.

Based on the evidentiary record before us, we find that the Company has not met its burden of proving the reasonableness and prudence of the proposed ELG investment costs, including those previously incurred.[42] For example, we find APCo has not currently established that the ELG investment is reasonable and prudent from an economic or a resource adequacy perspective. We also agree with the Senior Hearing Examiner that the Company should be permitted to provide additional analyses and evidence to support this ELG investment.[43]

Indeed, we find it is critically important to analyze the overall impact of this investment on both customer rates and reliability, and that the instant record is currently lacking in both regards.[44] The statutory requirements for this proceeding, however, establish a deadline of August 23, 2021, for the Commission to issue a final order in this matter (with which we herein comply).[45] Accordingly, while the Company's request for approval of the ELG costs is denied at this time, such denial is without prejudice, and the Company may re-file for approval of these costs should APCo conclude circumstances so warrant.

Finally, we find that the Company's E-RAC with a Rate Year revenue requirement of $27.437 million, consisting of a forecast revenue component of $27.173 million, an AFUDC revenue component of $0.264 million, and a true-up revenue component of $0, should be approved.[46] In approving this E-RAC Rate Year revenue requirement, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have 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 findings and recommendations set forth in the Senior Hearing Examiner's Report are adopted, as modified herein.

(2) The E-RAC is approved, as discussed herein, with a revenue requirement of $27,437,000 for the Rate Year.

(3) The E-RAC, as approved herein, shall be effective for usage on and after October 1, 2021.

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[37] Emphasis added.

[38] *Newberry Station Homeowners Ass'n, Inc. v. Bd. of Sup'rs of Fairfax County*, 285 Va. 604, 613 (2013) (citations, internal quotation marks, and internal alterations omitted).

[39] APCo Comments at 9.

[40] 284 Va. 695 (2012).

[41] 2019 Rider E Order, 2019 S.C.C. Ann. Rept. at 338 n.37.

[42] The Company should not interpret this finding as discouraging utilities from "conduct[ing] feasibility analyses or price estimates of infrastructure projects prior to seeking approval from the Commission." *See* APCo Comments at 19. Our findings herein are based on the evidentiary record before us in this case and do not foreclose future requests regarding these specific costs.

[43] *See* Report at 51.

[44] As to reliability, we further find that the record is unclear as to exactly when specific resource decisions must be made and the impacts thereof. For example, while certain evidence showed that the Plants can remain operational until 2028 as currently configured, APCo claims in its comments on the Report that the Plants could be required to close in 2025. *See, e.g.*, APCo Comments at 5.

[45] *See* Code § 56-585.1 A 7 ("The Commission's final order regarding any petition filed pursuant to subdivision 4, 5, or 6 shall be entered not more than three months, eight months, and nine months, respectively, after the date of filing of such petition.").

[46] *See* Report at 54.

(4) The Company forthwith shall file a revised E-RAC and supporting workpapers with the Clerk of the Commission and shall submit the same to 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 Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: scc.virginia.gov/pages/Case-Information.

(5) This case is dismissed

CASE NO. PUR-2020-00259
OCTOBER 21, 2021

PETITION OF
APPALACHIAN POWER COMPANY

For approval of a rate adjustment clause, BC-RAC, pursuant to §§ 56-585.1 A 6 and 56-585.1:9 of the Code of Virginia

FINAL ORDER

On January 28, 2021, Appalachian Power Company ("APCo" or "Company"), pursuant to §§ 56-585.1 A 6 and 56-585.1:9 of the Code of Virginia ("Code") filed with the State Corporation Commission ("Commission") its petition ("Petition") for approval of a rate adjustment clause – the "BC-RAC" – to recover the incremental costs of broadband capacity ("BC") under the Company's broadband capacity pilot project in Grayson County, Virginia ("Grayson Broadband Project")[1] The proposed BC-RAC is to recover the incremental costs of providing broadband capacity in areas of Grayson County that currently are unserved by broadband.[2] The Company proposed basing its BC-RAC on a revenue requirement of approximately $4.9 million during the rate year beginning December 1, 2021, and ending November 30, 2022.[3] The proposed revenue requirement consists of a Forecast Revenue Component of $4.9 million plus a True-Up Revenue Component set at $0.0.[4] According to the Company, implementing the proposed BC-RAC will increase a residential customer's monthly bill, based on 1,000 kilowatt hours of usage per month, by $0.54.[5]

On February 26, 2021, 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 Petition to the public; provided interested persons the opportunity to comment on the Petition or to participate as a respondent in the proceeding; scheduled public hearings; and directed the Commission's Staff ("Staff") to investigate the Petition and to file testimony containing Staff's findings and recommendations.

On April 14, 2021, the Company filed proof of notice and service in accordance with the Procedural Order. On April 16, 2021, the Old Dominion Committee for Fair Utility Rates ("Committee") filed a notice of participation.

On May 28, 2021, Staff filed its testimony as directed by the Commission's Procedural Order, in which Staff documented its findings and recommendations resulting from its investigation of the Petition.[6] Staff's testimony, in part, recommended that the capital investment and operations and maintenance expense associated with APCo's advanced metering infrastructure ("AMI") and distribution automation and circuit reconfiguration ("DACR") facilities not be considered incremental costs of providing broadband capacity, and so be removed from calculating the revenue requirement for the BC-RAC.[7] With the removal of the AMI and DACR related costs, along with other adjustments, Staff calculated a revenue requirement for the BC-RAC of $4,834,562, which was $54,361 less than the Company's proposed revenue requirement for the Rate Year.[8] Staff also recommended that the Commission direct the Company to recalculate the lifetime revenue requirement excluding the AMI and DACR costs as non-incremental costs in its next BC-RAC filing.[9]

The Company filed rebuttal testimony on June 21, 2021, in which it, in part, acknowledged that as the definition of "incremental" is subject to interpretation, the methodology proposed by Staff was not unreasonable solely for the purpose of calculating the revenue requirement in this proceeding.[10] APCo witness Sebastian also stated that the Company is not opposed to providing, for illustrative purposes only, the recalculated lifetime revenue requirement recommended by Staff witness Clayton in the Company's next BC-RAC filing.[11]

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[1] Ex. 2 (Petition) at 1.

[2] *Id.* at 1, 5. The Grayson Broadband Project was approved as a pilot under Code § 56-585.1:9. *See Petition of Appalachian Power Company, For approval of a broadband capacity pilot program pursuant to § 56-585.1:9 of the Code of Virginia*, Case No. PUR-2019-00145, 2020 S.C.C. Ann. Rept. 311, Final Order (Mar. 5, 2020).

[3] Ex. 2 (Petition) at 1-2, 5.

[4] *Id.*

[5] *Id.* at 7.

[6] *See* Ex. 6 (Clayton); Ex. 7 (LaBrie); Ex.8 (Morris).

[7] *See, e.g.,* Ex. 6 (Clayton) at 2-3, 5-7, 13.

[8] *See, e.g., id.* at 7-10, 13.

[9] *See, e.g., id.* at 11, 13.

[10] *See, e.g.,* Ex 10 (Sebastian Rebuttal) at 3.

[11] *See, e.g., id.* at 5.

Public comments were filed on June 8, 2021, jointly, by General Assembly members Delegate Terry Kilgore, Delegate Jeff Campbell, Delegate William Wampler, Delegate Israel O'Quinn, and Senator Todd Pillion, in which they, in part, asked that the Commission allow for full cost recovery, as originally intended by the legislature. On June 30, 2021, public comments were filed by Stephen Legge, who, in part, asked that the Commission reject any and all proposed rate increases by APCo.

Due to the public health issues caused by COVID-19, a Hearing Examiner's Ruling dated June 9, 2021, advised the hearing scheduled for July 8, 2021, would be conducted virtually, via Microsoft Teams and adopted special procedures for the virtual hearing. A Hearing Examiner's Ruling issued on July 6, 2021, cancelled the public witness hearing after no members of the public signed up to testify. On July 8, 2021, the evidentiary hearing was conducted, as scheduled, in which the prefiled testimony of the Company and Staff were entered into the record. During the evidentiary hearing, APCo witness Sebastian presented a revised rate design for the proposed BC-RAC, which, provided for demand-based rates for the APCo's Large Power Service ("LPS") customer class.[12]

On July 21, 2021, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") was filed, in which the Hearing Examiner thoroughly reviewed the testimony, exhibits, and presentations at the evidentiary hearing. In the Report, the Hearing Examiner made the following findings:

(1) For the December 1, 2021, through November 30, 2022, rate year, a BC-RAC Projected Cost Recovery Factor of $4,834,562 and an Actual Cost True-Up Factor of $0 are uncontested and supported by the record;

(2) Approval of a BC-RAC revenue requirement of $4,834,562 is reasonable, subject to true-up in future proceedings;

(3) APCo's proposed cost allocation and rate design, including the alternative rate design for its LPS Rate Schedules, is reasonable; and

(4) In future BC-RAC petitions, the estimated lifetime revenue requirement APCo presents should incorporate Staff's recommendations in the instant proceeding.[13]

The Hearing Examiner recommended that the Commission enter an order that adopts the findings of the Report; approves the BC-RAC rates, effective for service rendered on and after December 1, 2021, that are consistent with the Report; directs APCo to incorporate, in future BC-RAC petitions, Staff's recommendations on the estimated lifetime revenue requirement calculations; and dismisses this case from the Commission's docket of active cases.[14]

On August 4, 2021, comments on the Report were filed by the Company and the Committee, respectively, and Staff filed a letter in lieu of comments. The Company, in its comments, supported the Report's recommendations, with the exception of the recommendation that in future BC-RAC petitions, the Company incorporate Staff's recommendations on the estimated lifetime revenue requirement.[15] Instead, APCo reiterated that it has agreed to incorporate that information in its next BC-RAC petition, and for illustrative purposes only.[16] In its comments, the Committee requested that, if the Commission approves the BC-RAC, it does so by Order (i) specifically approving APCo's tariff sheets as amended and endorsed by the Report; or (ii) otherwise specifying and requiring that BC-RAC-related costs be recovered from LPS customers on the basis of demand and not on the basis of energy or consumption.[17]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Hearing Examiner's findings and recommendations contained in the Report should be adopted as set forth herein. The Commission approves a revenue requirement in the amount recommended by Staff of $4,834,562 for recovery through the BC-RAC during the Rate Year of December 1, 2021, through November 30, 2022. The Commission notes its awareness of the ongoing COVID-19 public health issues, 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 law 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 Hearing Examiner's findings and recommendations contained in the Report are adopted as set forth herein.

(2) The Company's Petition for approval of a RAC, designated BC-RAC, is approved as discussed herein, with a revenue requirement of $4,834,562.

(3) The BC-RAC shall be effective for usage on and after December 1, 2021.

(4) The Company forthwith shall file a revised BC-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: scc.virginia.gov/pages/Case-Information.

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[12] *See, e.g.*, Tr. 9, 16-19.

[13] Report at 14.

[14] *Id.* at 15.

[15] APCo Comments on the Hearing Examiner's Report at 1.

[16] *Id.*

[17] Committee Comments on the Hearing Examiner's Report at 2.

(5) APCo shall include in its next BC-RAC filing a recalculation of the estimated lifetime revenue requirement excluding the AMI and DACR costs as recommended by Staff.

(6) This case is dismissed.

CASE NO. PUR-2020-00266
JANUARY 25, 2021

APPLICATION OF
ATLAS COMMODITIES II RETAIL ENERGY
D/B/A ATLAS RETAIL ENERGY

To become a licensed aggregator in the Commonwealth of Virginia

ORDER GRANTING LICENSE

On November 4, 2020, Atlas Commodities II Retail Energy, LLC d/b/a Atlas Retail Energy ("Atlas" 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"). Atlas seeks authority to provide electric and natural gas aggregation services throughout Virginia to eligible commercial, industrial, and governmental customers. In its Application, Atlas 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 November 19, 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 December 4, 2020, to each of the companies on Attachment A of the Procedural Order, and to file proof of service on or before December 11, 2020. On November 20 and 24, 2020, Atlas 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 December 18, 2020. Virginia Electric and Power Company d/b/a Dominion Energy Virginia filed timely comments.

The Procedural Order directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report") to be filed January 8, 2021. Staff filed a Motion to File Staff Report Out of Time ("Motion") including Staff's Report on January 11, 2021.[1] The Report summarized Staff's investigation of Atlas's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Atlas 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 Atlas'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) Atlas is hereby granted license No. A-117 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] The Commission hereby grants the Staff's Motion, and the Staff's Report is admitted into the record in this proceeding.

CASE NO. PUR-2020-00269
JULY 27, 2021

APPLICATION OF
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

FINAL ORDER

On November 18, 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 Greensville 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 seeks to rebuild, entirely within existing right-of-way ("ROW"), (i) approximately 1.6 miles of the existing 230 kilovolt ("kV") overhead single circuit Clubhouse-Dry Bread Line #2201 on single circuit structures, which runs from Structure #2201/1A within the Company's existing Clubhouse Substation to Structure #2201/14 /#254/14 within the Company's existing Dry Bread Substation; (ii) approximately 10.9 miles of the existing 230 kV overhead single circuit Dry Bread-Lakeview Line #254 on single circuit structures, which runs from Structure #2201/14 / #254/14 within the Company's existing Dry Bread Substation to Structure #254/113 at the Virginia state line; and (iii) perform system protection coordination studies and relay resets at Clubhouse and Dry Bread Substations, as well as line terminal upgrade work at Clubhouse Substation (the "Rebuild Project").[1]

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] The Company further states that the Rebuild Project will replace aging infrastructure that is at the end of its service life.[3]

The Company states that the desired in-service date for the Rebuild Project is October 15, 2023.[4] Dominion represents that the estimated conceptual cost of the Rebuild Project (in 2020 dollars) is approximately $16.42 million, which includes approximately $16.1 million for transmission-related work and $0.31 million for substation-related work.[5]

On December 9, 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 Procedural Order further directed the Commission Staff ("Staff") to investigate the Application and to file a report ("Staff Report") containing Staff's findings and recommendations.

On February 16, 2021, the Sappony Tribe ("Tribe") filed its notice of participation. On March 10, 2021, the public comments of the Tribe were filed. No requests for hearing 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 January 26, 2021, 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 a Summary of Recommendations regarding the Rebuild Project. According to the DEQ Report, the Company should:

- Follow DEQ's recommendations including the avoidance and minimization of impacts of 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 ("DCR") on the development and implementation of an invasive species plan to be included as part of the maintenance practices for the ROW.
- Consider measures to minimize the fragmentation of ecological cores to preserve the natural patterns and connectivity of habitats that are key components of biodiversity.
- Coordinate with DCR for updates to the Biotics Data System database during the final design stage of engineering and upon any major modifications of the Rebuild Project construction to avoid and minimize impacts to natural heritage resources.
- Coordinate with the Department of Wildlife Resources ("DWR") if instream work resulting in temporary or permanent impacts is proposed within Anadromous Fish Use Areas or at locations in tributaries within 1 river-mile of the designated area.
- Should suitable habitat for the Loggerhead shrike occur in the Rebuild Project area, tree and/or land clearing in areas must adhere to a time-of-year restriction from April 1 through July 31 of any year and/or further coordination should be conducted with DWR.
- Coordinate with DWR as necessary regarding the general protection of wildlife resources.
- Coordinate with the Virginia Outdoors Foundation should the Rebuild Project change or if construction does not begin within 24 months of this response.

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[1] Application at 2. The remaining approximately 5.5 miles of Line #254 that is to be rebuilt is located entirely within North Carolina, extending from the Virginia state line and concluding at the Company's existing Lakeview Substation. *Id.* at n.2.

[2] *Id*. at 2.

[3] *Id.* at 2-3.

[4] *Id*. at 4. Dominion requests that the Commission enter a final order by September 1, 2021, for the Company to begin construction by February 1, 2022, and complete construction by October 15, 2023. *Id.*

[5] *Id*. at 4.

- Employ best management practices and Spill Prevention and Control Countermeasures as appropriate for the protection of water supply sources.
- Follow the principles and practices of pollution prevention to the extent practicable.
- Limit the use of pesticides and herbicides to the extent practicable.[6]

On March 30, 2021, Staff filed its Staff Report summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion has reasonably demonstrated the need for the proposed Rebuild Project.[7] Staff, therefore, did not oppose the issuance of the CPCN requested in the Company's Application.[8]

On April 13, 2021, Dominion filed its rebuttal testimony. The Company did not object to most of the recommendations included in the DEQ Report but requested that the Commission reject a number of DEQ's recommendations as well a number of the requests from the Tribe.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the construction of 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 chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

The Code further requires that the Commission consider existing 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 in order 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.[9] Based on information provided by the Company, Staff agrees with the Company that the Rebuild Project is needed to continue providing reliable electric transmission service.[10] 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.[11]

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[6] DEQ Report at 5-6.

[7] Staff Report at 16.

[8] *Id.*

[9] *See* Application at 2-3.

[10] Staff Report at 3-6, 16.

[11] *See id*. at 12.

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.[12]

Scenic Assets and Historic Resources

As noted above, the Rebuild Project would be constructed on existing ROW already owned and maintained by Dominion. The Commission finds that such construction will minimize adverse impacts on scenic assets and historic resources recorded with the Department of Historic Resources ("DHR") as required by § 56-46.1 B of the Code.[13]

Environmental Impact

DEQ Recommendations. 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.[14] The Company filed a response opposing several of these recommendations.

First, the Company states that DCR's recommendation that Dominion develop an invasive species management plan is unnecessary because the Company's existing vegetation management plan adequately addresses invasive species.[15] We agree that the Company should not be required to develop and implement an invasive species management plan specific to the Rebuild Project 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.[16]

The Company also requests that the Commission reject the recommendation that the Company consider measures to minimize fragmentation of ecological cores as unnecessary.[17] The Company states that it already has made reasonable efforts to minimize fragmentation by proposing to construct the Rebuild Project entirely within existing ROW and that no significant tree removal is anticipated.[18] Based on the specific facts and circumstances of this case, including the Company's representation that it "does not anticipate any significant tree removal and, therefore, no fragmentation of the ecological cores," the fact that the proposed route is entirely on existing cleared ROW, and Dominion's representation to work with DCR's Division of Natural Heritage to minimize fragmentation, the Commission will not require Dominion to implement this DEQ recommendation.[19]

DWR makes two recommendations which the Company asks the Commission to reject. DWR recommends that the corridor be assessed to determine if suitable habitat for the Loggerhead Shrike is present in the proposed Rebuild Project area and, if so, to restrict any tree and/or land clearing in areas determined to be suitable habitat from April 1 through July 1, and that any significant tree removal and ground clearing activities be restricted to occur outside of the primary songbird nesting season.[20] The Company requests that the Commission reject these recommendations as unnecessary due to the

[12] *See* Application Appendix at 50. The Company represented that no alternative routes were thus proposed for the Rebuild Project. *Id*.

[13] *See* Staff Report at 13-15.

[14] *See* DEQ Report at 5-6. Dominion shall comply with all uncontested recommendations included in the DEQ Report. However, to the extent that 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.

[15] Studebaker Rebuttal at 3-4.

[16] The Commission has ruled similarly in other Dominion cases as well. *See, e.g., Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power* Company, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 23 (Apr. 30, 2021) ("We agree that the Company should not be required to develop and implement an invasive species management plan specific to the CE-1 Solar Project sites 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."); *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Lockridge 230 kV Line Loop and Lockridge Substation*, Case No. PUR-2019-00215, Doc. Con. Cen. No. 201010023, Final Order at 10 (Oct. 1, 2020); *and Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Loudoun-Ox 230 kV Transmission Line Partial Rebuild Projects*, Case No. PUE-2019-00128, Doc. Con. Cen. No. 200610043, Final Order at 9 (June 2, 2020).

[17] Studebaker Rebuttal at 4.

[18] *Id*.

[19] *Id*. at 4-5. We note that our decision regarding Dominion's CE-1 Solar Projects was based on differing facts and a different record. There, Dominion requested the Commission to reject this DEQ requirement as unnecessary because the Company already had made efforts to minimize fragmentation as practicable in siting and designing two of the three CE-1 Solar Projects. Those projects were not in already-cleared ROW, and the Company did not claim that significant tree removal was not required. *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power* Company, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 24 (Apr. 30, 2021).

[20] DEQ Report at 5-6; 20.

Rebuild Project being proposed for construction in existing cleared ROW.[21] The Company states that it believes any tree and/or ground clearing activities will not be significant and that it will coordinate with DWR to create appropriate construction restrictions to the extent significant tree or ground clearing is required during the specified times of year.[22] We find that Dominion shall coordinate with DWR to create appropriate construction restrictions in the event significant clearing activities occur and songbird colonies are found during a Company survey of the Rebuild Project area.[23]

Dominion requests that the Commission reject the DEQ's recommendation that the Company should consider development of an effective Environmental Management System ("EMS"). The Company asserts that it already has a comprehensive EMS Manual in place that "ensures the Company is committed to complying with environmental laws and regulations, reducing risk, minimizing adverse environmental impacts, setting environmental goals, and achieving improvements in its environmental performance, consistent with the Company's core values."[24] We find that the Company's existing EMS achieves the purpose of this recommendation.[25]

Comments of the Sappony Tribe. The Tribe filed comments in this proceeding in which it makes a number of requests for the Commission's consideration. The Tribe first requests "that the Commission should require that the Company complete a Phase I archaeological survey of the full [Rebuild P]roject length prior to approving the route and construction design" of the Rebuild Project.[26] The Tribe further requests that the Commission stipulate that documentary review of the Rebuild Project area associated with cultural resources include an examination of 17th and 18th century early Indian occupations in the area, and that this research be used to assess the sites for listing under certain eligibility criteria of the National Historic Preservation Act.[27]

In response, the Company has stated that it is preparing to conduct a Phase I survey and has committed to sharing the findings with the Tribe, including those as to potential eligibility listings under the National Historic Preservation Act. The Tribe may determine whether any of the sites previously recorded in the Rebuild Project area have any associations with the Tribe.[28] The Company states that it is acting consistent with DHR's *Guidelines for Assessing Impacts of Proposed Electric Transmission Lines and Associated Facilities on Historic Resources in the Commonwealth of Virginia (2008)* ("Guidelines") and recommendations and asks that the Commission not require the Company to perform activities beyond those criteria.[29]

We shall require the Company to conduct the Phase I survey in the areas of disturbance and to share those results with the Tribe as they have committed.[30] We also require the survey process to be coordinated with DHR, consistent with DHR Guidelines and recommendations, and also with the Tribe.[31]

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[21] Studebaker Rebuttal at 5.

[22] *Id*.

[23] This decision is in keeping with our decision in *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied – Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, Doc. Con. Cen. No. 210330038, Final Order at 8 (Mar. 23, 2021) ("We find that the Company shall coordinate with DWR to create appropriate construction restrictions in the event significant clearing activities occur and songbird colonies are found during a Company survey of the Rebuild Project area."). To the extent Dominion has not agreed to perform a survey of songbird colonies if significant clearing occurs during nesting season, we require such to be performed.

[24] Studebaker Rebuttal at 6.

[25] *See also Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied – Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, Doc. Con. Cen. No. 210330038, Final Order at 8 (Mar. 23, 2021).

[26] Tribe Comments at 5-6.

[27] *Id*. at 6.

[28] Reid Rebuttal at 4.

[29] *Id*. at 4-6. The Guidelines are available at: https://www.dhr.virginia.gov/wp-content/uploads/2018/08/DHR_Guidelines_for_Transmission_Line_Assessment.pdf.

[30] In making this finding, we specifically require Dominion to adhere to the statement in DHR's letter attached to the DEQ Comments that "re-identification and verification of previously recorded archaeological site boundaries, and [Virginia Landmarks Register/National Register of Historic Places] VLR/NHRP-eligibility evaluations of those resources should be conducted *prior to any earth-moving or ground-disturbing activity* associated with" the Rebuild Project. (Emphasis added.) *See* Letter dated January 14, 2021, from Timothy Roberts, Archaeologist, Office of Review and Compliance, DHR, to John Fisher, DEQ, attached to DEQ Comments, Doc. Con. Cen. No. 210130145 (Jan. 26, 2021) at 2 in this docket ("DHR Letter"). *See also* Application Appendix 2.H.1 (*SCC Pre-Application Analysis of Cultural Resources for the Clubhouse-Dry Bread Line #2201 and Dry Bread- Lakeview Line #254 230 kV Virginia Rebuild Project* prepared by Dutton +Associates, LLC, Doc. Con. Cen. No. 201130154, at ii ("No archaeological survey or inspection was conducted as part of this effort. It is therefore D+A's opinion that re-identification and verification of site boundaries and eligibility should be conducted *prior to any earth-moving or ground-disturbing activity* associated with the Clubhouse-Dry Bread Line #2201 and Dry Bread- Lakeview Line #254 230 kV Virginia Rebuild Project.") (Emphasis added.). To the extent allowed by DHR regulations, guidelines, or consent, Dominion may stagger its Phase 1 survey. That is, if acceptable to DHR, as long as the survey is completed for each portion or segment of the Rebuild Project prior to earth-moving or ground-disturbing activity, the entire Phase 1 survey need not be completed before the start of construction.

[31] Dutton Rebuttal at 12. In this regard, we note specifically the following DHR recommendation: "4. Avoidance, minimization, and/or mitigation of moderate to severe impacts to VLR/NHRP-eligible/listed resources by Dominion in consultation with DHR and other stakeholders." DHR Letter at 2. *See also* DHR's Guidelines at 4 ("Minimization and mitigation plans should be developed in consultation with DHR, the affected property owner, and any other interested party."). We direct Dominion to consult the Tribe, as a stakeholder and interested party, in this process.

Environmental Justice

The Company states that it reviewed minority, income, and education census data to identify populations within the study area that meet the U.S. Environmental Protection Agency thresholds for Environmental Justice protections ("EJ Communities").[32] The Company further states the Rebuild Project is within the existing ROW and will not require any additional permanent or temporary ROW, the construction of a temporary line, an increase in operating voltage, or an over 20% average increase in structure heights. The Company states it does not anticipate disproportionately high or adverse impacts to the surrounding community and the EJ Communities.[33]

In its comments, the Tribe requests that the Commission require an environmental justice plan be developed for the Rebuild Project. Specifically, the Tribe requests "that this plan include an assessment of whether historic resources were affected during the initial construction of Line #254 and how and whether other environmental justice inequities were created through the [Rebuild Project's] initial construction, given that this line rebuild is based on that initial siting and may continue inequities present in the original design."[34]

In response to the Tribe's concerns, Dominion states that it does not develop a separate environmental justice plan for each project but has one Environmental Justice Policy formalizing the Company's commitment to engage EJ communities "in a manner that ensures fair treatment and allows for meaningful involvement."[35] Concerning the Rebuild Project in particular, Dominion asserts that it conducted a desktop review of the Rebuild Project area to identify EJ communities and performed "a robust community engagement effort" that included outreach with the Tribe, along with several other Native American tribes.[36]

The Commission is aware that the Commonwealth has adopted a policy "to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."[37] As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."[38]

The record in this case includes some limited information concerning environmental justice associated with the Rebuild Project and the impact on at least one EJ community.[39] We have considered the comments of the Tribe, Dominion's responses thereto, and the applicable law in approving this Rebuild Project.[40] We will not require Dominion to develop an environmental justice plan applicable solely to the Rebuild Project, nor will we require Dominion to assess whether historic resources were affected during initial construction of Line #254 in 1962.[41] The Commission does, however, fully support the Commonwealth's Environmental Justice Policy and expects Dominion to abide by those commitments it has made to the Tribe.[42]

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 CPCN to construct and operate the Rebuild Project is granted as provided for herein, subject to the requirements set forth herein.

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[32] Application Appendix at 129.

[33] *Id*.

[34] Tribe Comments at 6.

[35] Parker Rebuttal at 4.

[36] *Id*.

[37] Code § 2.2-235.

[38] Code § 2.2-234. *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power* Company, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 25 (Apr. 30, 2021); *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. 210210007, Final Order at 14-15 (Feb. 1, 2021).

[39] Code § 2.2-234 defines "population of color" to include Native Americans. Further, this Code section defines "environmental justice community" to include "any low-income community or community of color."

[40] *See generally*, Tribe Comments; Reid Rebuttal at 4-9; Parker Rebuttal.

[41] Tribe Comments at 6; Application at 3.

[42] Namely, Dominion has made the following commitments related to historic resources: having Dominion's consultant perform the Phase 1 survey, sharing the survey results with the Tribe, and making practicable efforts to avoid or reasonably minimize impacts to archaeological sites identified in the Phase 1 survey. *See* Reid Rebuttal at 4, 6-7. The Commission reiterates the requirement that Dominion treat the Tribe as a stakeholder in the Phase 1 survey process. *See supra* n.31.

(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-DEV-GVL-2021-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Greensville County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00269, cancels Certificate No. ET-83i, issued to Virginia Electric and Power Company in Case No. PUE-2016-00078 on March 24, 2017.

(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 CPCN 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 a copy 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, 2023. 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.

CASE NO. PUR-2020-00269
AUGUST 17, 2021

APPLICATION OF
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

ORDER GRANTING RECONSIDERATION

On July 27, 2021, the State Corporation Commission ("Commission") issued a Final Order in this docket. On August 16, 2021, the Sappony Tribe filed a Petition for Reconsideration ("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-2020-00269
OCTOBER 27, 2021

APPLICATION OF
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

ORDER ON RECONSIDERATION

On November 18, 2020, 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 and a certificate of public convenience and necessity to construct and operate certain electric transmission facilities in Greensville County, Virginia ("Rebuild Project"). 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 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.[1] The Company further states that the Rebuild Project will replace aging infrastructure that is at the end of its service life.[2]

[1] Application at 2.

[2] *Id.* at 3.

On July 27, 2021, the Commission issued a Final Order in this docket.[3] Among other things, the Final Order authorized Dominion to construct and operate the Rebuild Project as proposed in its Application, subject to the findings and conditions imposed in the Final Order.[4]

On August 16, 2021, the Sappony Tribe ("Tribe") filed a Petition for Reconsideration ("Petition for Reconsideration"). Therein, the Tribe requests reconsideration of the Commission's decision that because the Rebuild Project will be constructed within the existing right-of-way it "will minimize adverse impacts on scenic assets and historic resources recorded with the Department of Historic Resources ('DHR')."[5] The Tribe argues that a Phase I archaeological survey should be completed *before* approval of the Rebuild Project, as that survey will determine the scope of such impacts, which the Commission must consider as required by Code § 56-46.1 B.[6] The Tribe explains that it "is not necessarily requesting consideration of alternative routes at this time, merely that impacts on historic resources and the environment (which is defined to include 'historic'[7]) be taken into account in granting approval for the Rebuild Project as required by law."[8]

On August 17, 2021, the Commission issued an Order Granting Reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration. The Order Granting Reconsideration also suspended the Final Order pending the Commission's reconsideration. On August 19, 2021, the Commission issued an Order for Additional Pleadings attendant to the Petition for Reconsideration. On September 7, 2021, Dominion filed its Response to Sappony Tribe's Petition for Reconsideration. On September 13, 2021, the Tribe filed its Reply to Dominion's Response.

NOW THE COMMISSION, upon consideration of this matter, including all pleadings related to the Petition for Reconsideration, is of the opinion and finds that the Petition for Reconsideration is denied.

The Tribe asserts that the Commission has made an error of law in relying "on the existing right-of-way as the sole basis for finding that the route [of the Rebuild Project] minimizes adverse impacts" as required by Code § 56-46.1 B.[9] Consideration of existing right-of-way was indeed one factor in the Commission's analysis and rightly so given the requirements set forth in the Code. 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." 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."[10]

In addition to considering the use of existing right-of-way, the Commission engaged in a multifactorial analysis when deciding that the proposed route of the Rebuild Project "will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."[11] The additional factors considered by the Commission in making its decision included:[12]

- The review of the environmental and historic aspects of Dominion's application for the Rebuild Project provided by the Department of Environmental Quality ("DEQ"), the Department of Conservation and Recreation, the Department of Wildlife Resources, the Virginia Marine Resources Commission, the Department of Health, DHR, and the Virginia Outdoors Foundation, as documented in a January 26, 2021 filing made by DEQ on behalf of these agencies, a filing which was discussed at some length in the Final Order.[13]

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[3] *Application of 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*, Case No. PUR-2020-00269, Doc. Con. Cen. No. 210730070, Final Order (July 27, 2021) ("Final Order").

[4] *Id*. at 15.

[5] *Id*. at 7; Petition for Reconsideration at 1.

[6] Petition for Reconsideration at 2.

[7] *Id*. (citing Code § 56-46.1 D).

[8] *Id*. at 3.

[9] *Id*. at 1.

[10] Emphasis added. *See also* Final Order at 6.

[11] Code § 56-46.1 B.

[12] We note that the lack of discussion of a particular piece of evidence in the Final Order does not mean that we failed to consider it. *See Bd. of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) (citation omitted) ("[P]ursuant 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.").

[13] *See* Final Order at 7-10.

- The DHR's *Guidelines for Assessing Impacts of Proposed Electric Transmission Lines and Associated Facilities on Historic Resources in the Commonwealth of Virginia (2008)* and Dominion's compliance therewith.[14] In this regard, the Commission also reviewed the Report of its Staff and its findings related to the resources, battlefields, landscapes, historic properties, and archaeological sites in the vicinity of the Rebuild Project.[15] Further, to protect archaeological resources within the right-of-way, the Commission specifically required Dominion to adhere to the statement in DHR's letter attached to the January 26, 2021 DEQ report that "re-identification and verification of previously recorded archaeological site boundaries, and [Virginia Landmarks Register/National Register of Historic Places] VLR/NRHP-eligibility evaluations of those resources should be conducted *prior to any earth-moving or ground-disturbing activity* associated with" the Rebuild Project.[16]

- The Commonwealth's environmental justice policy, Dominion's analysis that it does not anticipate disproportionately high or adverse impacts to the surrounding community and environmental justice communities as a result of the Rebuild Project's location in existing right-of-way, and the Commission's expectation that Dominion abide by the commitments that it has made to the Tribe.[17]

In short, the Commission's analysis of the proposed Rebuild Project, in light of Code § 56-46.1 B, was based on multiple factors. The Commission found that the requirements of this statute were met by the record as discussed herein. Contrary to the Tribe's assertion, such finding does not represent an error of law.

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.

[14] *Id.* at 11-12; Rebuttal Testimony of Nancy R. Reid ("Reid Rebuttal") at 4-6; Rebuttal Testimony of David H. Dutton at 12.

[15] Final Order at 7, n.13; Staff Report at 13-15.

[16] Final Order at 11-12, nn.30-31 (quoting letter dated January 14, 2021, from Timothy Roberts, Archaeologist, Office of Review and Compliance, DHR, to John Fisher, DEQ, attached to DEQ Comments, Doc. Con. Cen. No. 210130145 (Jan. 26, 2021) at 2, and requiring that Dominion consult the Tribe in fulfilling its obligation under the DHR's *Guidelines for Assessing Impacts of Proposed Electric Transmission Lines and Associated Facilities on Historic Resources in the Commonwealth of Virginia (2008)* at 4, that "Minimization and mitigation plans should be developed in consultation with DHR, the affected property owner, and any other interested party.").

[17] *See id.* at 12-14; Code §§ 2.2-234 and -235; Reid Rebuttal at 4, 6-7.

CASE NO. PUR-2020-00271
AUGUST 3, 2021

APPLICATION OF
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

FINAL ORDER

On November 20, 2020, Virginia Electric and Power Company ("Dominion" or "Company"), pursuant to § 56-235.2 of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission") an application ("Application") for approval of the special rate and contract for electric service entered into on October 20, 2020, by and between Amazon Data Services, Inc. ("ADS"), and Dominion ("Revised Special Rate Contract").[1] The Revised Special Rate Contract replaces and extends the current special rate contract ("Current Special Rate Contract") that was approved by the Commission in Case No. PUE-2015-00103.[2]

ADS is a high-load factor, Virginia jurisdictional customer of Dominion that owns and operates several cloud computing data centers in Virginia. ADS is a subsidiary of Amazon.com, Inc. ("Amazon"), and an affiliate of Amazon Web Services. In its Application, Dominion states that ADS, Amazon, and Amazon Web Services have made long-term corporate commitments to achieve 100% renewable energy usage for their global infrastructure footprint.[3]

As set forth in the Application, the Revised Special Rate Contract comprises: (i) a base contract proposed for a term extending through December 31, 2025, and continuing thereafter by automatic one-year renewals, unless otherwise terminated with notice; and (ii) a single market-based rate schedule ("SCR Rate Schedule") for the Company's provision of electric service to some or all of ADS's qualifying current and future accounts.[4] According

[1] Ex 2 (Application) at 1.

[2] *Id.* at 1, 3; *Application of Virginia Electric and Power Company, For approval of special rates, terms and conditions pursuant to § 56-235.2 of the Code of Virginia and new rate schedules SCR – GS-3 and SCR – GS-4,* Case No. PUE-2015-00103, 2016 S.C.C. Ann. Rept. 293, Final Order (Jan. 19, 2016). The Company is not seeking to extend an Energy Management Services Agreement that is part of the Current Special Rate Contract. *See* Ex. 2 (Application) at 4.

[3] Ex. 2 (Application) at 3.

[4] *Id.* at 5; Ex. 3 (Trexler Direct) at 6. The Current Special Rate Contract includes two separate schedules. *See* Ex. 2 (Application) at 4.

to Dominion, the inclusion of the new market-based rate, which contains higher variable and lower fixed charges than those currently in Rate Schedules GS-3 and GS-4 and follows the Company's New MBR Rate Schedule approved by the Commission in Case No. PUR-2018-00192, is a key component in the SCR Rate Schedule.[5] The market-based rate detailed in the SCR Rate Schedule is designed to be representative of the Company's PJM Interconnection, L.L.C. ("PJM"), wholesale market costs to serve ADS, plus an administrative margin.[6] According to the Company, this optional market-based retail rate would create a more direct financial correlation between ADS's wholesale transactions in the PJM market and its retail load billing, which would allow ADS to continue to invest in renewable energy and work towards its renewable energy goals.[7]

The Company asserts that, to qualify for service under the SCR Rate Schedule, ADS's accounts must: (i) receive electricity supply service and electric delivery service from Dominion at their service locations; (ii) have peak demand of 5 megawatts or more; and (iii) meet the additional criteria set forth in the Revised Special Rate Contract.[8]

Dominion states that the proposed Revised Special Rate Contract reflects the implementation of certain non-bypassable charges established in Virginia law since the Current Special Rate Contract was approved.[9] The Company further states that the Revised Special Rate Contract would protect the public interest, would not unreasonably prejudice or disadvantage any customer or class of customers, and would not jeopardize the continuation of reliable utility service.[10] According to the Company, the Revised Special Rate Contract would likely result in altered levels of base rate revenue as compared to the Company's traditional rate schedules, though the amount of such revenue differences would depend on the amount of load that actually migrates from Rate Schedules GS-3 and GS-4 to the Revised SCR Rate Schedule and, ultimately, on fuel and market prices.[11] Dominion also asserts that other than the administrative costs of preparing for this proceeding and negotiating the Revised Special Rate Contract, it does not expect to incur direct costs specifically related to the Revised Special Rate Contract.[12]

Finally, in its Application, Dominion sought authority to continue serving and billing ADS under the Current Special Rate Contract and attendant tariff until the Commission issues a decision on the Revised Special Rate Contract because the Current Special Rate Contract expired on December 31, 2020.[13]

On December 11, 2020, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled public hearings on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the case; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission. The Commission also permitted the Company to continue serving and billing ADS under the Current Special Rate Contract and attendant tariff on an interim basis until the Commission issued a decision on the proposed Revised Special Rate Contract.

The Board of Supervisors of Culpeper County, Virginia, filed a notice of participation in this case on April 13, 2021. Commission Staff ("Staff") filed testimony on May 26, 2021, stating that it does not oppose approval of the Revised Special Rate Contract.[14] On June 9, 2021, Dominion filed a letter in lieu of rebuttal testimony stating, "[t]he Company appreciates Staff's review and respectfully request that the Commission approve its Application."[15] The Commission did not receive written comments from any interested person regarding the Application.

Due to the ongoing public health issues related to the spread of the coronavirus, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on June 30, 2021.[16] Dominion and Staff participated in the evidentiary hearing.

On July 16, 2021, the Senior Hearing Examiner issued the Report of Michael D. Thomas, Senior Hearing Examiner ("Report"). In the Report, the Senior Hearing Examiner found that the Revised Special Rate Contract: (i) protects the public interest; (ii) will not unreasonably prejudice or disadvantage any customer or class of customers; and (iii) will not jeopardize the continuation of reliable electric service.[17] The Senior Hearing Examiner recommended that the Commission adopt his findings, approve the Revised Special Rate Contract, and dismiss the case.[18]

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[5] Ex. 2 (Application) at 4-5; *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*, Case No. PUR-2018-00192, Doc. Con. Cen. No. 200120040, Final Order (Jan. 14, 2020).

[6] Ex. 2 (Application) at 5.

[7] Ex. 3 (Trexler Direct) at 5, 8.

[8] Ex. 2 (Application) at 5.

[9] *Id*. at 4.

[10] *Id*. at 6-9.

[11] Ex. 3 (Trexler Direct) at 14-15.

[12] Ex. 2 (Application) at 10.

[13] *Id*. at 2.

[14] Ex. 4 (Boehnlein) at 2-9.

[15] *See* Ex. 5 (June 9, 2021 Dominion Letter) at 2.

[16] No public witnesses signed up to participate at the June 29, 2021 telephonic public witness hearing, and that hearing therefore was canceled. *See* Tr. 4.

[17] Report at 9.

[18] *See id.* No participant filed comments in opposition to the Report.

NOW THE COMMISSION, upon consideration of this matter, hereby adopts the Senior Hearing Examiner's findings and recommendations, as set forth in the Report and described above, and finds that the Revised Special Rate Contract should be approved.

Accordingly, IT IS ORDERED THAT:

(1) The Senior Hearing Examiner's findings and recommendations, as set forth in the Report and described herein, are adopted.

(2) Dominion's Revised Special Rate Contract is approved.

(3) This case is dismissed.

CASE NO. PUR-2020-00272
MAY 18, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to modify rate schedules, designated Rate Schedule MBR, Rate Schedule MBR-GS-3, and Rate Schedule MBR-GS-4, pursuant to § 56-234 B of the Code of Virginia

FINAL ORDER

On November 20, 2020, Virginia Electric and Power Company ("Dominion" or "Company") pursuant to § 56-234 B of the Code of Virginia ("Code") and Rule 80 of the Rules of Practice and Procedure[1] of the State Corporation Commission ("Commission"), filed with the Commission an application ("Application") to modify the Company's current market-based rate ("MBR") schedules, designated Rate Schedule MBR (the "New MBR Rate Schedule"), and Rate Schedules MBR-GS-3 and MBR-GS-4 (the "Initial MBR Rate Schedules") (collectively, "MBR Rate Schedules"). Through its Application, Dominion seeks the Commission's approval to (1) modify the MBR Rate Schedules to comply with the statutory mandates concerning non-bypassable charges in Code §§ 10.1-1402.03 H, 56-585.1:11, and 56-585.5 F, and (2) increase the aggregate participation cap for the New MBR Rate Schedule from 200 megawatts ("MW") to 600 MW for jurisdictional customers.

The Initial MBR Rate Schedules were approved September 23, 2016,[2] and are structured to reflect market-based pricing in the PJM Interconnection, L.L.C. ("PJM") wholesale market.[3] The Initial MBR Rate Schedules are applicable to qualifying customers who would otherwise take service under Rate Schedule GS-3 or Rate Schedule GS-4.[4] The Initial MBR Rate Schedules are set to expire December 31, 2022.[5]

In Case No. PUR-2018-00192, the Commission approved a new voluntary market-based rate schedule, the New MBR Rate Schedule, on an experimental basis, applicable to qualifying customers who would otherwise take service under Rate Schedule GS-3 or Rate Schedule GS-4.[6] The New MBR Rate Schedule is also based on market-based rate pricing in the PJM wholesale market; however, according to the Company, it contains "several significant improvements" over the Initial MBR Rate Schedules.[7] The New MBR Rate Schedule Final Order capped participation in the New MBR Rate Schedule at 200 MW, imposed a sunset on enrollment after three years (on November 1, 2022), and established an expiration date of January 1, 2026.[8]

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[1] 5 VAC 5-20-10 *et seq.*

[2] *Application of Virginia Electric and Power Company, For approval to establish experimental companion rates, designated 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, Final Order (Sept. 23, 2016) ("Initial MBR Rate Schedules Final Order"). The Initial MBR Rate Schedules became effective for usage on and after November 1, 2016. Ex. 2 (Application) at 3.

[3] Ex. 2 (Application) at 3.

[4] *Id.*

[5] *Id.* at 7. *See* Initial MBR Rate Schedules Final Order at 302.

[6] Ex. 2 (Application) at 4. *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*, Case No. PUR 2018-00192, Doc. Con. Cen. No. 200120040, Final Order (Jan. 14, 2020) ("New MBR Rate Schedule Final Order"). Dominion initially proposed what became the New MBR Rate Schedule as a permanent tariff under Code § 56-234 A. Subsequently, Dominion agreed through a partial stipulation with Commission Staff ("Staff") to seek approval of the New MBR Rate Schedule as an experiment under Code § 56-234 B. The Commission approved the New MBR Rate Schedule as an experiment. *See* New MBR Rate Schedule Final Order at 1-2, 5-6, 8.

[7] Ex. 2 (Application) at 3.

[8] *Id.* at 4. *See* New MBR Rate Schedule Final Order at 9.

Effective July 1, 2020, the Virginia Clean Economy Act ("VCEA"),[9] among other things, directs the Company to participate in a renewable energy portfolio standard program ("RPS Program"), through which the Company must petition the Commission for approval of new solar and onshore wind generation capacity.[10] The VCEA requires the Company to recover certain costs of compliance with the RPS Program, as well as costs to construct or acquire offshore wind generation capacity after July 1, 2020, from all retail customers, absent a qualifying exception, as a non-bypassable charge, irrespective of a customer's generation supplier.[11]

Code § 10.1-1402.03 H further requires that: "[a]ll costs associated with closure of a [coal combustion residuals] unit in accordance with this section" shall be recovered through a rate adjustment clause authorized by the Commission under Code § 56-585.1 A 5 e, provided that, among other things, "any such costs shall be allocated to all customers of the utility in the Commonwealth as a non-bypassable charge, irrespective of the generation supplier of any such customer[.]"

The Company states that the above-described requirements of the VCEA necessitate certain limited modifications to the MBR Rate Schedules to implement the non-bypassable charges, which are incremental to the existing charges.[12]

Dominion further requests approval of an increase in the aggregate participation cap for the New MBR Rate Schedule from 200 MW to 600 MW for jurisdictional customers. According to the Application, as of the date of filing, 129 MW are enrolled in the New MBR Rate Schedule, with another 32 MW currently in the enrollment process to take service under that rate schedule, leaving 39 MW remaining under the 200 MW cap.[13] The Company requests to increase the participation cap in order to accommodate (1) growth of customers currently enrolled in the New MBR Rate Schedule, many of whom are data centers, (2) "significant interest in the New MBR Rate Schedule from eligible customers," and (3) the migration of customers currently taking service under the Initial MBR Rate Schedules, which will expire December 31, 2022.[14]

The Company asserts that increasing the participation cap in the New MBR Rate Schedule is in the public interest because it will (1) enable the Company to continue to provide this offering to interested customers and help encourage economic development in the Commonwealth; (2) "help ensure that the New MBR Rate Schedule can continue to provide a competitive avenue that allows the Company to serve choice-eligible customers in a just and reasonable manner, and that prevents reallocation of costs to non-participants;" and (3) help the Company "to acquire additional information on how utility-provided market-based pricing impacts customers' business decisions."[15]

On December 3, 2020, the Commission issued an Order for Notice and Hearing that, among other things: required the Company to publish notice of the Application; gave interested persons the opportunity to comment on, or participate in, the proceeding; scheduled public witness and evidentiary hearings for the purpose of receiving testimony and evidence on the Company's Application; directed the Staff to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

Notices of Participation were filed by Microsoft Corporation ("Microsoft") and the Board of Supervisors of Culpeper County, Virginia.

On February 9, 2021, Staff filed testimony stating that Staff does not oppose the Company's proposed modifications to the MBR Rate Schedules to allow for the implementation of non-bypassable charges.[16] Staff did not take a position on the Company's request to increase the participation cap for the New MBR Rate Schedule from 200 MW to 600 MW; however, Staff offered an alternative option, for the Commission's consideration, to approve a smaller increase from 200 MW to 400 MW.[17]

On February 23, 2021, the Company filed rebuttal testimony stating that, as of that date, 182 MW are enrolled in the New MBR Rate Schedule due to load growth from current New MBR Rate Schedule customers and two recent customer additions, leaving 18 MW available under the existing cap.[18] The Company reiterated its assertion that increasing the participation cap for the New MBR Rate Schedule to 600 MW is reasonable and in the public interest "to support new customer interest and existing customer growth, to maintain these customers in the system, and to avoid duplicative proceedings."[19]

On March 5, 2021, the Hearing Examiner issued a ruling that cancelled the public witness hearing scheduled for March 8, 2021, because no person signed up to speak as a public witness. Due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, the evidentiary hearing was convened virtually on March 9, 2021, with no party present in the Commission's courtroom. The Company, Staff and Microsoft participated in the hearing.

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[9] 2020 Va. Acts ch. 1193 and 1194.

[10] *See* Ex. 2 (Application) at 4-5; Code § 56-585.5 C.

[11] *See* Ex. 2 (Application) at 4-5; Code §§ 56-585.5 F and 56-585.1:11.

[12] Ex. 2 (Application) at 5-6.

[13] *Id.* at 6.

[14] *Id.* at 6-7. The Company states that the load of customers taking service under the Initial MBR Rate Schedules is approximately 68 MW. *Id.* at 7.

[15] *Id.*

[16] Ex. 4 (Samuel) at 8.

[17] *Id.* at 10.

[18] Ex. 5 (Trexler Rebuttal) at 3-4.

[19] *Id.* at 6.

On April 5, 2021, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report"), was filed. In his Report, the Hearing Examiner summarized the record in this proceeding and recommended that the Commission (1) approve the Company's proposed tariff modifications to incorporate non-bypassable charges in compliance with Code §§ 10.1-1402.03 H, 56-585.1:11, and 56-585.5 F;[20] and (2) expand the participation cap in the New MBR Rate Schedule, to allow the voluntary migration of approximately 70 MW from the Initial MBR Rate Schedules, by re-opening and extending the window for those customers to enroll in the New MBR Rate Schedule through December 31, 2022.[21]

On April 20, 2021, Dominion filed comments on the Report asking the Commission to adopt the Hearing Examiner's recommendation to approve the Company's proposed tariff modifications to incorporate non-bypassable charges.[22] The Company further asked the Commission to reject the Hearing Examiner's recommendation to limit the increase in the participation cap for the New MBR Rate Schedule to the amount necessary to allow the voluntary migration of customers of the Initial MBR Rate Schedules to the New MBR Rate Schedule and to instead approve an increase in the participation cap to 600 MW or, in the alternative, increase the cap to 400 MW, "while preserving the Company's option to return to the Commission for a further increase in the future."[23] Also on April 20, 2021, Microsoft filed comments on the Report, disagreeing with the Hearing Examiner's recommendation for a limited increase of the cap for the New MBR Rate Schedule and stating that such would not be "sufficient to serve the information-gathering purpose of Code § 56-234 B."[24] Both Dominion and Microsoft stated that a larger cap increase would provide a broader data set of information from the experiment from which to analyze the demand for market-based pricing[25] and "to better assess the impact of a market-based rate schedule on cost of service."[26]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company's proposed revisions to the MBR Rate Schedules to incorporate non-bypassable charges in compliance with Code §§ 10.1-1402.03 H, 56-585.1:11, and 56-585.5 F are reasonable and should be approved. In addition, we find that a threefold increase to the size of the experiment is not necessary to satisfy the requirements of Code § 56-234 B. Rather, we adopt Staff's alternative recommendation to increase the participation cap for the New MBR Rate Schedule from 200 MW to a maximum cap of 400 MW.[27] Under the specific facts and circumstances of this case, we find that increasing the participation cap to 400 MW, with the conditions imposed herein, is "necessary in order to acquire information which is or may be in furtherance of the public interest," pursuant to Code § 56-234 B. Among other things, a 400 MW limit would allow the Company to test the attractiveness of the tariff with the inclusion of non-bypassable charges. In approving a maximum 400 MW cap, we do not, however, approve the Company's request to preserve the option to return to the Commission for a further increase in the future.[28] The Commission finds that the maximum participation cap of 400 MW, approved in this proceeding, shall be the limit for purposes of the experimental New MBR Rate Schedule. If interest in the New MBR Rate Schedule continues to increase and the Company wishes to add customers that would exceed the maximum 400 MW cap, the Company must file for approval of a permanent market-based rate tariff.

Because of the experimental nature of the New MBR Rate Schedule, with the increased cap on participation, we will direct Dominion to include the following information in the Company's annual report regarding this tariff. With respect to the reporting requirements adopted by the Commission's Final Order in Case No. PUR-2018-00192,[29] the Company's annual reports shall provide the required information separately for customers with peak loads between 5 MW and 25 MW and customers with peak loads greater than 25 MW. In addition, the Company's annual reports shall include the following information for the customers taking service under the New MBR Rate Schedule: (1) the number of customers who qualify, or potentially qualify, as an "accelerated renewable energy buyer" under Code § 56-585.5; (2) the number of customers who qualify, or potentially qualify, as a "qualifying large general service customer" under Code § 56-585.1:11; and (3) the information reflected in Late-filed Exhibits 6 and 7, for the years 2018 through the most recently completed calendar year.

Accordingly, IT IS ORDERED THAT:

(1) The Company's proposed modifications to the MBR Rate Schedules to incorporate non-bypassable charges in compliance with Code §§ 10.1-1402.03 H, 56-585.1:11, and 56-585.5 F are reasonable and are approved.

(2) The participation cap for the experimental New MBR Rate Schedule is increased by 200 MW, to a maximum cap of 400 MW, as discussed herein.

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[20] Report at 8-9, 12. The New MBR Rate Schedule allowed Initial MBR Rate Schedule customers to migrate to the New MBR Rate Schedule on or before April 13, 2020. Ex. 3 (Trexler Direct) at Direct Sched. 3, p. 1.

[21] Report at 11-12.

[22] Company Comments at 3. Staff filed a letter on April 19, 2021, stating that Staff was filing no comments on the Report.

[23] *See* Company Comments at 12.

[24] Microsoft Comments at 3.

[25] *See, e.g.*, Company Comments at 3-4, 6; Microsoft Comments at 3.

[26] Company Comments at 6.

[27] Ex. 4 (Samuel) at 10; Company Comments at 12. In so approving, we recognize that Dominion supported this Staff recommendation as an alternative to the Company's proposal. Company Comments at 12. We further direct the Company to allow customers currently taking service under the Initial MBR Rate Schedules to enroll in the New MBR Rate Schedule, without penalty, through December 31, 2022, subject to the 400 MW cap established herein.

[28] *See* Company Comments at 12.

[29] *See 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*, Case No. PUR-2018-00192, Pre-filed Testimony of Allison F. Samuel at 19-20; Pre-filed Testimony of Patrick W. Carr at 6, Appendix A (filed June 27, 2019); New MBR Rate Schedule Final Order at 13.

(3) The Company forthwith shall file the MBR Rate Schedule tariffs and supporting workpapers, if applicable, 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. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: scc.virginia.gov/pages/Case-Information.

(4) Dominion shall continue to file annual reports on the MBR Rate Schedules, containing the information described herein, as applicable.

(5) This matter is dismissed.

CASE NO. PUR-2020-00272
MAY 25, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to modify rate schedules, designated Rate Schedule MBR, Rate Schedule MBR-GS-3, and Rate Schedule MBR-GS-4, pursuant to § 56-234 B of the Code of Virginia

CLARIFYING ORDER

The State Corporation Commission ("Commission") issued a Final Order in this case on May 18, 2021. In accordance with Rule 220 of the Commission's Rules of Practice and Procedure,[1] the Final Order remains under the control of the Commission for 21 days thereafter. The Commission hereby clarifies, to the extent necessary, that the Final Order concluded increasing the participation cap for the New MBR Rate Schedule to an amount above 400 MW does not satisfy the requirements of Code § 56-234 B.

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

[1] 5 VAC 5-20-10 *et seq.*

CASE NO. PUR-2020-00274
SEPTEMBER 7, 2021

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of its 2020 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia

FINAL ORDER

On December 2, 2020, 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 July 30, 2020 Final Order in Case No. PUR-2019-00201,[5] filed with the Commission its petition requesting (1) approval to implement new demand-side management ("DSM") programs; (2) approval to extend the Company's existing Non-residential Distributed Generation ("DG") Program; (3) approval to expand the eligibility requirements for specific DSM Phase VII and Phase VIII Programs in accordance with changes established in the Virginia Clean Economy Act ("VCEA");[6] and (4) approval of three updated rate adjustment clauses, Riders C1A, C2A and C3A, and a new rate adjustment clause, Rider C4A ("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.* ("Cost/Benefit Rules")

[4] 20 VAC 5-318-10 *et seq.*

[5] *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, 2020 S.C.C. Ann. Rept. 368, Final Order (July 30, 2020) ("2019 DSM Order").

[6] 2020 Va. Acts. chs. 1193 and 1194.

[7] Supporting testimony and other documents also were filed with the Petition.

In its Petition, the Company requests approval to implement 11 new programs as the Company's "Phase IX" programs, which include a mixture of "energy efficiency" ("EE") and "demand response" ("DR") DSM programs, as those terms are defined by Code § 56-576.[8] With the exception of the proposed House Bill ("HB") 2789 (Solar Component) Program,[9] the Company requests that the Commission permit the Company to operate the following proposed programs for the five-year period of January 1, 2022, through December 31, 2026, subject to future extensions as requested by the Company and granted by the Commission:

- Residential Income and Age Qualifying ("IAQ") (EE)
- Residential Water Savings (EE)
- Residential Water Savings (DR)
- Residential Smart Home (EE)
- Residential Virtual Audit (EE)
- Non-residential Agricultural (EE)
- Non-residential Building Automation (EE)
- Non-residential Building Optimization (EE)
- Non-residential Engagement (EE)
- Non-residential Enhanced Prescriptive (EE)
- HB 2789 (Solar Component)[10]

The Company proposes an aggregate total cost cap for the Phase IX programs in the amount of $162 million.[11] Additionally, the Company requests the ability to exceed the spending cap by no more than 5%.[12] The Company "seeks authorization to spend directly for these programs for a reasonable amount of time before and after the approval 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."[13]

The Company 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")[14] 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.[15] The Company further asserts that the total amount of spending proposed in this Petition on energy efficiency programs targeting low-income individuals, when combined with the Company's prior requests for energy efficiency spending on such programs since the passage of the GTSA and VCEA, "consists of a proposal for approximately $53 million of the required 15% of the $870 million or $130.5 [million], excluding any amount of projected lost revenues."[16]

Additionally, the Company seeks approval of a two-year extension of the existing Non-residential DG Program.[17] The Company is not seeking additional funds under the current cost cap for this Program.[18]

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[8] Ex. 2 (Petition) at 7.

[9] In 2019, the General Assembly passed HB 2789 (amended in the 2020 session through HB 1656 and codified as Code § 56-596.2:1), which requires the Company to (i) 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, and (ii) submit a petition for approval to design, implement, and operate a separate three-year incentive program, in an amount not to exceed $25 million in the aggregate, to enable the installation of, or access to, equipment to generate electric energy derived from sunlight. The Commission approved the Company's program under the first part of that statute in the 2019 DSM Order. In this case, the Company is proposing a program under the second half of the statute – the HB 2789 (Solar Component) Program – for a three-year term. *See* Ex. 2 (Petition) at 6-8.

[10] *Id.* at 7. The Phase IX programs are more fully described in the pre-filed direct testimony of Company witness Michael T. Hubbard. *See* Ex. 4 (Hubbard Direct) at 8-14, Schedule 2.

[11] Ex 2. (Petition) at 8. *See also* Ex. 7 (Bates Direct) at 8.

[12] Ex. 2 (Petition) at 8.

[13] *Id.*

[14] 2018 Va. Acts ch. 296.

[15] Ex. 7 (Bates Direct) at 9-10. *See* Code § 56-596.2 C.

[16] Ex. 7 (Bates Direct) at 10-11. *See* Code § 56-596.2 A and C.

[17] Ex. 2 (Petition) at 9-10.

[18] *Id.* at 10.

The Company also seeks approval to expand the eligibility requirements for specific Non-residential DSM Phase VII and Phase VIII Programs[19] due to the VCEA's changes to Code § 56-585.1 A 5 from an automatic exemption to an opt-out process for large general service customers and the change to the demand threshold from 500 kilowatts ("kW") to 1 megawatt.[20] The Company states that if customers over 500 kW "are going to begin paying for Phase VII and VIII energy efficiency programs as of the beginning of the proposed Rate Year, they should also be eligible to participate in the non-residential programs available through those DSM Phases."[21] Accordingly, the Company proposes to expand eligibility requirements for the following DSM Phase VII and Phase VIII Programs, which were originally designed such that eligibility was capped at 500 kW, consistent with the version of Code § 56-585.1 A 5 in effect (under the GTSA) at the time these programs were proposed and approved: Non-residential Lighting Systems and Controls, Non-residential Heating and Cooling Efficiency, Non-residential Window Film, and Non-residential Small Manufacturing Programs.[22]

Lastly, the Company requests approval of an annual update to continue three rate adjustment clauses, Riders C1A, C2A and C3A, and to implement a new rate adjustment clause, Rider C4A, for a Rate Year of September 1, 2021, through August 31, 2022 ("2021 Rate Year") for recovery of: (i) 2021 Rate Year costs associated with programs previously approved by the Commission in Case No. PUE-2011-00093,[23] Case No. PUE-2013-00072,[24] Case No. PUE-2014-00071,[25] Case No. PUE-2015-00089,[26] and Case No. PUE-2016-00111,[27] and for the Company's Phase VII and Phase VIII Programs; (ii) calendar year 2019 true-up of costs associated with the Company's approved Phase II, Phase III, Phase IV, Phase V, Phase VI and Phase VII Programs; (iii) calendar year 2019 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;[28] and (iv) 2021 Rate Year costs associated with the Company's proposed Phase IX Programs.[29]

For purposes of calculating the 2021 Rate Year projected revenue requirement, the Company used a general rate of return on common equity ("ROE") of 9.2%, per the Commission's Final Order in Case No. PUR-2019-00050.[30] For the 2019 calendar year true-up adjustment, the Company used a general ROE of 9.2% for the period of January 1, 2019, through November 20, 2019, which was approved by the Commission in Case No. PUR-2017-00038;[31] for November 21, 2019, through December 31, 2019, the Company used a 9.2% ROE per the 2019 ROE Order.[32]

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[19] The Phase VII Programs were approved by the Commission in Case No. PUR-2018-00168. *See 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, 2019 S.C.C. Ann. Rept. 285, Order Approving Programs and Rate Adjustment Clauses (May 2, 2019). The Company's Phase VIII Programs were approved in the 2019 DSM Order.

[20] Ex. 2 (Petition) at 10.

[21] *Id.*

[22] *Id.*

[23] *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).

[24] *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-2013-00072, 2014 S.C.C. Ann. Rept. 289, Final Order (Apr. 29, 2014).

[25] *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).

[26] *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).

[27] *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).

[28] *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).

[29] Ex. 2 (Petition) at 12-13; Ex. 7 (Bates Direct) at 7; Ex. 8 (Lecky Direct) at 2-4.

[30] 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, 2019 S.C.C. Ann. Rept. 400, Final Order (Nov. 21, 2019) ("2019 ROE Order").

[31] Ex. 2 (Petition) at 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).

[32] Ex. 2 (Petition) at 13.

Dominion proposes that the revised Riders C1A, C2A, C3A and C4A be applicable for billing purposes on the latter of September 1, 2021, 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, C3A and C4A.[33] The Company calculated the proposed Riders C1A, C2A, C3A and C4A rates in accordance with the same methodology approved in the 2019 DSM Order.[34]

The Company requested a waiver of the Commission's Cost/Benefit Rules as they relate to the proposed HB 2789 (Solar Component) Program on the basis that, although that program "was legislatively prescribed to be part of the Company's DSM proposal[,] . . . it is not a traditional energy efficiency or peak shaving program as those terms are defined by the Virginia Code."[35] The Commission issued an order denying that requested waiver on December 18, 2020, and directing the Company "to provide, to the best of the Company's ability, results of a cost/benefit analysis and the information required in the Commission's Cost/Benefit Rules, including 20 VAC 5-304-30, for the proposed HB 2789 (Solar Component) Program."[36] On January 7, 2021, the Company filed the Supplemental Direct Testimony of Edmund J. Hall in response to the Commission's December 18, 2020 Order.

On January 15, 2021, 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; directed Commission Staff ("Staff") to investigate the Petition and file testimony and exhibits; and scheduled a public hearing on the Petition. In addition, the Commission's Notice Order 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.

Appalachian Voices; the Virginia Committee for Fair Utility Rates; the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"); and the Board of Supervisors of Culpepper County, Virginia, filed notices of participation.

On April 16, 2021, Appalachian Voices filed the testimony and exhibits of one witness. On May 7, 2021, Staff filed its testimony and exhibits as directed. The Company filed rebuttal testimony on May 21, 2021.

On June 8, 2021, the Senior Hearing Examiner convened a hearing, as scheduled, to receive public witness testimony telephonically and to receive the testimony and evidence of the parties and Staff via Microsoft Teams. Four public witnesses testified telephonically.[37] The Company, Appalachian Voices, Consumer Counsel, and Staff participated in the hearing. On July 2, 2021, the Company, Appalachian Voices, Consumer Counsel, and Staff filed post-hearing briefs.

On July 20, 2021, the Senior Hearing Examiner issued the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report"). In the Report, the Senior Hearing Examiner made the following findings:

1. The Commission should approve the Company's proposed 11 Phase IX DSM Programs and, with regard to the approval of the HB 2789 (Solar Component) Program should condition such approval upon the Company's commitment to ensuring no costs to participants going forward;

2. The Commission should approve the Company's proposed extension of its Phase II Non-residential DG Program for an additional two years;

3. The Commission should approve the expanded eligibility requirements proposed by Dominion Energy for its Phase VII and Phase VIII Non-residential Lighting Systems and Controls, Non-residential Heating and Cooling Efficiency, Non-residential Window Film, and Non-residential Small Manufacturing Programs;

4. The Commission should direct the Company to investigate, and implement if appropriate, opportunities to streamline its audit Programs going forward;

5. The Commission should direct the Company to provide detailed supporting cost information for the measures included in its IAQ Programs going forward;

6. The Commission should approve the Company's plan to retain the [renewable energy certificates ("RECs")] generated by the HB 2789 (Solar Component) Program for use in fulfilling the Company's [renewable energy portfolio standards ("RPS")] obligations;

7. The Commission should direct the Company to file a long-term plan with its next DSM Update that, at a minimum, includes (i) proposed Program savings and budgets for the five-year period beginning January 1, 2022, sufficient to comply with the Company's statutory savings and investment obligations; (ii) a proposed plan and framework for consolidating, streamlining, and marketing the public-facing aspects of the Company's approved and proposed DSM Programs to facilitate participation at the levels required to achieve the VCEA targets; and (iii) a detailed project management plan and risk management strategy demonstrating that the Company has identified and planned for deployment of the resources required to implement its revised Programs;

[33] *Id.* at 20.

[34] *Id.* at 11.

[35] *Id.* at 9.

[36] *Petition of Virginia Electric and 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, Doc. Con. Cen. No. 201230028, Order at 5 (Dec. 18, 2020).

[37] In addition, the Commission received filed public comments from the Virginia Department of Mines, Minerals and Energy and from the Natural Resources Defense Council.

8. The Commission should direct the Company to provide with its next DSM filing a chart that summarizes the following for all active programs through the end of the True-up period: (i) total incentives; (ii) incentive cost per participant; (iii) non-incentive cost per participant; (iv) margin cost per participant; (v) total cost per participant; and (vi) the percentage of margin and non-incentive costs in relation to total costs;

9. The Rate Year projected revenue requirement for Rider C1A is $3,640,794, for Rider C2A is $2,878,837, for Rider C3A is ($226,563), and for Rider C4A is $78,211,888;

10. The Monthly True-Up Adjustment for Rider C1A is ($2,272,087), for Rider C2A is ($1,069,480), for Rider C3A is ($7,326,013), and for Rider C4A is $0; and

11. The total Rate Year revenue requirement for Rider C1A is $1,368,707, for Rider C2A is $1,809,357, for Rider C3A is ($7,552,576), and for Rider C4A is $78,211,888, for an overall total Rate Year revenue requirement for Riders C1A, C2A, C3A, and C4A of $73,837,376.[38]

The Senior Hearing Examiner then recommended that the Commission enter an order that adopts the findings of the Report and dismisses this case from the Commission's docket of active cases.[39]

On August 10, 2021, the Company, Appalachian Voices, Consumer Counsel, and Staff 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 Senior Hearing Examiner's Report should be adopted except as otherwise provided herein. The Commission approves the proposed Phase IX programs with an overall total Rate Year revenue requirement of $73,837,376, as recommended by the Senior Hearing Examiner.[40]

Long-Term Plan and EM&V

The Commission supports the deployment of cost-effective energy efficiency programs in the Commonwealth paired with rigorous Evaluation, Measurement, and Verification ("EM&V").[41] While approval of the Phase IX programs is uncontested in this case, we are mindful of the total energy savings targets set forth in the VCEA and that under current projections, Dominion does not anticipate achieving such targets in 2023.[42]

Therefore, while we approve the proposed Phase IX programs, to evaluate subsequent DSM proposals and whether Dominion's DSM programs in the aggregate meet the total energy savings targets in the Code, we find that Dominion's future DSM filings must comply with (at minimum) the following additional requirements. Dominion's future DSM filings, including its next annual DSM filing, shall include:

1. A long-term plan that includes (i) proposed Program savings and budgets for the five-year period beginning January 1, 2022, sufficient to comply with the total energy savings targets in the VCEA and investment levels in the GTSA; (ii) a proposed plan and framework for consolidating, streamlining, and marketing the public-facing aspects of the Company's approved and proposed DSM Programs to facilitate participation at the levels required to achieve the VCEA targets; and (iii) a detailed project management plan and risk management strategy demonstrating that the Company has identified and planned for deployment of the resources required to implement its revised Programs. This strategic plan shall reflect short-term, medium-term, and long-term recommendations for improvement of the Company's DSM Portfolio.

2. An exhibit measuring Dominion's actual and projected compliance or noncompliance with the total energy savings requirements in Code § 56-596.2, using both net and gross savings metrics.

3. *DSM Audit Programs:* The most current results of Dominion's investigation (and implementation, if appropriate) of opportunities to streamline its audit programs going forward.

Furthermore, as Staff recognized, rigorous EM&V is one way in which the Company may be responsive to the energy savings targets of the VCEA.[43] In future DSM filings, Dominion shall provide information reflecting how EM&V plans are developed in conjunction with DSM program design rather than after such DSM programs are implemented.

HB 2789 (Solar Component) Program

We consider the HB 2789 (Solar Component) Program and approve it in the context of this case. Dominion proposed HB 2789 (Solar Component) Program pursuant to Code § 56-596.2:1. Code § 56-596.2:1 in part provides the following:

[38] Report at 71-72.

[39] *Id.* at 72.

[40] *Id.*

[41] We find that certain arguments raised in connection with Dominion's EM&V Reports in this proceeding are best addressed in the Company's pending EM&V case. *See Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: In the matter of baseline determination, methods for evaluation, measurement, and verification of existing demand-side management programs, and the consideration of a standardized presentation of summary data for Virginia Electric and Power Company*, Case No. PUR-2020-00156, Doc. Con. Cen. No. 200830148, Order Initiating Proceeding (Aug. 28, 2020).

[42] *See, e.g.*, Ex. 17 (Frost Rebuttal) at 8.

[43] Report at 31.

> B. For (i) low-income, elderly, and disabled individuals or (ii) organizations providing residential services to low-income, elderly, and disabled individuals who participate in, or have already participated in, an incentive program, including the incentive program described in subsection A, for the installation of measures that reduce heating or cooling costs at any premises where people reside, [Dominion] shall submit a petition for approval to design, implement, and operate a separate three-year incentive program, in an amount not to exceed $25 million in the aggregate, to enable the installation of, or access to, equipment to generate electric energy derived from sunlight. The utility may provide such incentives directly to customers or to organizations that assist low-income, elderly, and disabled individuals. Such incentive program may include installation of equipment directly on the premises or access to equipment located elsewhere, provided such installation or access reduces the total energy costs for persons described in clause (i) or (ii). Such incentive program shall not be deemed to be . . . a part of the $870 million in energy efficiency programs that [Dominion] is required to develop pursuant to § 56-596.2.

The Company's proposed HB 2789 (Solar Component) Program offers incentives to participants of the first component HB 2789 (Heating and Cooling/Health and Safety) Program, as well as eligible participants that have installed heating or cooling measures from other prior or future Company-sponsored DSM Programs, for the installation of equipment to generate electricity from sunlight.[44] As noted above, per the statute, this program "shall not be deemed to be . . . a part of the $870 million in energy efficiency programs that [Dominion] is required to develop pursuant to § 56-596.2" and may not exceed $25 million in the aggregate.[45] Accordingly, we approve the HB 2789 (Solar Component) Program for a period of three years from January 1, 2022, through December 31, 2024, but direct the Company to track the costs of this program to ensure that such costs are not included in the $870 million in energy efficiency programs that Dominion is required to develop under Code § 56-596.2. We agree with the Senior Hearing Examiner that a warranty seems unnecessary considering Dominion's commitment to ensuring no associated costs to participants going forward.[46] We agree with the Senior Hearing Examiner that Dominion shall retain ownership of the RECs produced through this program to reduce costs for customers. Dominion shall apply such RECs to its RPS obligations under Code § 56-585.5.[47]

Cost Caps

With the exception of the HB 2789 (Solar Component) Program, the Commission approves the spending amounts for the Phase IX programs 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 and other than that provided for in Code § 56-596.2:1 B.[48] 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.[49] We also approve the Company's request to spend directly for the Phase IX programs for a reasonable amount of time before and after the proposed effective periods of those programs,[50] on the assumption that any such costs are included in the overall cost caps for each program.

Accordingly, IT IS ORDERED THAT:

(1) The Petition is granted in part, consistent with the recommendations of the Senior Hearing Examiner, as modified herein.

(2) The Company forthwith shall file revised tariffs, designed to recover $73,837,376 for Riders C1A, C2A, C3A, and C4A, and terms and conditions of service and supporting workpapers with the Clerk of the Commission and shall submit the same to 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, C3A, and C4A as approved herein shall become effective for usage on and after October 1, 2021.

(4) Consistent with Code § 56-585.1 A 5, and the requirements of this Order, the Company shall file its application to continue Riders C1A, C2A, C3A, and C4A no later than January 3, 2022.

(5) This matter is continued.

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[44] *See, e.g.*, Ex. 4 (Hubbard Direct) at 13.

[45] Code § 56-596.2:1 B.

[46] Hearing Examiner's Report at 64.

[47] *Id.* at 63; Dominion's Post-Hearing Brief at 19-20.

[48] The Commission does not approve a "portfolio" spending amount; the Company may only spend the specific amount approved for each individual program.

[49] The Company also has stated to this Commission in a prior case 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.*19.

[50] Ex. 2 (Petition) at 8.

CASE NO. PUR-2020-00275
APRIL 16, 2021

APPLICATION OF
SHENANDOAH CABLE TELEVISION, LLC

For designation as an eligible telecommunications carrier pursuant to 47 U.S.C. § 214(e)

FINAL ORDER

On November 23, 2020, Shenandoah Cable Television, LLC ("Shentel" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201 seeking designation as an eligible telecommunications carrier ("ETC") in areas in which Shentel has telecommunications facilities to be eligible to receive federal universal service fund ("USF") support for Lifeline services provided to low income customers in Virginia in accordance with the rules and regulations of the Federal Communications Commission ("FCC").[1]

On January 6, 2021, Shentel filed an amendment to its Application ("Amended Application") in which the Company added a request for ETC designation in the areas in which Shentel has been awarded Rural Digital Opportunity Fund ("RDOF") support by the FCC.[2] Specifically, Shentel requested to be designated as an ETC in the specific areas in Virginia in which the Company was the winning RDOF bidder as announced by the FCC on December 7, 2020.[3] These areas encompass portions of the counties of Bedford, Fauquier, Frederick, Madison, Orange, Rappahannock, and Rockingham, Virginia.[4]

In support of its Amended Application, Shentel stated that the Company is a competitive local exchange carrier authorized to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia pursuant to certificates of public convenience and necessity issued by the Commission.[5] Shentel stated that regarding its request for ETC designation for Lifeline support, the Company is in various stages of expanding services in Harrisonburg, Staunton, Winchester, Front Royal, Lynchburg, Salem, and Roanoke, Virginia, with a build-out in more markets planned over the next three years that will include additional counties near Shentel's existing network and spectrum assets.[6] Shentel stated that consistent with the FCC's requirements for receiving RDOF support, the Company will offer Lifeline services throughout the areas covered by the RDOF support award.[7]

Further, Shentel stated that it provides all of the services that the FCC requires for ETC designation and will advertise the availability of each of the supported services in accordance with 47 U.S.C. § 214 and the FCC's regulations in Part 54 of Title 47 of the Code of Federal Regulations.[8] Shentel also stated that as a winning bidder for RDOF high-cost support, the Company will offer voice and broadband services meeting the relevant performance requirements to fixed locations in exchange for receiving monthly payments of support over the 10-year support term.[9] The Company maintained that granting its requests for ETC designation as set out in the Amended Application would be consistent with the public interest, convenience, and necessity.[10]

Finally, in both the Application and Amended Application, Shentel requested designation as an ETC with respect to any Virginia intrastate universal service program which may be established in the future.[11] Shentel requested that upon implementation of such a program, it automatically be designated as eligible based on its status as an ETC.[12]

On January 14, 2021, the Commission issued an Order for Notice and Comment that, among other things, directed Shentel to provide notice of its Application, as amended, to local exchange carriers ("LECs") certificated to provide service in Virginia; established a schedule by which LECs and other interested parties could file comments, objections, or requests for hearing; and directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report"). The Commission did not receive any comments, objections, or requests for hearing.

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[1] Application at 1-3.

[2] Amended Application at 1.

[3] *Id.* at 1-3.

[4] *Id.* at 1-3 and Exhibit D.

[5] *Id.* at 2. *See 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*, Case No. PUR-2019-00166, Doc. Con. Cen. No. 200230116, Final Order (Feb. 20, 2020).

[6] Amended Application at 3.

[7] *Id.* at 4.

[8] *Id.* at 6.

[9] *Id.* at 12.

[10] *Id.* at 2-3, 17.

[11] Application at 15; Amended Application at 18.

[12] Application at 15; Amended Application at 18.

On March 17, 2021, Staff filed its Staff Report, which detailed Staff's review of the Application. Staff did not oppose Shentel's request for ETC designation for USF support in the additional census blocks in Virginia under the FCC's RDOF but recommended that the Commission condition any approval herein on the following:

- Shentel should file or update necessary tariffs or product guides for Lifeline services consistent with the requirements of the FCC.
- Shentel should provide a copy of all its Universal Service Administrative Company ("USAC") annual reports and build-out milestone certifications, as well as data on the locations where service is available, whether public or confidential, to the Division of Public Utility Regulation.
- Shentel should be required to provide the annual notarized Affidavit required by Case No. PUC-2001-00172. This affidavit is submitted to support the Commission's certification of the use of federal universal service funds as required by 47 U.S.C § 254(e) and 47 C.F.R. §§ 54.313 and 54.314.
- Shentel should be directed to comply with all requirements and criteria of the FCC, USAC, and the RDOF program.[13]

Staff also did not oppose Shentel's separate request for Lifeline-only ETC designation for purposes of participation in the FCC's low-income support programs throughout the remainder of the Company's service area.[14] Finally, as to Shentel's request to be automatically designated as an ETC with respect to any Virginia intrastate universal service program that may be established in the future, Staff recommended that any determination on who may qualify for funding under any state-based universal service program would be better addressed at the future time when such a program is established.[15]

On March 31, 2021, Shentel filed its response ("Response") to the Staff Report. Therein, Shentel stated that it is capable of, and agreeable to, complying with Staff's recommended conditions for ETC designation for USF support in the census block areas in Virginia under the FCC's RDOF.[16] Shentel also stated that it accepts that designation as an ETC with respect to any Virginia intrastate universal service program that may be established in the future is not appropriate at this time.[17] Shentel therefore requested that the Commission enter an order designating the Company as an ETC, subject to the conditions set forth in the Staff Report.[18]

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that Shentel's request that it be designated as an ETC for RDOF support for portions of the counties of Bedford, Fauquier, Frederick, Madison, Orange, Rappahannock, and Rockingham, Virginia, covering specific census blocks awarded in the FCC's RDOF auction, should be granted, subject to the conditions imposed herein as recommended by Staff. We also find that Shentel's request that it be designated an ETC for Lifeline USF support throughout the remainder of its service area should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Shentel's request for ETC designation to receive RDOF support for services provided in the specific areas described in its Amended Application is hereby granted.

(2) Shentel's request for Lifeline-only ETC designation to receive Lifeline USF support services provided in the remainder of the Company's service areas is hereby granted.

(3) Shentel shall file or update necessary tariffs or product guides for Lifeline services consistent with the requirements of the FCC.

(4) Shentel shall provide a copy of all its USAC annual reports and build-out milestone certifications, as well as data on the locations where service is available, whether public or confidential, to the Commission's Division of Public Utility Regulation.

(5) Shentel shall provide to the Commission's Division of Public Utility Regulation an annual notarized affidavit on the Company's use of federal universal service funds in the form required by Case No. PUC-2001-00172.

(6) Shentel shall comply with all requirements and criteria of the FCC, USAC, and the RDOF program.

(7) This case is dismissed.

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[13] Staff Report at 5-6; *see Petition of Virginia Telecommunications Industry Association, For the establishment of formal procedures for annual certification of use of federal universal support in accordance with 47 C.F.R. §§ 54.313 and .314*, Case No. PUC-2001-00172, Preliminary Order (Aug. 29, 2001).

[14] Staff Report at 6.

[15] *Id.*

[16] Response at 2-3.

[17] *Id.* at 3.

[18] *Id.*

CASE NO. PUR-2020-00277
FEBRUARY 19, 2021

APPLICATION OF
GOTHAM ENERGY CONSULTING SERVICES LLC

Application to become an energy aggregator

ORDER GRANTING LICENSE

On December 2, 2020, Gotham Energy Consulting Services, LLC ("Gotham" 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").[1] Gotham seeks authority to provide electric and natural gas aggregation services to eligible commercial and industrial customers in the service territories of Washington Gas Light Company ("WGL") and Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV").[2] In its Application, Gotham 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 23, 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 January 8, 2021, to WGL and DEV, and to file proof of service on or before January 15, 2021. On December 23, 2020, Gotham 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 January 22, 2021. 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") to be filed January 29, 2021. The Report summarized Staff's investigation of Gotham's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Gotham be granted a license to provide electric and natural gas aggregation services to eligible commercial and industrial customers in the service territories of WGL and DEV.

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Gotham'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) Gotham is hereby granted license No. A-118 to provide competitive aggregation service of electricity and natural gas to eligible commercial and industrial customers in the service territories of WGL and 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) The Certificate granted herein is subject to those retail choice customer usage thresholds provided for in the Virginia Code.[4] When conducting business pursuant to this Certificate, Applicant shall abide by such Virginia Code usage thresholds.

(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.

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[1] On December 10, 2020, the Company filed additional information to supplement its Application, which was deemed complete on December 10, 2020.

[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 DEV, Appalachian Power Company, and the electric cooperatives. Retail choice for natural gas service exists only in the service territories of WGL 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.

[3] 20 VAC 5-312-10 *et seq*. ("Retail Access Rules").

[4] The Commission notes that Gotham included in its Application, usage retail choice customer thresholds that appear to differ from the law as it currently exists in Virginia. Application at 2 ("Customers will be limited to commercial clients those who use more than 2,500 Mwh/10,000 Dth per year . . . ."). Code § 56-577 A 3 provides: ". . .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 . . . ." (Emphasis added.)

CASE NO. PUR-2020-00279
JANUARY 27, 2021

JOINT APPLICATION OF
LINGO COMMUNICATIONS, LLC, LINGO COMMUNICATIONS OF VIRGINIA, INC., MATRIX TELECOM OF VIRGINIA, LLC, and B. RILEY PRINCIPAL INVESTMENTS, LLC

For approval of proposed changes in indirect control of Lingo Communications of Virginia, Inc., and Matrix Telecom of Virginia, LLC, to B. Riley Principal Investments, LLC, pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On December 7, 2020, Lingo Communications, LLC ("Lingo"), Lingo Communications of Virginia, Inc. ("Lingo-VA"), Matrix Telecom of Virginia, LLC ("Matrix-VA"), and B. Riley Principal Investments, LLC ("BRPI") (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 proposed changes in indirect control of Lingo-VA and Matrix-VA (collectively, "VA CLECs") to BRPI ("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 in Case No. PUR-2018-00196.[3] Matrix-VA is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity 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 from Lingo to BRPI.

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.[5] Lastly, the Applicants represent 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.[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) 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.

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[1] GG Telecom Investors, LLC; Holcombe T. Green, Jr.; R. Kirby Godsey; Lingo Management, LLC; Matrix Telecom, LLC; Impact Telecom LLC; Impact Acquisition LLC; and B. Riley Financial, Inc., also are considered Applicants in this proceeding and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] *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, 2019 S.C.C. Ann. Rept. 341, Order Reissuing Certificates (Mar. 12, 2019).

[4] *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 VA CLECs currently have a Petition pending with the Commission in Case No. PUR-2020-00153 requesting approval of a transfer of customers from Lingo-VA to Matrix-VA. In that Petition, the VA CLECs represent that once the customer transfer is complete, Lingo-VA will file a request to cancel its Virginia certificates of public convenience and necessity. *See Petition of Lingo Communications of Virginia, Inc., and Matrix Telecom of Virginia, LLC, For approval of an internal reorganization and transfer of customers from Lingo Communications of Virginia, Inc., to Matrix Telecom of Virginia, LLC, pursuant to Va. Code § 56-88 et seq.*, Case No. PUR-2020-00153, Doc. Con. Cen. No. 200810031, Petition (Aug. 3, 2020).

[6] 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-2020-00280
JANUARY 28, 2021

JOINT PETITION OF
RADIATE HOLDINGS, L.P., STARPOWER COMMUNICATIONS, LLC D/B/A RCN, and STONEPEAK ASSOCIATES IV, LLC

For approval of a Transfer of Control

ORDER GRANTING APPROVAL

On December 8, 2020, Radiate Holdings, L.P. ("Radiate Holdings"), Starpower Communications, LLC d/b/a RCN ("RCN"), and Stonepeak Associates IV, LLC ("Stonepeak") (collectively, "Petitioners"),[1] filed 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 RCN to Stonepeak ("Transfer"). The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with Rule 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.[3]

RCN 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 in Case No. PUC-1998-00004.[4] As described in the Petition, the proposed Transfer will be accomplished through a set of substantially simultaneous mergers, which will ultimately result in the transfer of indirect control of RCN to Stonepeak.

The Petitioners represent that the proposed Transfer will occur at the parent company level and will not involve any change in assignment of operating authority, assets, or customers. The Petitioners further state that RCN 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, information provided with the Petition indicates that RCN 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 Petitioners' 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 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.

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[1] RCN Telecom Services, LLC; Yankee Cable Acquisition, LLC; Yankee Cable Parent, LLC; Radiate HoldCo LLC; Radiate TopCo LLC; Radiate Holdings GP LLC; TPG Advisors VII, Inc.; TPG VII Radiate Holdings I L.P.; TPG VII Wakeboard Holdings, L.P.; TPG VII DE AIV Holdings L.P.; TPG VII DE AIV II L.P.; TPG VII DE AIV I L.P., TPG VII DE AIV GenPar, L.P.; Stonepeak GP Investors IV LLC; Stonepeak GP Investors Manager LLC; and Michael Dorrell are also considered Petitioners in this proceeding and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] 5 VAC 5-20-10 *et seq*.

[4] *Application of Starpower Communications, LLC, For a certificate of public convenience and necessity to provide local exchange and interexchange telecommunications services,* Case No. PUC-1998-00004, 1998 S.C.C. Ann. Rep. 248, Final Order (Mar. 24, 1998).

[5] 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, 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-2020-00282
MARCH 8, 2021

APPLICATION OF
HERCULES ENERGY, LLC

Application to become an energy aggregator

ORDER GRANTING LICENSE

On December 9, 2020, Hercules Energy, LLC ("Hercules" 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"). On December 16, 2020, and January 7, 2021, the Company supplemented its Application. Hercules seeks authority to provide electric and natural gas aggregation services to eligible commercial, industrial, and residential customers throughout Virginia. In its Application, Hercules 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, 20 VAC 5-312-10 *et seq.* ("Retail Access Rules").

On January 22, 2021, 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 January 29, 2021, to each of the companies on Attachment A of the Procedural Order, and to file proof of service on or before February 5, 2021. On January 26, 2021, Hercules 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 February 12, 2021. Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV") filed comments by the deadline required by the Procedural Order. [1]

The Procedural Order directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report") to be filed February 19, 2021. The Report summarized Staff's investigation of Hercules' proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Hercules be granted a license to provide electric and natural gas aggregation 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 Hercules' 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) Hercules is hereby granted license No. A-119 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.

[1] The E-File Stamp on DEV's electronic filing is February 12, 2021, but the comments were not entered into the docket until February 16, 2021, due to: inclement weather, which forced the Clerk's Office to be closed on February 12, 2021; a weekend on February 13-14, 2021; and a legal holiday on February 15, 2021. In accordance with Code § 1-210 E, the comments are considered timely filed.

CASE NO. PUR-2020-00284
MARCH 17, 2021

APPLICATION OF
GIGACOM LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On December 11, 2020, GigaCom LLC ("GigaCom" 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 filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.[1]

On December 31, 2020, the Commission issued and Order for Notice and Comment ("Scheduling Order") that, among other things, directed GigaCom 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 January 14, 2021, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

[1] 5 VAC 5-20-10 *et seq.*

On March 15, 2021, 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 GigaCom subject to the following condition: GigaCom 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 March 15, 2021, GigaCom filed a letter stating that it 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 GigaCom. Having considered Code § 56-481.1, the Commission finds that GigaCom 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) GigaCom is hereby granted Certificate No. T-774 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) GigaCom is hereby granted Certificate No. TT-312A 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, GigaCom 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 GigaCom 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) GigaCom 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.

[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.

CASE NO. PUR-2020-00285
MAY 25, 2021

APPLICATION OF
METRO FIBERNET, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On December 14, 2020, Metro Fibernet, LLC ("Metronet" or Company), filed an application ("Application")[1] with the State Corporation Commission ("Commission") pursuant to § 56-265.4:4 of the Code of Virginia ("Code") and the Commission's Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules")[2] requesting a certificate of public convenience and necessity to provide local exchange telecommunications services throughout the Commonwealth of Virginia.[3]

On February 22, 2021, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed Metronet 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"). The Company timely filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

[1] On February 1, 2021, and April 26, 2021, the Company filed additional information to supplement its Application, which was deemed complete on February 2, 2021.

[2] 20 VAC 5-417-10 *et seq*.

[3] Application at 1, 2, 6, 7, 8.

On April 29, 2021, Staff filed its Staff Report concluding that Metronet's Application is in compliance with the Commission's Local Rules. Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant a Certificate to Metronet subject to the following condition:

- Metronet 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.[4]

Metronet did not file a response to the Staff Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant to Metronet a certificate of public convenience and necessity to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

Accordingly, IT IS ORDERED THAT:

(1) Metronet is hereby granted Certificate No. T-776 to provide local exchange telecommunications services throughout the Commonwealth of Virginia, subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Metronet 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.

(3) This case is dismissed.

[4] Staff Report at 4.

CASE NO. PUR-2020-00286
APRIL 21, 2021

APPLICATION OF
TRITON NETWORKS, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On December 16, 2020, Triton Networks, LLC ("Triton" or "Company") filed 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").

On January 13, 2021, the Commission issued an Order for Notice and Comment that, among other things, directed Triton 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 March 16, and March 19, 2021, Triton filed proof of service in accordance with the Commission's direction, and proof of notice via newspaper publication.[1] No comments nor requests for hearing on the Company's Application were filed.

On March 26, 2021, 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 Triton subject to the following condition: Triton 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.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that it should grant a Certificate to Triton.

Accordingly, IT IS ORDERED THAT:

(1) Triton is hereby granted Certificate No. T-775 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 Triton 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.

[1] The original proof of notice filed on March 16, 2021, inadvertently omitted: (i) page 35, Roanoke Times, and (ii) page 38, Bristol Herald Courier. On March 19, 2021, the Applicant filed a letter of explanation along with the two missing notices. The Commission accepts Triton's proof of notice as if timely filed.

(3) Triton 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-2020-00287
JUNE 10, 2021

APPLICATION OF
GIGAMONSTER NETWORKS, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications service in the Commonwealth of Virginia

FINAL ORDER

On February 19, 2021, GigaMonster Networks, LLC ("GigaMonster" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("Certificate") to provide local exchange telecommunications service throughout the Commonwealth of Virginia.

On February 26, 2021, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed GigaMonster 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 March 31, 2021, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On May 7, 2021, 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*.[1] Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to GigaMonster subject to the following condition: GigaMonster 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.[2] Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.[3]

On May 17, 2021, GigaMonster filed a letter stating that it has no objections to the Staff Report, noting that all information therein is accurate and correct.[4]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant a Certificate to GigaMonster.

Accordingly, IT IS ORDERED THAT:

(1) GigaMonster is hereby granted Certificate No. T-777 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 GigaMonster 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) GigaMonster 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.

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[1] *See* Staff Report at 3-4.

[2] *Id*. at 4.

[3] *Id*.

[4] May 17, 2021 Letter filed by GigaMonster at 1.

CASE NO. PUR-2020-00288
MARCH 17, 2021

JOINT PETITION OF
SHENANDOAH TELEPHONE COMPANY and SHENANDOAH CABLE TELEVISION, LLC

For approval of an affiliate transaction under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On December 22, 2020, Shenandoah Telephone Company ("Shenandoah") and its affiliate, Shenandoah Cable Television, LLC ("Shenandoah Cable") (jointly, "Petitioners") filed a joint petition ("Petition") with the State Corporation Commission ("Commission") pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code").[1] The Petitioners request approval to transfer certain assets owned by Shenandoah ("Assets"), most of which are not used in its regulated operations, to its affiliate, Shenandoah Cable ("Transfer"), at net book value ("NBV"). The Petitioners represent that these Assets "were originally acquired by Shenandoah based on their physical location in either Shenandoah County or Virginia, . . . [though] the majority of the Assets physically reside outside of Shenandoah's local exchange territory boundaries."[2] The Petitioners further state that Shenandoah does not use these Assets to provide regulated services, with the exception of certain space delegated for telephone utility use in some of the buildings to be transferred.[3]

Shenandoah is a Virginia public service company that provides telecommunications services to approximately 11,241 voice access lines and 2,522 consumer broadband-only access lines in the Shenandoah Valley.[4] Shenandoah Cable provides video, broadband internet access, and voice over internet protocol telephone services to the public in regions of Virginia, Maryland, Kentucky, and West Virginia.[5] Both Shenandoah and Shenandoah Cable are wholly owned subsidiaries of Shenandoah Telecommunications Company ("Parent"). Based on their common Parent, the Petitioners are subject to the Affiliates Act.

Shenandoah Cable has previously utilized the Assets, pursuant to the terms of the current management services agreement ("MSA") between Parent, Shentel Management Company, and the affiliates, including Shenandoah. The Commission last approved the MSA in 2016.[6] The Petitioners state that the majority of the Assets are not utilized by Shenandoah in the provision of regulated services, nor do they fall within Shenandoah's local exchange territory boundaries. Therefore, Shenandoah requests approval to transfer the Assets to Shenandoah Cable, which may use them "in connection with providing voice, data, and other managed services and business solutions to enterprise and carrier entities."[7] The Petitioners represent that the Transfer is in the public interest because it "will have no impact on the rates or any regulated service provided by Shenandoah," while allowing the Assets to be "better and more efficiently utilized" by Shenandoah Cable.[8]

The Assets include cable/fiber (with an NBV of approximately $27.4 million), equipment ($8.2 million), buildings ($5.2 million), and land ($26,000).[9] According to the Petitioners, 87% of the Assets are maintained in Shenandoah's non-rate regulated, non-jurisdictional accounts.[10] The remaining 13% of Assets are primarily discrete buildings, with the buildings at 124 South Main Street ("Main Building") and 3075 South Ox Road ("Newman Service Building") (collectively, "Rate-Regulated Buildings") recorded on Shenandoah's regulated books. While currently recorded in rate-regulated, jurisdictional accounts, these Rate-Regulated Buildings are not primarily used to provide regulated service.[11]

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[1] Code § 56-76 *et seq.* ("Affiliates Act").

[2] Petition at 2.

[3] Petitioners' Response to Staff Data Request I-1a.

[4] Petition at 4.

[5] Shenandoah Cable is authorized to provide competitive local exchange and interexchange services in Virginia pursuant to its certificates of public convenience and necessity issued by the Commission in Case. No. PUR-2019-00166. *See 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*, Case No. PUR-2019-00166, Doc. Con. Cen. No. 200230116, Final Order (Feb. 20, 2020).

[6] *See Joint Application of Shenandoah Telephone Co., et al. and NTELOS Holding Corp., NTELOS Inc., et al., For approval pursuant to the Affiliates Act*, Case No. PUC-2015-00040, 2016 S.C.C. Ann. Rept. 159, Order Granting Approval (Oct. 6, 2016).

[7] Petition at 3.

[8] *Id.* at 4. Additionally, the Petitioners represent that Shenandoah Cable will not obtain any competitive advantage over its competitors as a result of procuring the assets, largely because the Assets primarily consist of aged fiber and related equipment. These fiber Assets "generally have a lower number of strands of fiber per cable (approximately 24-48 strands per cable) than the fiber currently installed routinely by the industry (144+ strands per cable in most situations)." *See* Petitioners' Response to Staff Data Request II-3 for the Petitioners' full explanation.

[9] Petition at 3.

[10] Petitioners' Response to Staff Data Request I-2.

[11] Petitioners' Response to Staff Data Request I-1a.

The Commission's Staff ("Staff") notes that approximately 87%, or $35 million, of the Assets are, and always have been, maintained in Shenandoah's non-rate regulated, non-jurisdictional accounts.[12] Because these Assets have never been included, directly or indirectly, in Shenandoah's regulated rate base or cost of service, they have never been funded by ratepayers. In contrast, the Main Building and the Newman Service Building are recorded on Shenandoah's rate-regulated books; therefore, they are subject to pricing at the higher of cost of market. The 2020 tax-assessed values for these Rate Regulated Buildings were higher than their respective NBVs.[13] Staff, noting that the Commission historically has required asset transfers between affiliates to comply with its asymmetrical pricing standard, with the rate-regulated utility selling assets to its affiliate at the higher of cost or market value, recommends that the 2020 taxed assessed values for the Rate-Regulated Buildings be used instead of NBV as initially proposed by the Petitioners. Petitioners have stated that they do not object to this Staff recommendation.[14]

The proposed Transfer of the Main Building and the Newman Service Building from Shenandoah to Shenandoah Cable will require Shenandoah, after the Transfer, to lease back a small portion of the transferred buildings from Shenandoah Cable. Staff noted a concern as to whether this lease transaction is covered by the MSA approved in Case No. PUC-2015-00040.[15] In comments to the draft Staff action brief, Petitioners stated that the Petitioners are working to finalize revisions to the MSA in order to submit them as soon as possible for the Commission's approval.[16] Petitioners asked that their ability to close on the present Transfer not be contingent on filing or approval of any changes to the MSA.[17] Petitioners assert that by allowing the Transfer to be completed before finalizing and filing the changes to the MSA, Petitioners and their affiliates will have better insight into the final inter-affiliate accounting that will be required on a going-forward basis after the assets have been transferred to Shenandoah Cable, and thereby allow them to better structure the revised MSA and minimize any future revisions that may be needed in the MSA.[18]

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Staff through its action brief, and having considered the Petitioners' Comments thereon, is of the opinion and finds that the proposed Transfer is in the public interest and is approved subject to the requirements listed in the Appendix attached to this Order.

We find that a transfer of the non-rate-regulated Assets at net book value is appropriate, while the asymmetric pricing standard is necessary for the transfer of the Rate-Regulated Buildings to protect the public interest. Accordingly, we will adopt Staff's recommendation that the Rate-Regulated Buildings be transferred, based on the unique facts and circumstances of this case, at their assessed values, which is higher than their current NBV. The Petitioners have indicated that they do not oppose the Transfer of the Rate-Regulated Buildings occurring at the most recent tax-assessed values.[19]

Additionally, we find that, given the Petitioners' Comments, the current MSA is likely to require revisions upon the closing of the Transfer. Therefore, we direct the Petitioners to file, prior to the Transfer's closing, a Motion for Interim Authority to operate under the current MSA until an Affiliates Act application for a revised MSA can be filed.[20]

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) The approved Transfer of the Rate-Regulated Buildings, located at 124 South Main Street and 3075 South Ox Road, shall occur at the properties' tax-assessed value. The Transfer of all other Assets shall occur at NBV.

2) The Petitioners shall file, prior to the Transfer's closing, a Motion for Interim Authority to operate under the current MSA until an Affiliates Act application for a revised MSA can be filed.

3) The Commission's approval is limited to the Assets identified in the Petition. If Shenandoah wishes to dispose of additional assets not specifically identified in the Petition, separate approval shall be required in accordance with the requirements and timelines provided for in the Affiliates Act.

4) The Commission's approval shall have no accounting or ratemaking implications.

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[12] Petitioners' Response to Staff Data Request II-1.

[13] *See* Staff Action Brief at 5-6; Attachment to Petitioners' Response to Staff Data Request II-2 ("Shentel Properties – Assessed Values (Ryan LLC)").

[14] Petitioners' Comments to Staff's Draft Action Brief ("Petitioners' Comments") at 1; Petitioners' Response to Staff Data Request III-2c.

[15] *See* Staff Action Brief at 6.

[16] Petitioners' Comments at 2.

[17] *Id.*

[18] *Id.*

[19] *See id.* at 1; Petitioners' Response to Staff Data Request III-2c.

[20] We note that the approval for the current MSA granted in Case No. PUC-2015-00040 expires October 5, 2021.

5) Shenandoah shall file a report of action ("Report") within 30 days after closing of the Transfer. The Report shall include: (a) the case number; (2) the names of the Petitioners; (3) the date of the Transfer; (4) the list of Assets transferred; (4) the Transfer price; and (5) Shenandoah's journal entries to record the Transfer. Shenandoah shall note the Transfer by case number and Report filing date in its Annual Report of Affiliate Transactions 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.

CASE NO. PUR-2020-00289
JANUARY 6, 2021

APPLICATION OF
CONNECT EVERYONE LLC

For designation as an eligible telecommunications carrier

ORDER

On December 31, 2020, Connect Everyone LLC ("Connect" or "Company") filed with the State Corporation Commission ("Commission") an application for designation as an eligible telecommunications carrier ("ETC") pursuant to 47 U.S.C. § 214(e), in which the Company asks that the Commission enter an order stating that the Commission declines to exercise jurisdiction over the Company for purposes of making an ETC designation ("Request").

In its Request, Connect states that, as a wholly owned subsidiary of Starry, Inc., it has been announced as a winning bidder in the Federal Communications Commission's ("FCC") Rural Digital Opportunity Fund ("RDOF") Phase I Auction 904 in 260 census block groups throughout the Commonwealth of Virginia. Connect states that as a condition to this funding, the FCC requires that the Company obtain ETC status for these areas within 180 days of the FCC's December 7, 2020 public notice announcing the winning bidders in the RDOF auction.

Connect states that it intends to provide solely facilities-based broadband and Voice-over-Internet Protocol ("VoIP") services. The Company notes that the applicable federal statutes give the Commission the primary responsibility for ETC designation, unless the Commission declines to exercise jurisdiction.[1] The Company 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]

Connect notes that in 2018, in dealing with a similar application by EMPOWER Broadband, Inc. ("EMPOWER"), the Commission entered an Order finding that as the Commission has not asserted jurisdiction over service providers such as EMPOWER, 47 U.S.C. § 214(e)(6) is applicable to the request for ETC designation, and EMPOWER should make its request to the FCC to be designated as an ETC.[3] Connect further notes that in 2015, the Commission issued a similar order concerning an application by BARConnects, LLC ("BARConnects"). In that order, the Commission found that as it has not asserted jurisdiction over service providers such as BARConnects, 47 U.S.C. § 214(e)(6) is applicable to the request for ETC designation, and BARConnects should make its request to the FCC to be designated as an ETC.[4]

Connect states that it must file its application for ETC designation with the FCC by January 6, 2021, if the Commission declines to exercise jurisdiction. Accordingly, Connect requests an expedited determination as to whether the Commission will assert jurisdiction so that the Company may begin the ETC designation process with the FCC, if necessary, and entry of an order declining to exercise jurisdiction before January 6, 2021, if the Commission so determines.

NOW THE COMMISSION, upon consideration of the representations of Connect and of the applicable law, is of the opinion and finds that, as the Commission has not asserted jurisdiction over service providers such as Connect, 47 U.S.C. § 214(e)(6) is applicable to the Company's request for ETC designation, and Connect should make its request to the FCC to be designated as an ETC. We further find that this case should be dismissed.

Accordingly, IT IS SO ORDERED.

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[1] *See* 47 U.S.C. § 214(e)(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 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).

[4] *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).

CASE NO. PUR-2021-00001
SEPTEMBER 9, 2021

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia

FINAL ORDER

On January 26, 2021, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and certificates of public convenience and necessity ("CPCNs") to construct and operate electric transmission facilities in the City of Lynchburg and Albemarle, Amherst, Appomattox, Campbell, and Nelson Counties, Virginia ("Application"). APCo 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*.

APCo seeks approval to: (i) build a new 11.1 mile long 138 kilovolt ("kV") transmission line from the Company's Joshua Falls Substation to its Riverville Substation (the "Joshua Falls-Riverville 138 kV transmission line"); (ii) build a new 6.3 mile long 138 kV transmission line from the Company's Riverville Substation to Central Virginia Electric Cooperative's Gladstone Substation (the "Riverville-Gladstone 138 kV transmission line");[1] (iii) build two new 138 kV substations and associated transmission line extensions (the "James River 138 kV Substation" and the "Soapstone 138 kV Substation"); (iv) expand and/or improve the Company's Riverville, Monroe, Amherst, Boxwood, Scottsville, Clifford and Joshua Falls Substations; (v) rebuild approximately 12.2 miles of the Amherst-Reusens 69 kV transmission line; and (vi) install and/or upgrade other related transmission line, substation, telecommunication, and distribution facilities (collectively, the "Project").[2]

APCo states the 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.[3] More specifically, the Company states the Project will accommodate future growth in Amherst, Nelson and Albemarle Counties, mitigate thermal and voltage reliability criteria violations, and replace aging infrastructure that is at the end of its service life.[4]

The Company states the desired in-service date for the Project is December 1, 2025.[5] The Company represents the estimated total cost of the Project is approximately $147.7 million, which includes approximately $95.1 million for transmission-related work and $52.6 million for substation-related work.[6]

APCo asserts the Project will require new right-of-way ("ROW") easements for the construction of the Joshua Falls-Riverville 138 kV transmission line and the Riverville-Gladstone 138 kV transmission line.[7] The Project will also require some updated and supplemental ROW easements for the rebuild of the Amherst-Reusens 69 kV transmission line.[8] APCo represents that, following extensive outreach, public input and analysis, the Company considered 25 possible substation sites for the two proposed new substations, and developed four alternative routes for the proposed Joshua Falls-Riverville 138 kV transmission line and two alternative routes for the proposed Riverville-Gladstone 138 kV transmission line.[9]

On February 26, 2021, 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 a telephonic hearing to receive testimony from public witnesses; scheduled a public evidentiary hearing; and directed the Commission's Staff ("Staff") to investigate the Application and to file testimony containing Staff's findings and recommendations.

As also directed in the Procedural Order, 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 April 7, 2021, 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 Project. According to the DEQ Report, the Company should:

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[1] Central Virginia Electric Cooperative has filed an application to rebuild facilities related to this Project. *Application of Central Virginia Electric Cooperative, For approval and certification of electric facilities: Gladstone to Tower Hill 138kV Transmission Line Rebuild Project*, Case No. PUR-2021-00016, Doc. Con. Cen. No. 210210116, Application (Feb. 3, 2021).

[2] Ex. 4 (Application) at 1-2.

[3] *Id.* at xi, 2; Response to Guidelines at 1.

[4] *See, e.g.*, Ex. 4 (Application) at 2.

[5] *Id.* at 4.

[6] Ex. 4 (Application), Response to Guidelines at 15-16.

[7] Ex. 4 (Application) at 2.

[8] *Id.* at 2-3.

[9] *Id.* at xii.

- Follow DEQ's general recommendations concerning potential surface water impacts.
- Follow best practices for minimizing fugitive dust emissions during construction.
- 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 minimize habitat fragmentation and develop an invasive species management plan for the Soapstone 138 kV Substation site and obtain an update on natural heritage information as needed.
- Coordinate with the Department of Wildlife Resources ("DWR") regarding its recommendations related to instream work in the James River, mussel surveying, work at the substation sites and along transmission line corridors.
- Coordinate with the Department of Historic Resources regarding its recommendation to assess unrecorded and/or unevaluated archeological and historic architectural resources.
- Coordinate with the appropriate Virginia Department of Transportation residency office to ensure the work is conducted in accordance with the construction access guidelines in the Virginia Work Area Protection Manual.
- Coordinate with the Department of Health regarding its recommendations to protect public drinking water sources and water utility infrastructure.
- Coordinate with the Virginia Outdoors Foundation regarding its recommendations to minimize impacts to open-space easements within the viewshed of project components.
- Follow the principles and practices of pollution prevention to the maximum extent practicable.
- Limit the use of pesticides and herbicides to the extent practicable.[10]

On June 1, 2021, Staff filed testimony along with an attached report ("Staff Report") summarizing the results of its investigation of APCo's Application. Staff concluded that APCo has reasonably demonstrated the need to construct each component of the proposed Project.[11] Staff further concluded that "the routes selected for the Joshua Falls-Riverville-Gladstone 138 kV transmission lines and the Amherst-Reusens 69 kV transmission line rebuilds appear to avoid or reasonably minimize the impact on existing residences, scenic assets, historic resources, and the environment."[12] Staff, therefore, does not oppose the issuance of the CPCNs requested in the Company's Application.[13]

On June 15, 2021, APCo 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 three of DEQ's recommendations.[14] The Company also provided revised information regarding the conductors and structures to be used at the James River crossing near the Reusens Station for the rebuild of the existing Amherst-Reusens 69 kV transmission line and the relocation of the Reusens-Scottsville-Bremo Bluff 138 kV transmission line.[15]

The Commission received 12 written comments opposing routing the Project through Appomattox County and/or through future homesites. On June 28, 2021, a telephonic hearing was convened to receive public witness testimony. One public witness presented testimony. On June 29, 2021, the evidentiary hearing was convened via Microsoft Teams, with no party present in the Commission's courtroom, pursuant to the Chief Hearing Examiner's Ruling dated May 12, 2021.

On July 23, 2021, the Chief Hearing Examiner issued his report ("Report"). In the Report, the Chief Hearing Examiner recommended the Commission grant the Company's Application to construct the Project, subject to certain findings and conditions included in the Report, and issue appropriate CPCNs for the Project.[16] On July 29, 2021, APCo filed a letter with the Clerk of the Commission stating the Company's concurrence with the findings and recommendations set forth in the Report. No comments opposing the Report were received.

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 Project. The Commission finds that CPCNs authorizing the Project should be issued subject to certain findings and conditions contained herein.

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[10] Ex. 11 (DEQ Report) at 6-7.

[11] Ex. 12 (Joshipura) at Staff Report at 44.

[12] *Id.*

[13] *Id.*

[14] *See* Ex. 13 (McMillen Rebuttal) at 2-6.

[15] *Id.* at 6-7.

[16] Report at 24-25.

Applicable Law

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:

> 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, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 67-101.1, 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 chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

The Code further requires that the Commission consider existing 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

APCo represents that the 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.[17] Based on information provided by the Company, Staff concluded the Company has demonstrated the need to construct each component of the Project.[18] The Commission finds that the Company's proposed Project is needed to ensure adequate and reliable electric service and to enable the Company to maintain the overall long-term reliability of its transmission system.

Economic Development

The Commission has considered the effect of the facility on economic development in the Commonwealth and finds that the evidence in this case demonstrates that the Project will support reliable power throughout Virginia, thereby facilitating economic growth in the Commonwealth by continuing to provide reliable electric service.[19]

Rights-of-Way and Routing

APCo represents the Project will require new ROW easements for the construction of the new 138 kV transmission lines between the Joshua Falls and Riverville Substations, and between the Riverville and Gladstone Substations, because existing ROWs were not available for use.[20] Staff noted in the Staff Report that the Company selected the preferred route for the Joshua-Riverville-Gladstone 138 kV transmission lines because it has fewer residential impacts, minimizes impacts on the James River, has less potential for environmental impacts by minimizing forest clearing, and has less potential for construction and engineering challenges. Upon review of the Application, Response to Guidelines, and the 138 kV Siting Study, Staff did not oppose the proposed route selected by the Company based on the reasons stated above.[21]

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[17] Ex. 4 (Application) at xi, 2; Response to Guidelines at 1.

[18] Ex. 12 (Joshipura) at Staff Report at 44.

[19] *See id.* at 43.

[20] *See, e.g.*, Ex. 4 (Application) at 2; Response to Guidelines at 25.

[21] Ex. 12 (Joshipura) at Staff Report at 21. *See also* Ex. 10 (Larson Direct) at 16-17.

The Company states the rebuild of the existing 69 kV transmission line will be mostly along the centerline of the existing 69 kV ROW that has been owned and used by APCo for 80 years.[22] APCo further states that, "[w]hile it is largely located in an existing ROW, some updated and supplemental ROW easements will be necessary."[23] The Company states there are a few locations where the proposed route of the rebuild of the 69 kV transmission line will deviate from the existing centerline, largely to avoid the Reusens Hydroelectric Dam facilities and residences currently encroaching upon and located within the existing ROW.[24] With regard to the new James River 138 kV Substation and Soapstone 138 kV Substation, the Company states the associated transmission line extensions would be located on the Company's property; therefore new ROW would not be needed.[25]

The Chief Hearing Examiner found

> [t]he Company has demonstrated the need for its proposed Project and has demonstrated the routes selected for the Joshua Falls-Riverville-Gladstone 138 kV transmission lines and the Amherst-Reusens 69 kV transmission line rebuild avoid or reasonably minimize the impact on existing residences, scenic assets, historic resources and the environment.[26]

We find that APCo has adequately considered usage of existing ROW. Where new ROW is necessary for the new 138 kV transmission lines between the Joshua Falls and Riverville Substations, between the Riverville and Gladstone Substations, and for parts of the rebuild of the existing 69 kV transmission line, we agree with Staff and the Chief Hearing Examiner that the Company has selected the route with the fewest impacts on existing resources in the area.

Impact on Scenic Assets and Historic Districts

As noted above, where possible, the Company would construct the Project on existing ROW already owned and maintained by APCo. Where new ROW is needed, the Commission finds that the selected routes will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and the environment of the area concerned as required by § 56-46.1 B of the Code.[27]

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 impact. The statute further provides, among other things, 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. This finding is supported by the DEQ Report, as nothing therein suggests the Project should not be constructed.

There are recommendations regarding the construction of the Project included in the DEQ Report for the Commission's consideration.[28] The Company filed rebuttal testimony opposing three of the recommendations in the DEQ Report.

First, the Company recommends the Commission reject DWR's recommendation that APCo "maintain naturally vegetated buffers of at least 100 feet in width around wetlands and on both sides of perennial and intermittent streams, where practicable."[29] The Company asserts this restriction "may present safety and service reliability risks due to the potential for vegetation and wire contact from tall tree growth" and DWR's recommendation would require taller and heavier transmission line structures, increasing the Project cost and visual presence.[30] Instead, the Company states:

> [w]here reasonable and practical, the Company will . . . utilize selective clearing methods to retain low-growth shrubs and other compatible vegetation within: (1) 50 feet of all year-round streams, ponds or wetlands; (2) 50 feet of road crossings; (3) 100 feet of water supply wells; and (4) 25 feet of karst features and outcrops of limestone or dolomite rock.[31]

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[22] Ex. 4 (Application) at 2; Response to Guidelines at 25, 32.

[23] Ex. 4 (Application) at 2-3.

[24] *See* Ex. 4 (Application), Response to Guidelines at 32-33; Ex. 10 (Larson Direct) at 27-28; Ex. 12 (Joshipura) at Staff Report at 29-30.

[25] Ex. 4 (Application) at 2; Response to Guidelines at 26.

[26] Report at 24-25.

[27] *See* Ex. 4 (Application) at 4; Ex. 12 (Joshipura) at Staff Report at 39-42; Report at 25.

[28] *See, e.g.*, Ex. 11 (DEQ Report) at 6-7, 20-21, 22-23. APCo shall comply with all recommendations included in the DEQ Report, except as otherwise provided herein.

[29] Ex. 13 (McMillen Rebuttal) at 2, quoting Ex. 11 (DEQ Report) at 22.

[30] Ex. 13 (McMillen Rebuttal) at 2-3.

[31] *Id.* at 2.

The Company also cites similar DEQ recommendations made in other APCo transmission line cases where the Commission declined to adopt such recommendations.[32] The Chief Hearing Examiner agreed that this recommendation by DWR should not be adopted in this proceeding.[33] We agree with the Chief Hearing Examiner and reject this recommendation. We will instead direct the Company to adhere to its alternative proposal.

Second, the Company disagrees with DWR's recommendation that APCo "conduct significant tree removal and ground clearing activities outside of the primary songbird nesting season of March 15 through August 15."[34] APCo asserts this restriction would be "unduly burdensome and impractical" as it would prevent clearing for nearly half the year, which would adversely affect the Company's ability "to complete this critical infrastructure upgrade in time to meet the Project's in-service date, which in turn would put system reliability at risk."[35] The Company further asserts that the recommended restriction would increase costs and raise concerns about worker safety due to the potential that clearing activities during the non-summer months would occur during adverse weather conditions.[36] The Company notes DWR has made similar recommendations in other APCo transmission line cases and the Commission has declined to adopt such recommendations.[37] The Chief Hearing Examiner found that this recommendation by DWR should not be adopted in this proceeding.[38] We agree with the Chief Hearing Examiner.

Third, the Company disagrees with DWR's recommendation that APCo follow "a time-of-year restriction on all instream work (not including any mussel surveys) in the James River and/or its tributaries (perennial and/or intermittent) at locations within one river mile of their confluence with the James River from April 15 through June 15 and August 15 through September 30 of any year."[39] The Company contends this restriction "would be unduly burdensome, and could adversely affect [APCo's] ability to complete access road construction immediately following the completion of tree clearing."[40] Instead, the Company proposes:

> To ensure protection to perennial and/or intermittent streams, [APCo] will conduct any necessary habitat surveys in proposed impact areas to determine if streams have the appropriate habitat to support aquatic life. If no habitat exists, [APCo] requests to conduct instream work any time of year. If habitat exists, [APCo] will complete any additional species surveys and coordinate with the appropriate state or federal agency to ensure protection to the species and determine any specific restrictions based on the species found within the stream.[41]

The Chief Hearing Examiner agreed that the Company's alternative proposal should be adopted in this case.[42] We agree with the Chief Hearing Examiner and adopt the Company's alternative proposal, in part. Given DWR's offer to work with APCo to develop project-specific measures as necessary to minimize project impacts upon wildlife resources,[43] we direct APCo to consult with DWR as the Company conducts such habitat surveys to determine whether streams have the appropriate habitat to support aquatic life in the proposed impact areas.

We adopt the Report's recommendation that, for the public witness and commenters identified therein, the Company "be directed to explore the feasibility of siting its proposed transmission lines on properties so as to minimize the impact on future home sites, and report to Staff on the siting of the line on each of these properties."[44] We note that APCo did not oppose this recommendation.

Environmental Justice

The Virginia Environmental Justice Act ("VEJA") sets forth that "[i]t is 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." As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."[45]

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[32] *See id*. at 3.

[33] Report at 23.

[34] Ex. 13 (McMillen Rebuttal) at 3-4, quoting Ex. 11 (DEQ Report) at 23.

[35] *Id*. at 4.

[36] *Id*.

[37] *See* Ex. 13 (McMillen Rebuttal) at 4-5.

[38] Report at 23.

[39] Ex. 13 (McMillen Rebuttal) at 5; Ex. 11 (DEQ Report) at 20-21.

[40] Ex. 13 (McMillen Rebuttal) at 5.

[41] *Id*. at 5-6.

[42] Report at 24.

[43] Ex. 11 (DEQ Report) at 23.

[44] Report at 25.

[45] Code § 2.2-234. *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power* Company, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 25 (Apr. 30, 2021); *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. 210210007, Final Order at 14-15 (Feb. 1, 2021).

The record in this case includes some limited information concerning environmental justice associated with the proposed Project. APCo also asserted that, to the best of the Company's knowledge, the Project's proposed routes do not cross or otherwise impact any known environmental justice communities and/or fenceline communities.[46]

We agree with the Chief Hearing Examiner that the Application does not appear to adversely impact the goals established by the Virginia Environmental Justice Act.[47]

Accordingly, IT IS ORDERED THAT:

(1) APCo is authorized to construct and operate the 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 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 APCo:

Certificate No. ET-APCO-ALB-2021-A, which authorizes Appalachian Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Albemarle County and the City of Charlottesville, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00001, cancels Certificate No. ET-24a, issued to Appalachian Power Company on May 20, 1956.

Certificate No. ET-APCO-AMH-2021-A, which authorizes Appalachian Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Amherst County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00001, cancels Certificate No. ET-25g, issued to Appalachian Power Company on August 24, 1971.

Certificate No. ET-APCO-APP-2021-A, which authorizes Appalachian Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Appomattox County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00001.

Certificate No. ET-APCO-CAM-2021-A, which authorizes Appalachian Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Campbell County and the City of Lynchburg, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00001, cancels Certificate No. ET-31h, issued to Appalachian Power Company in Case No. PUE-2013-00126 on June 24, 2014.

Certificate No. ET-APCO-NEL-2021-A, which authorizes Appalachian Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Nelson County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00001, cancels Certificate No. ET-40c, issued to Appalachian Power Company on June 13, 1971.

(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 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 Project approved herein must be constructed and in service by December 1, 2025. 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.

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[46] Ex. 12 (Joshipura) at Staff Report at 42-43 (citing Company's Response to Staff Interrogatory No. 1-10).

[47] *See* Report at 25; Ex. 12 (Joshipura) at Staff Report at 43.

CASE NO. PUR-2021-00002
APRIL 16, 2021

APPLICATION OF
COX VIRGINIA TELCOM, L.L.C.

For eligible telecommunications carrier designation

FINAL ORDER

On January 4, 2021, Cox Virginia Telcom, L.L.C. ("Cox" or "Company"), filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to 47 U.S.C. § 214(e) seeking designation as an eligible telecommunications carrier ("ETC") to receive federal universal service fund support in all areas in which the Company has been awarded Rural Digital Opportunity Fund ("RDOF") support by the Federal Communications Commission ("FCC").[1] Specifically, Cox requested to be designated as an ETC in the 93 specific areas in Virginia in which the Company was the winning RDOF bidder as announced by the FCC on December 7, 2020.[2] These areas encompass portions of the counties of Fairfax, Floyd, Gloucester, James City, and York, Virginia, and portions of the cities of Chesapeake, Fredericksburg, and Virginia Beach, Virginia.[3]

Cox is a competitive local exchange carrier authorized to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia pursuant to certificates of public convenience and necessity issued by the Commission.[4] According to the Application, under the RDOF rules, and pursuant to its winning bids, Cox is required to extend voice standalone services and broadband service at 1 Gigabit download speed to those 93 areas of Virginia.[5] Cox stated that in order to receive this federal support funding it must be designated as an ETC.[6]

In support of its Application, Cox stated that it is a common carrier under 47 U.S.C. §§ 214(e)(1) and 214(e)(6) for purposes of ETC designation and meets the applicable facilities-based requirements for ETC designation.[7] Further, Cox stated that it will offer, throughout its RDOF service areas, voice telephone service, and broadband services consistent with the FCC's RDOF rules, and Lifeline services for low-income consumers consistent with FCC requirements.[8] Cox asserted that it is prepared to comply with the requirements the Commission placed on the applicant for ETC designation in Case No. PUR-2018-00172.[9]

On January 11, 2021, the Commission issued an Order for Notice and Comment that, among other things, directed Cox to provide notice of its Application to local exchange carriers ("LECs") certificated to provide service in Virginia; established a schedule by which LECs and other interested parties could file comments, objections, or requests for hearing on Cox's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report"). The Commission did not receive any comments, objections, or requests for hearing on Cox's Application.

On March 10, 2021, Staff filed its Staff Report, which detailed Staff's review of the Application. Staff did not oppose Cox's request for ETC designation for RDOF support in the designated census blocks in Virginia but recommended that the Commission condition any approval herein on the following:

- Cox should file or update necessary tariffs or product guides for Lifeline services consistent with the requirements of the FCC.
- Cox should provide a copy of all its Universal Service Administrative Company ("USAC") annual reports and build-out milestone certifications, as well as data on the locations where service is available, whether public or confidential, to the Division of Public Utility Regulation.
- Cox should be required to provide the annual notarized Affidavit required by Case No. PUC-2001-00172. This affidavit is submitted to support the Commission's certification of the use of federal universal service funds as required by 47 U.S.C § 254(e) and 47 C.F.R. §§ 54.313 and 54.314.
- Cox should be directed to comply with all requirements and criteria of the FCC, USAC, and the RDOF program.[10]

[1] Application at 1.

[2] *Id.* at 1, 2.

[3] *Id.* at 1 and Exhibit A.

[4] *Id.* at 2. *See Application of Cox Virginia Telcom, Inc., For an amendment of its certificates of public convenience and necessity to reflect applicant's new name, Cox Virginia Telcom, L.L.C.*, Case No. PUC-2008-00055, 2008 S.C.C. Ann. Rept. 305, Order (Aug. 1, 2008).

[5] Application at 2.

[6] *Id.*

[7] *See id.* at 4-7.

[8] *Id.* at 5-6. Cox notes that it may provide voice services including voice Lifeline via its own facilities or a combination of its own facilities and resale arrangements until its network buildout is complete. *Id.* at 6 n.16.

[9] *Id.* at 7-8; *Application of RiverStreet Communications of Virginia, Inc., For designation as an eligible telecommunications carrier*, Case No. PUR-2018-00172, 2019 S.C.C. Ann. Rept. 291, Final Order (Feb. 7, 2019).

[10] Staff Report at 3-4; *see Petition of Virginia Telecommunications Industry Association, For the establishment of formal procedures for annual certification of use of federal universal support in accordance with 47 C.F.R. §§ 54.313 and .314*, Case No. PUC-2001-00172, Preliminary Order (Aug. 29, 2001).

On March 16, 2021, Cox filed its response ("Response") to the Staff Report. Therein, Cox indicated that it concurs with the Staff Report and is prepared to comply with Staff's proposed conditions for approval.[11]

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that Cox's request that the Company be designated as an ETC for RDOF support for portions of the counties of Fairfax, Floyd, Gloucester, James City, and York, Virginia, and portions of the cities of Chesapeake, Fredericksburg, and Virginia Beach, Virginia, covering specific census blocks awarded in the FCC's RDOF auction, should be granted, subject to the conditions imposed herein as recommended by Staff.

Accordingly, IT IS ORDERED THAT:

(1) Cox's request for ETC designation to receive RDOF support for services provided in the specific areas described in its Application is hereby granted.

(2) Cox shall file or update necessary tariffs or product guides for Lifeline services consistent with the requirements of the FCC.

(3) Cox shall provide a copy of all its USAC annual reports and build-out milestone certifications, as well as data on the locations where service is available, whether public or confidential, to the Commission's Division of Public Utility Regulation.

(4) Cox shall provide to the Commission's Division of Public Utility Regulation an annual notarized affidavit on the Company's use of federal universal service funds in the form required by Case No. PUC-2001-00172.

(5) Cox shall comply with all requirements and criteria of the FCC, USAC, and the RDOF program.

(6) This case is dismissed.

[11] Response at 1.

CASE NO. PUR-2021-00003
JANUARY 20, 2021

PETITION OF
KINEX TELECOM, INC.

For designation as an eligible telecommunications carrier

ORDER

On January 5, 2021, Kinex Telecom, Inc. ("Kinex" or "Petitioner"), filed with the State Corporation Commission ("Commission") a petition for designation as an eligible telecommunications carrier ("ETC") pursuant to 47 U.S.C. § 214(e), in which the Petitioner asks that the Commission enter an order stating that the Commission declines to exercise jurisdiction over the Petitioner for purposes of its ETC designation application in accordance with 47 U.S.C. § 214(e)(6) ("Request").

In its Request, Kinex states that it is a member of the NexTier Consortium ("Consortium") that has been allocated Rural Digital Opportunity Fund ("RDOF") support by the Federal Communications Commission ("FCC") covering a portion of the costs of providing service for a total of 7,595 locations in the Commonwealth of Virginia. Kinex states that on December 21, 2020, the Consortium timely notified the FCC that it would be dividing its winning bids and identified Kinex to be the entity that would file the Form 683 long-form application for the applicable RDOF census blocks. The Petitioner states that with this RDOF support, Kinex will construct and operate a new state-of the-art fiber optic network to provide 1 Gbps/500 Mbps voice and high-speed broadband Internet access services to the designated census blocks. Kinex states that as a condition of this funding, the FCC requires that the Petitioner seek and obtain ETC status within 180 days of the FCC's December 7, 2020 public notice announcing the winning bids.

Kinex states that it intends to provide solely broadband and Voice-over-Internet Protocol ("VoIP") services. The Petitioner 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] Kinex 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]

[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."

Kinex states that to the extent the Commission declines jurisdiction over VoIP and broadband providers for purposes of designating ETC status, pursuant to 47 U.S.C. § 214(e), Kinex must submit a request for ETC designation with the FCC. Accordingly, Kinex requests an expedited determination as to whether the Commission will assert jurisdiction so that the Petitioner may begin the ETC designation process with the FCC, if the Commission declines to exercise jurisdiction as it has in the past.[3]

NOW THE COMMISSION, upon consideration of the representations of Kinex and the applicable law, is of the opinion and finds that, as the Commission has not asserted jurisdiction over service providers such as Kinex, 47 U.S.C. § 214(e)(6) is applicable to the Petitioner's request for ETC designation, and Kinex should make its request to the FCC. We further find that this case should be dismissed.

Accordingly, IT IS SO ORDERED.

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

CASE NO. PUR-2021-00004
JANUARY 20, 2021

PETITION OF
ALL POINTS NORTHERN NECK, LLC

For designation as an eligible telecommunications carrier

ORDER

On January 5, 2021, All Points Northern Neck, LLC ("All Points" or "Petitioner") filed with the State Corporation Commission ("Commission") a petition for designation as an eligible telecommunications carrier ("ETC") pursuant to 47 U.S.C. § 214(e), in which the Petitioner asks that the Commission enter an order stating that the Commission declines to exercise jurisdiction over the Petitioner for purposes of its ETC designation application in accordance with 47 U.S.C. § 214(e)(6) ("Request").

In its Request, All Points states that Virginia Everywhere, LLC ("VE"), the holding company for All Points, is a member of the NRTC Phase I RDOF Consortium ("Consortium") that has been allocated Rural Digital Opportunity Fund ("RDOF") support by the Federal Communications Commission ("FCC") covering a portion of the costs of providing service for a total of 7,670 locations in the Commonwealth of Virginia. All Points states that on December 21, 2020, the Consortium timely notified the FCC that it would be dividing its winning bids and identified All Points, as the operating company for VE, to be the entity that would file the Form 683 long-form application for the applicable RDOF census blocks. All Points states that as a condition of this funding, the FCC requires that the Applicant seek and obtain ETC status within 180 days of the FCC's December 7, 2020 public notice announcing the winning bids.

All Points states that it intends to provide solely broadband and Voice-over-Internet Protocol ("VoIP") services. The Petitioner 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] All Points 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]

All Points states that to the extent the Commission declines jurisdiction over VoIP and broadband providers for purposes of designating ETC status, pursuant to 47 U.S.C. § 214(e), All Points must submit a request for ETC designation with the FCC. Accordingly, All Points requests an expedited determination as to whether the Commission will assert jurisdiction so that the Petitioner may begin the ETC designation process with the FCC, if the Commission declines to exercise jurisdiction as it has in the past.[3]

NOW THE COMMISSION, upon consideration of the representations of All Points and applicable law, is of the opinion and finds that, as the Commission has not asserted jurisdiction over service providers such as All Points, 47 U.S.C. § 214(e)(6) is applicable to the Petitioner's request for ETC designation, and All Points 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] *See, e.g., 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 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).

CASE NO. PUR-2021-00005
JANUARY 20, 2021

PETITION OF
POINT BROADBAND FIBER HOLDING, LLC

For designation as an eligible telecommunications carrier

ORDER

On January 5, 2021, Point Broadband Fiber Holding, LLC ("Point Broadband" or "Petitioner") filed with the State Corporation Commission ("Commission") a petition for designation as an eligible telecommunications carrier ("ETC") pursuant to 47 U.S.C. § 214(e), in which the Petitioner asks that the Commission enter an order stating that the Commission declines to exercise jurisdiction over the Petitioner for purposes of its ETC designation application in accordance with 47 U.S.C. § 214(e)(6) ("Request").

In its Request, Point Broadband has been allocated Rural Digital Opportunity Fund ("RDOF") support by the Federal Communications Commission ("FCC") covering a portion of the costs of providing service for a total of 34,472 locations in Alabama, Georgia, Michigan, New York, and the Commonwealth of Virginia. The Petitioner states that with this RDOF support, Point Broadband will construct and operate a new state-of the-art fiber optic network to provide 1 Gbps/500 Mbps voice and high-speed broadband Internet access services to the designated census blocks. Point Broadband states that as a condition of this funding, the FCC requires that the Petitioner seek and obtain ETC status within 180 days of the FCC's December 7, 2020 public notice announcing the winning bids.

Point Broadband states that it intends to provide solely broadband and Voice-over-Internet Protocol ("VoIP") services. The Petitioner 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] Point Broadband 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]

Point Broadband states that to the extent the Commission declines jurisdiction over VoIP and broadband providers for purposes of designating ETC status, pursuant to 47 U.S.C. § 214(e), Point Broadband must submit a request for ETC designation with the FCC. Accordingly, Point Broadband requests an expedited determination as to whether the Commission will assert jurisdiction so that the Petitioner may begin the ETC designation process with the FCC, if the Commission declines to exercise jurisdiction as it has in the past.[3]

NOW THE COMMISSION, upon consideration of the representations of Point Broadband and applicable law, is of the opinion and finds that, as the Commission has not asserted jurisdiction over service providers such as Point Broadband, 47 U.S.C. § 214(e)(6) is applicable to the Petitioner's request for ETC designation, and Point Broadband 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] *See, e.g., 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 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).

CASE NO. PUR-2021-00006
MARCH 2, 2021

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 January 5, 2021, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Company") filed an 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 ("2021 Amendment") to a Money Pool ("Money Pool") Agreement ("Agreement").

[1] Code § 56-76 *et seq.*

Pursuant to Case No. PUR-2020-00066,[2] KU/ODP is authorized to participate with Louisville Gas and Electric Company, LG&E and KU Energy LLC, and LG&E and KU Services Company (collectively "Service Affiliates") under the currently operative Money Pool Agreement. The proposed 2021 Amendment imposes monetary limitations on the amount that the Service Affiliates can lend to and withdraw from the Money Pool in order to mitigate Standard and Poor's credit rating concerns related to PPL Corporation's pending sale of its business in the United Kingdom.[3] The proposed limits would be equivalent to the difference between each Service Affiliate's Federal Energy Regulatory Commission borrowing limit and its commercial paper program limit.

In addition, two of the reference rates used to determine the interest rate on outstanding balances in the Money Pool are based on the London Inter-Bank Offered Rate ("LIBOR"). Recently, UK Finance, the administrator of LIBOR, announced it would be discontinuing LIBOR between December 31, 2021, and June 30, 2023. Therefore, the proposed 2021 Amendment replaces LIBOR rates with the 30-day average secured overnight financing rate ("SOFR") as a reference rate for the interest rate on outstanding balances once LIBOR is discontinued.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff through its action brief and acknowledging that the Company has no comments thereon, is of the opinion and finds that the proposed 2021 Amendment to the Money Pool Agreement is in the public interest and shall 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 2021 Amendment to the Money Pool Agreement is approved subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is continued.

[2] *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 Authority (May 12, 2020).

[3] PPL Corporation is the parent corporation for KU/ODP and the Service Affiliates.

APPENDIX

1) The Commission's approval of the 2021 Amendment to the Money Pool Agreement shall extend from the effective date of this Order through December 31, 2026. If KU/ODP wishes to extend the approved, amended Money Pool Agreement beyond that date, separate approval shall be required.

2) KU/ODP shall file notice within 30 days of replacing LIBOR with SOFR. Case No. PUR-2021-00006 shall remain open until notice is filed.

3) KU/ODP shall include a schedule outlining the lending or borrowing limits for each Service Affiliate in its Annual Report of Affiliate Transactions ("ARAT").

4) The approval granted herein supersedes the approval granted by the Commission in Case Nos. PUE-2011-00110, PUE-2013-00051, and PUR-2020-00066.

5) Separate Commission approval shall be required for any changes in the terms and conditions of the approved, amended Money Pool Agreement.

6) The approval granted in this case shall have no accounting or ratemaking implications.

7) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

8) 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.

9) KU/ODP shall file an executed copy of the approved, amended Money Pool Agreement within 30 days after the effective date of this Order Granting Approval, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").[1]

10) KU/ODP shall include all transactions associated with the approved, amended Money Pool Agreement in its ARAT submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. KU/ODP shall report the Money Pool transactions by case number in which the amended Money Pool Agreement was approved; and a calendar year annual schedule showing the Money Pool transactions by borrower/lender, month, amount lent, amount borrowed, outstanding balance, and applicable interest rate as the transactions are recorded in KU/ODP's books.

[1] The previous executed agreements are included in the Applicant's Response to Staff data request 3-1, which is attached to Staff's action brief dated 2/19/21 filed concurrently with the Order in this case.

CASE NO. PUR-2021-00007
JANUARY 20, 2021

APPLICATION OF
STARLINK SERVICES, LLC

For designation as an eligible telecommunications carrier

ORDER

On January 6, 2021, STARLINK SERVCES, LLC ("Starlink" or "Company") filed with the State Corporation Commission ("Commission") an application pursuant to 47 U.S.C. § 214(e), in which Starlink asks that the Commission enter an order either designating the Company as an eligible telecommunications carrier ("ETC") for certain service areas in the Commonwealth Virginia, or in the alternative, stating that the Commission declines to exercise jurisdiction over the Company for purposes of its ETC designation in accordance with 47 U.S.C. § 214(e)(6) ("Application"). Starlink supplemented its Application with a filing on January 14, 2021.

In its Application, Starlink states that it is a subsidiary of Space Exploration Technologies Corp., and has been assigned Rural Digital Opportunity Fund ("RDOF") support awarded by the Federal Communications Commission ("FCC") covering a portion of the costs of improving high-speed broadband and voice services in designated areas in Virginia. Starlink states that as a condition of receiving this RDOF funding, in the amount of $62,390,793, the FCC requires that the Company seek and obtain ETC status by June 7, 2021.

Starlink states that, with the RDOF support, it will provide satellite broadband and Voice-over-Internet Protocol services in the designated portions of Virginia. Starlink states that the Company meets the requirements to be designated as an ETC. Starlink notes that the FCC has ETC designation authority when the service provider is not subject to the jurisdiction of any state commission, and asserts that for purposes of the RDOF auction, the FCC requires winning bidders seeking an ETC designation from the FCC to demonstrate that the FCC has jurisdiction by submitting an affirmative statement from the relevant state commission declining jurisdiction.[1] Starlink requests that the Commission issue such statement by February 6, 2021, to allow sufficient time for Starlink to obtain the necessary ETC designation from the FCC if the Commission declines to assert jurisdiction for purposes of the Company's ETC designation request.

NOW THE COMMISSION, upon consideration of the representations of Starlink and applicable law, is of the opinion and finds that, as the Commission has not asserted jurisdiction over service providers such as Starlink,[2] 47 U.S.C. § 214(e)(6) is applicable to the Company's request for ETC designation, and Starlink should make its request to the FCC. We further find that this case should be dismissed.

Accordingly, IT IS SO ORDERED.

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[1] *See* 47 U.S.C. § 214(e)(2) and (6); *Rural Digital Opportunity Fund Phase I Auction Scheduled for October 29, 2020 - Notice and Filing Requirements and Other Procedures for Auction 904*, Public Notice, AU Docket No. 20-34, WC Docket Nos. 19-126,10-90, 35 FCC Red. 6077, para. 135-136 (June 11, 2020).

[2] *See, e.g., 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 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); *Application of PGEC Enterprises, Inc., For an expanded designation as an eligible telecommunications carrier*, Case No. PUR-2020-00281, Doc. Con. Cen. No. 201220145, Order (Dec. 15, 2020). *See also*, Va. Code § 56-1.3 (providing 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.").

CASE NO. PUR-2021-00008
APRIL 16, 2021

APPLICATION OF
RIVERSTREET COMMUNICATIONS OF VIRGINIA, INC.,

For expanded designation as an eligible telecommunications carrier

FINAL ORDER

On January 6, 2021, RiverStreet Communications of Virginia, Inc. ("RiverStreet" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to 47 U.S.C. § 214(e) and C.F.R. §§ 54.101 through 54.422 seeking an expanded designation as an eligible telecommunications carrier ("ETC") to receive federal universal service fund ("USF") support covering specific areas in rural Virginia related to support funding awarded by the Federal Communications Commission ("FCC") through the Rural Digital Opportunity Fund ("RDOF").[1] Specifically, RiverStreet's Application included an initial request to be designated as an ETC in 147 census blocks in portions of the counties of Amelia, Dinwiddie, Nottoway, Bedford, New Kent, Campbell, Franklin, Pittsylvania, Charlotte, Patrick, Brunswick, Mecklenburg, Halifax, and Lunenburg, Virginia.[2]

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[1] Application at 1-5.

[2] *Id.* at 3-5 and Attachment A. As described further below, RiverStreet filed on March 24, 2021, an amendment to its Application seeking designation in a smaller subset of the census blocks included in its Application.

In support of its Application, RiverStreet stated that it is a competitive local exchange carrier authorized to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia pursuant to certificates of public convenience and necessity issued by the Commission.[3] RiverStreet stated that the Company was previously designated as an ETC by the Commission for different areas in Virginia in Case No. PUR-2018-00172.[4]

In this Application, RiverStreet requested to be designated as an ETC in additional areas of Virginia as a consequence of its parent company, Wilkes TMC, having been awarded funding for 147 census block groups in rural Virginia locations through the RDOF rural broadband auction recently conducted by the FCC, and Wilkes TMC having assigned those areas in Virginia to RiverStreet as its wholly owned indirect subsidiary.[5] RiverStreet further stated that designation as an ETC for the additional service areas described in this Application will allow RiverStreet to offer discounts to qualifying low income customers in those areas through the FCC's Lifeline program.[6] RiverStreet asserted that it will offer the services required by 47 U.S.C. § 254(c) and 47 C.F.R. § 54.101(a), and that the Company will meet the additional requirements imposed on an ETC by the FCC.[7]

On January 14, 2021, the Commission issued an Order for Notice and Comment ("Notice Order") that, among other things, directed RiverStreet to provide notice of its Application to local exchange carriers ("LECs") certificated to provide service in Virginia; established a schedule by which LECs and other interested parties could file comments, objections, or requests for hearing on RiverStreet's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report"). The Commission did not receive any comments, objections, or requests for hearing on RiverStreet's Application.

On February 2, 2021, RiverStreet made a filing requesting that the Commission grant a limited waiver and accept service of the Notice Order out of time ("Motion"). RiverStreet stated that it did not become aware of the Notice Order until February 2, 2021, but served a copy of the Notice Order upon each LEC certificated to provide service in Virginia on that day.[8] RiverStreet noted that it had completed service two business days after the required date, leaving LECs 17 days to comment on the Application.[9]

On March 12, 2021, Staff filed its Staff Report, which detailed Staff's review of the Application. Staff did not oppose RiverStreet's request for ETC designation for USF support in the additional census blocks in Virginia but recommended that the Commission condition any approval herein on the following:

- RiverStreet should file or update necessary tariffs or product guides for Lifeline services consistent with the requirements of the FCC.
- RiverStreet should provide a copy of all its Universal Service Administrative Company ("USAC") annual reports and build-out milestone certifications, as well as data on the locations where service is available, whether public or confidential, to the Division of Public Utility Regulation.
- RiverStreet should be required to provide the annual notarized Affidavit required by Case No. PUC-2001-00172. This affidavit is submitted to support the Commission's certification of the use of federal universal service funds as required by 47 U.S.C § 254(e) and 47 C.F.R. §§ 54.313 and 54.314.
- RiverStreet should be directed to comply with all requirements and criteria of the FCC, USAC, and the RDOF program.[10]

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[3] *Id.* at 2. *See Application of RiverStreet Communications of Virginia, Inc., For certificates of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia,* Case No. PUC-2015-00049, 2016 S.C.C. Ann. Rept. 162, Final Order (Feb. 26, 2016*).*

[4] Application at 1. *See Application of RiverStreet Communications of Virginia, Inc., For designation as an eligible telecommunications carrier,* Case No. PUR-2018-00172, 2019 S.C.C. Ann. Rept. 291, Final Order (Feb. 7, 2019).

[5] Application at 3, 7.

[6] *Id*. at 4.

[7] *Id.* at 4-7.

[8] Motion at 1-2.

[9] *Id.*

[10] Staff Report at 3-4; *see Petition of Virginia Telecommunications Industry Association, For the establishment of formal procedures for annual certification of use of federal universal support in accordance with 47 C.F.R. §§ 54.313 and .314,* Case No. PUC-2001-00172, Preliminary Order (Aug. 29, 2001).

On March 24, 2021, RiverStreet filed an amendment ("Amendment") to its Application to revise the additional service areas for which it seeks ETC designation.[11] RiverStreet stated that although its parent company, Wilkes TMC, had been awarded funding for 147 census block groups, as indicated in the Application, Wilkes TMC had since accepted funding in only 108 of those census block groups.[12] RiverStreet stated that Wilkes TMC then assigned RDOF support for 97 of the 108 accepted census block groups to the Company.[13] RiverStreet therefore now requests ETC designation for only 97 census block groups in portions of Amelia, Dinwiddie, Nottoway, Bedford, New Kent, Campbell, Franklin, Charlotte, Patrick, and Brunswick Counties, Virginia.[14]

On March 26, 2021, RiverStreet filed its response ("Response") to the Staff Report. Therein, RiverStreet requested that the Commission accept the Staff Report and designate the Company as an ETC for the census block groups identified in its Amendment.[15]

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that RiverStreet's request that it be designated as an ETC for USF support for portions of Amelia, Dinwiddie, Nottoway, Bedford, New Kent, Campbell, Franklin, Charlotte, Patrick, and Brunswick Counties, Virginia, covering specific census blocks awarded in the FCC's RDOF auction, should be granted, subject to the conditions imposed herein as recommended by Staff. We also find that the Company's Motion should be granted. We remind RiverStreet to be diligent in the future in complying with the requirements of Commission Orders.

Accordingly, IT IS ORDERED THAT:

(1) RiverStreet's request for ETC designation to receive USF support for services provided in the specific areas described in the Company's Amendment to its Application is hereby granted.

(2) RiverStreet shall file or update necessary tariffs or product guides for Lifeline services consistent with the requirements of the FCC.

(3) RiverStreet shall provide a copy of all its USAC annual reports and build-out milestone certifications, as well as data on the locations where service is available, whether public or confidential, to the Commission's Division of Public Utility Regulation.

(4) RiverStreet shall provide to the Commission's Division of Public Utility Regulation an annual notarized affidavit on the Company's use of federal universal service funds in the form required by Case No. PUC-2001-00172.

(5) RiverStreet shall comply with all requirements and criteria of the FCC, USAC, and the RDOF program.

(6) RiverStreet's Motion is hereby granted.

(7) This case is dismissed.

[11] Amendment at 1.

[12] *Id.* at 3-4.

[13] *Id.* RiverStreet represented that Wilkes TMC assigned RDOF support for the other 11 census block groups, which are located in Pittsylvania County, Virginia, to Peoples Mutual Telephone Company, Inc. ("Peoples"). *Id.* at 4. According to the Company, Peoples is an incumbent local exchange carrier, and as such, previously received ETC designation for its assigned service territory, which includes Pittsylvania County, in Case No. PUC-1997-00135. *Id.*

[14] *Id.*

[15] Response at 1.

CASE NO. PUR-2021-00009
JUNE 14, 2021

APPLICATION OF
CHARTER FIBERLINK VA-CCO, LLC AND TIME WARNER CABLE INFORMATION SERVICES (VIRGINIA), LLC

For designation as eligible telecommunications carriers

FINAL ORDER

On January 6, 2021, Charter Fiberlink VA-CCO, LLC ("Charter Fiberlink") and Time Warner Cable Information Services (Virginia), LLC ("Time Warner") (collectively, "Charter Entities" or "Companies") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to 47 U.S.C. § 214(e), seeking that the Commission enter an order either designating each of the Companies as an eligible telecommunications carrier ("ETC") in order to receive federal universal service fund support in specific areas of the Commonwealth of Virginia through the Rural Digital Opportunity Fund ("RDOF") of the Federal Communications Commission ("FCC"), or expressly declining jurisdiction to consider the designation of the Charter Entities as ETCs.[1]

[1] Application at 1.

The Charter Entities requested to be designated as ETCs in the 1,522 census block areas in Virginia assigned from an affiliate, CCO Holdings, LLC, which was the winning RDOF bidder as announced by the FCC on December 7, 2020.[2] Charter Fiberlink requested ETC designation to provide the RDOF supported services in designated portions of the counties of Greensville, Isle of Wight, Southampton, and Surry, Virginia, and the City of Suffolk, Virginia, while Time Warner requested ETC designation to provide the RDOF supported services in designated portions of the counties of Carroll and Patrick, Virginia.[3]

The Charter Entities are competitive local exchange carriers authorized to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia pursuant to certificates of public convenience and necessity issued by the Commission.[4] The Companies stated that designating each as an ETC in its respective RDOF census blocks will promote the deployment of advanced voice and broadband Internet services in these areas.[5]

In support of its Application, the Charter Entities stated that each is a common carrier under 47 U.S.C. §§ 214(e)(1) and 214(e)(6) for purposes of ETC designation and that each meets the applicable facilities-based requirements for ETC designation.[6] Further, the Companies stated that they will offer, throughout their assigned RDOF service areas: voice telephone service, broadband services consistent with the FCC's RDOF rules, and Lifeline services for low-income consumers consistent with FCC requirements.[7] The Charter Entities asserted that they are prepared to comply with the requirements the Commission placed on the applicant for ETC designation in Case No. PUR-2018-00172.[8]

On February 3, 2021, the Commission issued an Order for Notice and Comment ("Procedural Order"), which, in pertinent part, found that the Commission had the authority to consider the Charter Entities' request for ETC designation and asserted jurisdiction over the Companies' request. The Procedural Order also directed the Staff of the Commission ("Staff") to investigate the Charter Entities' Application and scheduled the date for the filing of a report containing the Staff's findings and recommendations ("Staff Report"), and for filing of the Companies' response to the Staff Report.[9]

On March 26, 2021, the Charter Entities filed a motion to modify the procedural schedule established for this proceeding ("Motion to Modify"). In support of the Motion to Modify, the Charter Entities stated that since filing the Application, they had become aware of an issue with the FCC's RDOF program and that the Companies were preparing a supplemental filing to address the issue in this proceeding. The Charter Entities stated that they intended to submit a supplemental filing to the Commission on or before April 9, 2021, and that this supplemental filing would presumably merit comment by the Staff in the Staff Report filed in this case. The Motion to Modify was granted on March 30, 2021. Ultimately, after further revisions to the procedural schedule, the Charter Entities filed their anticipated Supplement to Application ("Supplement") on May 18, 2021.[10]

In the Supplement, the Charter Entities stated that certain census blocks in Virginia (as well as other states) were included in the RDOF auction despite already being served by a broadband provider, which, according to the Companies, ought to have disqualified these census blocks from inclusion in the RDOF program.[11] The Charter Entities stated that two census blocks included in the requests for ETC designations are within the service area of Prince George Electric Cooperative, which, through its affiliate, PGEC Enterprises, LLC, was awarded a state broadband grant in February 2020.[12] The Supplement represented that the Charter Entities, and affiliated companies, have recently filed a petition with the FCC seeking a partial waiver of their obligation to apply for support in the census blocks that are already served, including these already-served census blocks in Virginia.[13] In this proceeding, the Companies have requested that any order issued by the Commission granting ETC designations to the Charter Entities expressly provide a mechanism to

[2] *Id.* at 1, 2, 12.

[3] *Id.* at 2-3 and Exhibit A and B.

[4] *Id.* at 4, 6, and Exhibits F and G; *see also, Application of Charter Fiberlink VA-CCO, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services,* Case No. PUC-2004-00036, 2004 S.C.C. Ann. Rept. 239, Final Order (July 29, 2004); *Application of Time Warner Cable Information Services (Virginia), LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services,* Case No. PUC-2009-00055, 2010 S.C.C. Ann. Rept. 224, Final Order (Jan. 28, 2010).

[5] Application at 23.

[6] *See id.* at 15-18.

[7] *Id.* at 15-16.

[8] *Id.* at 18-19; *Application of RiverStreet Communications of Virginia, Inc., For designation as an eligible telecommunications carrier,* Case No. PUR-2018-00172, 2019 S.C.C. Ann. Rept. 291, Final Order (Feb. 7, 2019).

[9] The Procedural Order also directed that notice be provided and that interested persons be provided an opportunity to file objections, comments, or requests for hearing on the Application by March 10, 2021. No comments, objections, or requests for hearing have been received in this case.

[10] On April 8, 2021, the Charter Entities filed an update on the status of their supplemental filing stating that it might not be ready to be filed by April 9, 2021, but that they intended to submit it as soon as practicable. On April 27, 2021, the Staff filed a Motion to Suspend Procedural Schedule ("Motion"), requesting that the present procedural schedule be suspended pending further filings by the Charter Entities. The Staff's Motion noted that the April 30, 2021 deadline for the rescheduled filing of the Staff Report was approaching, and the anticipated supplemental filing had not yet been made by the Companies. On April 29, 2021, the Commission issued an Order Suspending Procedural Schedule, which granted the Staff's Motion. On May 21, 2021, following the filing of the Supplement by the Companies, the Commission issued its Order Reestablishing Procedural Schedule in this matter.

[11] Supplement at 2-3, n.6 (citing *In the Matter of Rural Digital Opportunity Fund,* Petition for Waiver, FCC WC Docket No. 19-126 (May 11, 2021) ("FCC Waiver Petition").

[12] Supplement at 5.

[13] *Id.* at 3.

conform the ETC designations so as to reflect only the census blocks where the Companies are actually receiving RDOF support and therefore subject to an RDOF deployment obligation.[14] The Supplement described additional scenarios under which the Companies envision the FCC might modify the RDOF areas awarded, and included the Companies' proposal for language that would accomplish creation of the mechanism sought if adopted by the Commission.[15] Specifically, the Charter Entities requested that the Commission's Final Order in this proceeding include language substantively similar to the following:

> Charter Fiberlink and Time Warner are designated a[s] ETCs in the eligible portions of the census blocks shown in Appendices [X] and [Y] where they were assigned respective winning bids in the RDOF auction. If either Charter Fiberlink or Time Warner does not receive RDOF support in any such census block or portion thereof, then Charter Fiberlink or Time Warner, as applicable, will file notice in this case of such change to the census block or portion thereof and such census block or portion thereof will be removed from Charter Fiberlink's or Time Warner's ETC-designated service area without further action by the Commission.[16]

In accordance with the Order Reestablishing Procedural Schedule issued by the Commission on May 21, 2021, the Staff completed its review of the Companies' Application, as amended by their Supplement, and filed a Staff Report on June 4, 2021. The Staff did not oppose the Charter Entities' requests for ETC designation for RDOF support in the designated census blocks in Virginia but recommended that the Commission condition any approval herein on the following:

- Charter Fiberlink and Time Warner should file or update necessary tariffs or product guides for Lifeline services consistent with the requirements of the FCC;
- Charter Fiberlink and Time Warner should provide a copy of all their Universal Service Administrative Company ("USAC") annual reports and build-out milestone certifications, as well as data on the locations where service is available, whether public or confidential, to the Division of Public Utility Regulation;
- Charter Fiberlink and Time Warner should be required to provide the annual notarized affidavit required by the Commission's Preliminary Order in Case No. PUC-2001-00172.[17] This affidavit is submitted to support the Virginia Commission's certification of the use of federal universal service funds as required by 47 U.S.C § 254(e) and 47 C.F.R. §§ 54.313 and 54.314; and
- Charter Fiberlink and Time Warner should be directed to comply with all requirements and criteria of the FCC, USAC, and the RDOF program.[18]

As to the Companies' Supplement, and the mechanism proposed therein, the Staff Report documented the Companies' assertion that the two census block groups within the service area of Prince George Electric Cooperative that are the subject of the FCC Waiver Petition are located in Surry County, Virginia.[19] Further, the Staff noted that the FCC Waiver Petition also states that the Companies have conferred with the Office of Broadband within the Virginia Department of Housing and Community Development, which supports the request for a waiver from the FCC with respect to these areas.[20] Accordingly, the Staff recommended adopting the language proposed by the Charter Entities in the Commission's Final Order in this proceeding. The Staff stated that any notice filed by the Companies pursuant to this language should include either a copy of the FCC's Order or the cite to the docket in which the FCC's decision is entered, and a detailed description of the RDOF support areas in which the Companies will no longer be designated as an ETC.[21]

On June 8, 2021, the Charter Entities filed their response to the Staff Report, stating that the Companies concur with the Staff Report and are prepared to comply with the requirements imposed by the Commission in similar cases.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that Companies' requests for ETC designations should be granted subject to the recommendations of the Staff. Accordingly, we find that Charter Fiberlink and Time Warner are designated as ETCs in the eligible portions of the census blocks shown in Exhibits A and B to the Application where they were assigned respective winning bids in the RDOF auction. If either Charter Fiberlink or Time Warner does not receive RDOF support in any such census block or portion thereof, then Charter Fiberlink or Time Warner, as applicable, will file notice in this case of such change to the census block or portion thereof and such census block or portion thereof will be removed from Charter Fiberlink's or Time Warner's ETC-designated service area without further action by the Commission.

Accordingly, IT IS ORDERED THAT:

(1) Charter Fiberlink's and Time Warner's requests for ETC designation to receive RDOF support for services provided in the specific areas described in the Application at Exhibits A and B are hereby granted.

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[14] *Id*. at 9.

[15] *Id*. at 6-10.

[16] *Id.* at 10.

[17] *See Virginia Telecommunications Industry Association, For the establishment of formal procedures for annual certification of use of federal universal service support in accordance with 47 CFR Section 54.313 and 54.314*, Case No. PUC-2001-00172, Preliminary Order (Aug. 29, 2001).

[18] Staff Report at 5-6.

[19] *See id.* at 4 (citing Supplement at 2-3, 5-10 and FCC Waiver Petition at 11-13).

[20] *See* Staff Report at n.14 (citing FCC Waiver Petition at 11-12).

[21] *See* Staff Report at 7.

(2) Charter Fiberlink and Time Warner shall file or update necessary tariffs or product guides for Lifeline services consistent with the requirements of the FCC.

(3) Charter Fiberlink and Time Warner shall provide a copy of all their USAC annual reports and build-out milestone certifications, as well as data on the locations where service is available, whether public or confidential, to the Commission's Division of Public Utility Regulation.

(4) Charter Fiberlink and Time Warner shall provide to the Commission's Division of Public Utility Regulation an annual notarized affidavit on the Companies' use of federal universal service funds in the form required by Case No. PUC-2001-00172.

(5) Charter Fiberlink and Time Warner shall comply with all requirements and criteria of the FCC, USAC, and the RDOF program.

(6) If either Charter Fiberlink or Time Warner does not receive RDOF support in any such census block or portion thereof, then Charter Fiberlink or Time Warner, as applicable, will file notice in this case of such change to the census block or portion thereof, and such census block or portion thereof shall be removed from Charter Fiberlink's or Time Warner's ETC-designated service area without further action by the Commission.

(7) This case is dismissed.

CASE NO. PUR-2021-00010
SEPTEMBER 15, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: 230 kV Lines #2113 and #2154 Transmission Line Rebuilds and Related Projects

FINAL ORDER

On January 20, 2021, 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 York and James City Counties and the City of Williamsburg, 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 seeks to (i) rebuild approximately 3.8 miles of the existing 230 kilovolt ("kV") Line #2113 on single circuit steel structures between Lightfoot Substation and Waller Substation, and remove approximately 3.8 miles of idle 115 kV Line #58 between Lightfoot Substation and Waller Substation; (ii) rebuild approximately 6.1 miles of 230 kV Line #2154 on single circuit steel structures between Waller Substation and Kingsmill Substation, and remove approximately 6.1 miles of idle 115 kV Line #58 between Waller Substation and Kingsmill Substation; (iii) rebuild approximately 1.5 miles of 230 kV Line #2154 and approximately 1.5 miles of 115 kV Line #19 on double circuit steel structures between Kingsmill Substation and Structure #2154/482; and (iv) perform related substation work at the Lanexa, Lightfoot, Waller, Penniman, and Kingsmill Substations and the Skiffes Creek Switching Station (collectively, the "Rebuild Projects").[1]

Dominion asserts in its Application that the Rebuild Projects are necessary to maintain the structural integrity and reliability of its transmission system in compliance with mandatory North American Electric Reliability Corporation Reliability Standards.[2] The Company further states that the Rebuild Projects will replace aging infrastructure that is at the end of its service life.[3]

In its Application, the Company states that the desired in-service date for the Rebuild Projects is September 30, 2023.[4] The Company represents that the estimated conceptual cost of the Rebuild Projects (in 2020 dollars) is approximately $27.4 million, which includes approximately $25.3 million for transmission-related work and $2.1 million for substation-related work.[5]

On February 8, 2021, 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; and directed the Commission's Staff ("Staff") to investigate the Application and to file testimony containing Staff's findings and recommendations.[6]

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[1] Ex. 2 (Application) at 2.

[2] *Id.*

[3] *Id.* at 2-3.

[4] *Id*. at 3.

[5] *Id*. at 4.

[6] No written public comments or notices of participation were filed.

As also discussed in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Rebuild Projects by the appropriate agencies and to provide a report on the review. On April 1, 2021, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation. 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 Projects. 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 recommendation regarding the identified petroleum release.
- Coordinate with the Department of Conservation and Recreation's Division of Natural Heritage to obtain an update on natural heritage information.
- Coordinate with the Department of Wildlife Resources ("DWR") regarding its recommendations to protect wildlife resources.
- Coordinate with the Virginia Outdoors Foundation regarding its recommendation for additional review if the project area changes or the project does not begin within 24 months.
- Coordinate with the Department of Historic Resources ("VDHR") regarding its recommendations to protect historic and archaeological resources.
- Coordinate with the Virginia Department of Health ("VDH") 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.[7]

On June 22, 2021, 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 Rebuild Projects and that the Rebuild Projects are necessary to continue providing reliable electric transmission service.[8] Staff therefore did not oppose the issuance of the certificate of public convenience and necessity ("CPCN") requested in the Company's Application.[9]

On July 6, 2021, 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 two of DEQ's recommendations.[10] Dominion also seeks to clarify four DEQ recommendations.[11]

Due to the ongoing public health issues related to the spread of COVID-19, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on July 20, 2021.[12] The Company and Staff participated at the hearing.

On August 5, 2021, the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report") was issued. In the Report, the Hearing Examiner found: (i) Dominion has demonstrated the need for the proposed Rebuild Projects and has demonstrated that its selected route and use of existing right-of-way ("ROW") and Company-owned land will avoid or reasonably minimize the impact on existing residences, scenic assets, historic resources, and the environment; (ii) the Application does not adversely impact any goal established by the Virginia Environmental Justice Act; (iii) the uncontested recommendations in the DEQ Report should be adopted by the Commission as conditions for approval; (iv) the Company should be directed to conduct songbird surveying and coordinate with DWR for the implementation of construction limitations if significant ground clearing is required within a particular area during the construction of the Rebuild Projects; (v) the Company should be directed to plot and call out wells in the vicinity of the Rebuild Projects on the associated Erosion and Sediment Control Plans; and (vi) the Company should be required to coordinate with DEQ if contaminated soil is identified associated with the petroleum release highlighted in the DEQ Report.[13]

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[7] Ex. 8 (DEQ Report) at 6.

[8] Ex. 7 (de León Direct) at Staff Report at 26.

[9] *Id.*

[10] Ex. 11 (Studebaker Rebuttal) at 3-5.

[11] *Id.* at 5-6; Ex. 10 (Carr Rebuttal) at 3-8. Dominion also discussed one clarification with respect to an attachment to the Staff Report. *See* Ex. 9 (Crenshaw Rebuttal) at 3.

[12] A public witness hearing was scheduled to be held telephonically on July 19, 2021, but was canceled after no public witnesses signed up to testify. Tr. 4-5.

[13] Report at 12.

The Hearing Examiner recommends that the Commission adopt the findings in the Report, grant the Company's Application to construct the Rebuild Projects, and approve the Company's request for a CPCN for the Rebuild Projects.[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 Projects. The Commission finds that a CPCN authorizing the Rebuild Projects should be issued subject to certain findings and conditions contained herein.

Applicable Law

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, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 67-101.1, 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 chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

The Code further requires that the Commission consider existing 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 Projects are 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, Staff agreed with Dominion that the Rebuild Projects are needed to ensure reliable service.[16] The Commission finds that the Company's proposed Rebuild Projects are needed to replace aging infrastructure, thereby enabling the Company to maintain the overall long-term reliability of its transmission system.

Economic Development

The Commission has considered the effect of the Rebuild Projects on economic development in the Commonwealth and finds that the evidence in this case demonstrates that the Rebuild Projects will support continued reliable bulk electric power delivery, thereby supporting economic growth in the Commonwealth, including in York County, James City County, and the City of Williamsburg, Virginia.[17]

Rights-of-Way and Routing

Dominion has adequately considered usage of existing ROW. The Rebuild Projects, as proposed, would be constructed on existing ROW or on Company-owned property, with no additional ROW required.[18]

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[14] *Id*. at 13. No participant filed comments opposing the findings and recommendations set forth in the Report.

[15] *See* Ex. 2 (Application) at 2-3.

[16] Ex. 7 (de León Direct) at Staff Report at 26.

[17] *See id*. at 25.

[18] *See* Ex. 2 (Application) at Appendix at 146, 150. As such, no alternative routes were proposed for the Rebuild Projects. *Id*. at 150.

Impact on Scenic Assets and Historic Districts

As noted above, the Rebuild Projects would be constructed on existing ROW already owned and maintained by Dominion. The Commission finds that such construction will avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the VDHR, and environment of the area concerned, as required by § 56-46.1 B of the Code, subject to the recommendations provided in the following section.[19]

Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Rebuild Projects' impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Rebuild Projects 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 Projects. This finding is supported by the DEQ Report, as nothing therein suggests that the Rebuild Projects 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 two of these recommendations.

First, Dominion requests that the Commission reject DWR's recommendation to conduct significant tree removal and ground clearing activities outside of the primary songbird nesting season.[21] Dominion states that it does not expect any ground clearing activities to be "significant."[22] However, the Company agrees to survey the relevant area for songbird nesting colonies if any significant clearing occurs during nesting season and to coordinate with DWR if any colonies are found.[23] We agree with the Hearing Examiner and therefore direct the Company to conduct songbird surveying and coordinate with DWR for the implementation of construction limitations to avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable if significant ground clearing is required within a particular area during the construction of the Rebuild Projects.[24]

Second, Dominion requests that the Commission reject DEQ's recommendation that the Company consider development of an effective environmental management system ("EMS") as being duplicative of a comprehensive EMS manual the Company already has in place.[25] The Commission agrees that the EMS recommended by DEQ is duplicative of the Company's EMS manual, and therefore is unnecessary at this time.[26]

Dominion also offered clarifications to certain DEQ recommendations. In response to various DEQ recommendations and requirements regarding one petroleum release identified in close proximity to the Rebuild Projects, the Company states that it has a procedure in place to handle petroleum contaminated soil and will coordinate with the DEQ's Division of Land Protection and Revitalization to the extent contaminated soil is encountered. Dominion expects any contamination related to the petroleum release was likely confined to the soil and removed prior to closure of the release on January 7, 2015.[27] We agree with the Hearing Examiner. We direct the Company to coordinate with DEQ to avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable if contaminated soil is identified associated with the petroleum release highlighted in the DEQ Report.[28]

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[19] *See id*. at Appendix at 211-257; Ex. 7 (de León Direct) at Staff Report at 19-23.

[20] *See* Ex. 7 (DEQ Report) at 7-8. We find, as a condition to approval herein, that Dominion shall comply with all recommendations in the DEQ Report, except as otherwise provided herein.

[21] DEQ Report at 17; Ex. 11 (Studebaker Rebuttal) at 3-4.

[22] Ex. 11 (Studebaker Rebuttal) at 3-4.

[23] *Id*. at 4. Dominion claims this proposal is consistent with DWR's statement that "it will work with the applicant to develop project-specific measures as necessary to minimize project impacts . . . since DWR understands that adherence to these general recommendations may be infeasible in some situations." *Id*. (citing Ex. 8 (DEQ Report) at 17).

[24] Report at 12. This directive is in keeping with prior Commission Orders. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Landstown-Thrasher Line #231 230 kV Transmission Line Rebuild*, Case No. PUR-2018-00096, 2018 S.C.C. Ann. Rept. 461, Final Order (Dec. 3, 2018).

[25] Ex. 8 (DEQ Report) at 22; Ex 11 (Studebaker Rebuttal) at 4-5.

[26] The Commission has previously made a similar finding. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied – Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, Doc. Con. Cen. No. 210330038, Final Order at 8 (Mar. 23, 2021).

[27] Ex. 11 (Studebaker Rebuttal) at 5.

[28] Report at 12.

In response to the VDH Office of Drinking Water's recommendation that the Company field mark wells that are within a 1,000-foot radius from the project site, Dominion states that all water wells within 1,000 feet of the project site are located on private property and therefore cannot be field marked.[29] The Company further asserts that it has recommended an alternative method of well protection including plotting and calling out the wells on the Erosion and Sediment Control Plans that the VDH has found to be reasonable and acceptable.[30] As such, we find the Company's proposed alternative method of well protection to be reasonable.[31]

In response to a comment by VDHR that it did not have enough information to concur with all of the impact recommendations and would need additional viewshed photographs before it could understand the potential impacts, Dominion states that it has reached out to VDHR to provide the additional information.[32] We direct Dominion to continue to coordinate with VDHR to address any outstanding concerns regarding potential visual impacts on historic resources from the Rebuild Projects[33] to avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable.

Finally, in response to the recommendation by VDHR to coordinate with the National Park Service ("NPS") regarding any NPS property that has the potential of being impacted by the Rebuild Projects, Dominion seeks to clarify that it is currently coordinating with NPS regarding the Rebuild Projects.[34] We direct Dominion to continue to coordinate with NPS to address these concerns in a manner that avoids or reasonably minimizes adverse impact to the greatest extent reasonably practicable.

Environmental Justice

The Virginia Environmental Justice Act ("VEJA") sets forth that "[i]t is 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."[35] As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."[36]

The record in this case includes some limited information concerning environmental justice associated with the proposed Rebuild Projects. Dominion asserted that it researched the demographics of the communities surrounding the Rebuild Projects using 2020 United States Census data to identify populations within the study area that meet the VEJA threshold to be defined as Environmental Justice communities ("EJ Communities"). The Company further asserted that the Rebuild Projects will be constructed entirely within existing ROW and will not require additional permanent or temporary ROW, the construction of a temporary line, or an increase in operating voltage.[37] The Company stated it does not anticipate disproportionately high or adverse impacts to the surrounding EJ Communities.[38] Staff stated that it does not disagree with this assertion.[39]

We agree with the Hearing Examiner that the Rebuild Projects do not appear to adversely impact the goals established by the VEJA.[40]

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Rebuild Projects 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 CPCN to construct and operate the Rebuild Projects is granted as provided for herein, subject to the requirements set forth herein.

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[29] Ex. 11 (Studebaker Rebuttal) at 6.

[30] *Id*. at 6 and Rebuttal Schedule 1.

[31] *See* Report at 12.

[32] Ex. 10 (Carr Rebuttal) at 3-8.

[33] *Id*. at 8.

[34] *Id*.

[35] Code § 2.2-235.

[36] Code § 2.2-234. *See also, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia,* Case No. PUR-2021-00001, Doc. Con. Cen. No. 210920108, Final Order at 14 (Sept. 9, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power* Company, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 25 (Apr. 30, 2021); *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. 210210007, Final Order at 14-15 (Feb. 1, 2021).

[37] Ex. 2 (Application) at Appendix at 221.

[38] *Id*.

[39] Ex. 7 (de León Direct) at Staff Report at 23-24.

[40] Report at 12.

(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-DEV-JAM/YOR-2021-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in the Counties of James City and York and the City of Williamsburg, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00010, cancels Certificate No. ET-77m, issued to Virginia Electric and Power Company in Case No. PUE-2012-00029 on February 28, 2014.

(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 Number 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 CPCN issued in Ordering Paragraph (3) with the maps attached.

(6) The Rebuild Projects approved herein must be constructed and in service by September 30, 2023. 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.

CASE NO. PUR-2021-00011
MARCH 23, 2021

APPLICATION OF
CUSTOMERFIRST RENEWABLES LLC

For electric and natural gas aggregator licenses

ORDER GRANTING LICENSE

On January 13, 2021, CustomerFirst Renewables LLC ("CustomerFirst" 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"). CustomerFirst seeks authority to provide electric and natural gas aggregation services to eligible commercial, industrial, and governmental customers throughout Virginia. In its Application, CustomerFirst 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.[1]

On February 3, 2021, 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 February 12, 2021, to each of the companies on Attachment A of the Procedural Order, and to file proof of service on or before February 19, 2021. On February 16, 2021, CustomerFirst filed its proof of service. Thereafter, on February 22, 2021, CustomerFirst filed a second proof of service due to an electronic service error.

The Procedural Order also directed any comments in this matter be filed with the Clerk of the Commission on or before February 26, 2021. 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") to be filed March 5, 2021. The Report summarized Staff's investigation of CustomerFirst's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that CustomerFirst be granted a license to provide electric and natural gas aggregation services 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 CustomerFirst'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) CustomerFirst is hereby granted license No. A-120 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.

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[1] 20 VAC 5-312-10 *et seq.* ("Retail Access Rules").

CASE NO. PUR-2021-00012
FEBRUARY 2, 2021

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For approval pursuant to Title 56, Chapter 3 of the Virginia Code

ORDER GRANTING AUTHORITY

On January 13, 2021, Central Virginia Electric Cooperative ("CVEC" 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. CVEC has paid the requisite filing fee of $250.

CVEC is seeking authority to borrow up to $16 million from the Federal Financing Bank ("FFB"). The Cooperative states that the loan will be used for the reimbursement of general funds used for distribution projects while the Cooperative awaits environmental permits to enable it to obtain a new Construction Work Plan loan. The Application states that the term of the loan will be 35 years and the interest rates on loan borrowings will be equal to the Treasury's cost of money for similar debt instruments plus one-eighth of one percent. While the Cooperative may draw down the $16 million in multiple tranches, it has indicated through informal discussions with Staff that it plans on drawing down the entire balance in one borrowing.

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) CVEC is authorized to incur indebtedness of up to $16 million from FFB, 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 FFB, CVEC shall provide the Director of the Commission's Division of Utility Accounting and Finance a Report of Action, which shall include the amount of the advance and the associated interest rate.[2]

(3) The authority granted herein shall have no accounting or ratemaking implications.

(4) This case is dismissed.

[1] Va. Code. § 56-55 *et seq.*

[2] Due to the circumstances surrounding COVID, the Report of Action may be submitted via electronic mail to accounting@scc.virginia.gov.

CASE NO. PUR-2021-00013
SEPTEMBER 3, 2021

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 19, 2021, pursuant to § 56-585.1 A 5 e of the Code of Virginia ("Code"), 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 stated that it was filing this annual update to inform the Commission of the status of the environmental projects located at the Chesterfield Power Station, referred to as the Chesterfield Integrated Ash Project, as well as the environmental projects at the Bremo, Clover and Mt. Storm Power Stations, and their projected expenditures.[2] The Company is seeking recovery of three general categories of costs incurred to comply with state and federal environmental laws and regulations: (i) asset retirement obligation ("ARO") expenses associated with existing assets that must be closed, (ii) newly constructed assets and associated expenses; and (iii) ARO expenses associated with the newly constructed assets.[3]

[1] Ex. 2 (Petition) at 1. On February 9, 2021, February 16, 2021, and February 17, 2021, the Company filed additional required information related to its Petition.

[2] *Id*. at 4.

[3] *Id*.; Ex. 6 (Givens Direct) at 1-2.

In this proceeding, Dominion is asking the Commission to approve Rider E for the rate year beginning November 1, 2021, and ending October 31, 2022 ("2021 Rate Year").[4] The two components of the revenue requirement are the Projected Cost Recovery Factor ("Projected Factor") and the Actual Cost True-Up Factor ("True-Up Factor").[5] In its Petition, the Company requested a Projected Factor revenue requirement of $68,561,000, and a True-Up Factor revenue requirement credit of $1,110,000, which resulted in a total proposed revenue requirement of $67,451,000 for service rendered during the 2021 Rate Year.[6]

On February 24, 2021, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Petition; scheduled a public hearing on the Petition; required Dominion to publish notice of its Petition; gave interested persons the opportunity to comment on, or participate in, the case; 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 Board of Supervisors of Culpeper County, Virginia, and the Virginia Committee for Fair Utility Rates. Commission Staff ("Staff") filed testimony on May 7, 2021. Dominion filed rebuttal testimony on May 21, 2021, and on May 28, 2021, the Company filed supplemental rebuttal testimony. The Commission did not receive written comments from any interested person regarding the Petition.

On June 7, 2021, Dominion and Staff (collectively, "Stipulating Parties") filed a Proposed Stipulation and Recommendation ("Stipulation"), which resolved all issues between them. In the Stipulation, the Stipulating Parties recommend as follows: (i) the total revenue requirement is $68,339,000, but because this revenue requirement would cause Rider E rates to exceed the total tariff rates originally requested in the Petition, as well as the tariff rates publicly noticed, recovery in this proceeding will be limited to the originally filed and noticed revenue requirement of $67,451,000, consisting of a True-Up Factor of $369,000 and a Projected Factor of $67,082,000, with any difference being addressed in a future Rider E filing; (ii) a three-year amortization period will be utilized for recovery of certain environmental projects and asset retirement costs at the Chesterfield Power Station; and (iii) the revenue requirement will incorporate the Company's update to 2019 revenues and load volumes for Rider E resulting from adjustments submitted in the Company's current triennial review proceeding, Case No. PUR-2021-00058 ("2021 Triennial Review"), with any difference between these amounts and what is approved by the Commission in the 2021 Triennial Review being addressed in a future Rider E proceeding.[7]

Due to the ongoing public health issues related to the spread of COVID-19, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on June 9, 2021. No public witnesses appeared to testify at the hearing.[8] The Company and Staff participated at the hearing.

On August 3, 2021, the Hearing Examiner issued the Report of Mary Beth Adams, Hearing Examiner ("Report"). The Hearing Examiner made the following findings in the Report: (i) the terms of the Stipulation offer a fair and reasonable resolution of the issues in this case; (ii) the record supports a total revenue requirement of $68,339,000, though recovery in this case should be limited to $67,451,000 and should consist of a Projected Factor of $67,082,000 and a True-Up Factor of $369,000, and any difference between the total revenue requirement and what is approved by the Commission should be addressed in a future Rider E proceeding; (iii) a three-year amortization period for recovery of certain environmental projects and asset retirement costs at the Chesterfield Power Station is reasonable for purposes of this Rider E proceeding; and (iv) any differences between the Company's updated 2019 revenues and load volumes incorporated in the Rider E revenue requirement and the amounts for the 2019 revenues and load volumes approved by the Commission in the Company's 2021 Triennial Review should be addressed in a future Rider E proceeding.[9] The Hearing Examiner recommended that the Commission adopt the Stipulation and the findings in the Report, approve the Petition as modified by the Stipulation, and dismiss the case.[10]

NOW THE COMMISSION, upon consideration of this matter, approves the proposed Stipulation, adopts the findings and recommendations set forth in the Hearing Examiner's Report, and finds that a revenue requirement of $68,339,000 is reasonable; however, recovery in this case shall be limited to the originally filed and noticed amount of $67,451,000, and shall consist of a Projected Factor of $67,082,000 and a True-Up Factor of $369,000, with any difference between the total revenue requirement and what is approved herein being addressed in a future Rider E proceeding.

Accordingly, IT IS ORDERED THAT:

(1) The Stipulation is hereby approved.

(2) The findings and recommendations set forth in the Hearing Examiner's Report are adopted.

(3) Rider E is approved herein with a revenue requirement in the amount of $67,451,000 for the 2021 Rate Year.

(4) Rider E, as approved herein, shall be effective for service rendered on and after November 1, 2021.

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[4] Ex. 2 (Petition) at 4, 8; Ex. 6 (Givens Direct) at 2.

[5] Ex. 2 (Petition) at 8-9; Ex. 6 (Givens Direct) at 4. There is no Allowance for Funds Used During Construction Cost Recovery Factor for this proceeding. *See* Ex. 2 (Petition) at 9.

[6] Ex. 2 (Petition) at 9; Ex. 6 (Givens Direct) at 10. For purposes of calculating the proposed revenue requirement, Dominion utilized a rate of return on common equity of 9.2%, which was approved by the Commission in its Final Order in Case No. PUR-2019-00050. *See* Ex. 2 (Petition) at 8; *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).

[7] Ex. 3 (Stipulation) at 1-2. No party in this proceeding opposed the Stipulation.

[8] Tr. 4.

[9] Report at 13-14.

[10] *Id*. at 14. No participant filed comments opposing the findings and recommendations contained in the Report.

(5) 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: scc.virginia.gov/pages/Case-Information.

(6) The Company shall file its next Rider E application on or after January 3, 2022.

(7) This case is dismissed.

CASE NO. PUR-2021-00014
FEBRUARY 5, 2021

APPLICATION OF
AT&T COMMUNICATIONS OF VIRGINIA, LLC

For authority to partially discontinue local exchange service

ORDER PERMITTING PARTIAL DISCONTINUANCE OF SERVICE

On January 14, 2021, AT&T Communications of Virginia, LLC ("AT&T" or "Company") filed with the State Corporation Commission ("Commission") an application pursuant to 20 VAC 5-423-30 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 service to residential customers within the Commonwealth ("Application").

In support of its Application, AT&T states that it provides local residential service in the Commonwealth by reselling service provided by Verizon Communications and that the Company's decision to withdraw from the local residential market results from a review to streamline the set of products the Company offers and to reduce its administrative and maintenance costs. AT&T states that its wireline customer base has been declining and that the proposed discontinuance will affect 4,175 residential local exchange customers, none of whom is served pursuant to a term contract. AT&T states that it will send customers three notices of the Company's intent to stop providing local residential service prior to its proposed effective date of discontinuance on May 3, 2021. A copy of the customer notice was filed with the Application, which AT&T represents includes the information required under 20 VAC 5-423-30 C.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that AT&T'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-2021-00014.

(2) AT&T 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-2021-00015
MARCH 11, 2021

BEDFORD REGIONAL WATER AUTHORITY and PARADISE POINT CORPORATION

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 January 14, 2021, Bedford Regional Water Authority ("the Authority")[1] and Paradise Point Corporation ("Paradise Point") (collectively, "Petitioners") filed a joint petition ("Petition") with the State Corporation Commission ("Commission") requesting approval to transfer the Paradise Point water system ("System"), including all assets used in its operation and the real estate parcel on which it is located (approximately 0.123 acres), to the Authority ("Transfer") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code").[2]

[1] The Authority 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. As of June 30, 2020, the Authority services 15,583 water and 5,169 wastewater connections throughout Bedford County and the Town of Bedford. *See* Petition at 3.

[2] Code § 56-88 *et seq*.

The Petitioners believe that the System was originally constructed in or around 1963.[3] It currently services 23 residential connections in the Paradise Point subdivision ("Subdivision"), with the possibility of adding up to two additional customers purchasing lots in the Subdivision.[4] Paradise Point is not a public service company, nor is it certificated.

The Petitioners represent that the purpose of the Transfer is that "[S]ubdivision homeowners are unprepared to maintain and continue ownership" of the System.[5] The Petitioners believe that the Authority can provide consistent quality water service to Subdivision customers and to the owners and future owners of homes in the Subdivision, and Paradise Point will have no further service responsibilities. The President and Secretary/Treasurer of Paradise Point provided notice by letter of the proposed Transfer to Subdivision homeowners on July 17, 2020.[6] Each homeowner returned their acknowledgement of and vote for the Transfer.[7]

The Petitioners represent that no physical interconnection between the System and the Authority will be required to continue service at this time.[8] The Authority does, however, anticipate completing upgrades within its first 12 months of operating the System. These planned upgrades, including SCADA installation, meter settings, and a complete distribution replacement, are estimated to cost approximately $61,800, plus the cost of meter settings and labor.[9] These costs are considered in the new rates detailed below. The Authority does not anticipate a separate impact on customer rates from the planned upgrades.[10] Current customers will remain connected to the System, while new customers will be required to pay the Authority's existing new customer fees.[11]

Paradise Point currently charges customers $350 per year, billed annually (amounting to approximately $29.17 per month).[12] Based on its current rate, the Authority will apply a base charge of $37.00 per month plus a volume commodity charge of $5.60 per 1,000 gallons, billed monthly.[13] Following the Transfer, Paradise Point customers will no longer be assessed any capital assessments.[14]

The original System cost is unknown. A portion of the distribution system, built in 1963, cost $175, while the storage building, built in August 2016, cost $1,479.82.[15] In 2019, Bedford County assessed the parcel at a value of $35,000 ($10,000 in land and $25,000 in improvements). Paradise Point's most recent tax records reflect that the net book value of the System is $26,826.14.[16]

The Petitioners state that the proposed Transfer will take place in exchange for $10 of consideration, and that it will be recorded "as a disposition of a major asset of a Virginia corporation."[17] They will not record any costs or premiums in their financial statements.[18]

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, 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.

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[3] Appendix 1 to the Petition at 13.

[4] *Id.* at 16.

[5] Petition at 5.

[6] Appendix 1 to the Petition at 15-16.

[7] *Id.* at 16.

[8] Petition at 6.

[9] Appendix 1 to the Petition at 18.

[10] *Id.*

[11] Petition at 5.

[12] Appendix 1 to the Petition at 15.

[13] *Id.* For purposes of a standard residential bill, Staff calculated a monthly bill of $65.00, assuming 5,000 gallons of usage, based on the 32nd Annual Virginia Water and Wastewater Rate published by Draper Aden Associates, which uses 5,000 gallons per month as a typical residential usage. *See* Staff Action Brief, Appendix A at 4 and n.17, filed simultaneously with this order.

[14] Appendix 1 to the Petition at 15.

[15] *Id.* at 14.

[16] *Id.*

[17] *Id.*

[18] *Id.* at 19.

(2) Within 30 days of the consummation of the Transfer, the Authority shall file a Report of Action with the Commission that provides: (1) the date of closing; (2) the actual accounting entries and valuation method used by the Authority for recording the Transfer; and (3) photos of the transferred System.

(3) This case is dismissed.

CASE NO. PUR-2021-00016
DECEMBER 20, 2021

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For approval and certification of electric facilities: Gladstone to Tower Hill 138kV Transmission Line Rebuild Project

FINAL ORDER

On February 3, 2021, Central Virginia Electric Cooperative ("CVEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application for approval and certification of electric transmission facilities in Nelson and Appomattox Counties, Virginia ("Application"). CVEC 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*.

CVEC stated that its existing transmission system in the project area receives service by a 46 kilovolt ("kV") transmission line from Appalachian Power Company ("APCo"), an affiliate of American Electric Power ("AEP").[1] According to the Cooperative, as part of PJM Interconnection, L.L.C.'s ongoing Regional Transmission Expansion Plan study process, AEP identified thermal and voltage violations of the AEP transmission reliability criteria on several 46 kV sub-transmission facilities.[2] To address the thermal and voltage violations, AEP proposed transmission improvement projects, which included the retiring of the existing 46 kV transmission line currently serving CVEC, and construction of a new 138 kV transmission line to the Cooperative's Gladstone substation delivery point.[3] APCo filed a separate application with the Commission seeking approval of these improvement projects in Case No. PUR-2021-00001, which was granted by the Commission on September 9, 2021.[4]

Through its Application, CVEC requested authority to make certain upgrades to its transmission system to take delivery from AEP's upgraded 138 kV line. CVEC also requested to rebuild the Gladstone to Tower Hill transmission line, which is at the end of its service life, and upgrade it from 46 kV to 138 kV. In addition, CVEC requested to perform minor upgrades to its Gladstone and Tower Hill substations (collectively, the "Rebuild Project").[5]

The Cooperative stated that the proposed in-service date for the Rebuild Project is no later than December 2025 because the Rebuild Project must accept delivery from the 138 kV line when the proposed AEP transmission line upgrade is complete and energized.[6] The Cooperative represented that the estimated conceptual cost of the Rebuild Project (in 2021 dollars) is approximately $8,790,000, which includes approximately $5,170,000 for transmission-related work and $3,620,000 for substation-related work.[7]

According to CVEC, given that the existing right-of-way ("ROW") is adequate to construct the Rebuild Project, the Cooperative considered no alternate routes requiring new ROW for the Rebuild Project.[8]

On March 11, 2021, the Commission issued an Order for Notice and Hearing ("Procedural Order"), which, among other things, docketed the proceeding; directed the Cooperative 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; and directed the Commission's Staff ("Staff") to investigate the Application and to file testimony containing Staff's findings and recommendations. On April 22, 2021, the County of Appomattox ("County") filed its notice of participation.

As also discussed 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 April 15, 2021, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation. 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 Cooperative should:

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[1] Ex. 2 (Application) at 1-2.

[2] *Id.* at 2.

[3] *Id.*

[4] *Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia,* Case No. PUR-2021-00001, Doc. Con. Cen. No. 210920108, Final Order (Sept. 9, 2021).

[5] Ex. 2 (Application) at 2.

[6] *Id*. CVEC stated that it anticipates that it could have the Rebuild Project constructed and ready to be energized by December 2023.

[7] Ex. 2 (Application) at 2.

[8] *Id.* at 3.

- 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.
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable.
- Coordinate with the Department of Conservation and Recreation's Division of Natural Heritage on its recommendations for an invasive species inventory, restoration and maintenance practices, forest fragmentation reduction, and project updates.
- Coordinate with the Department of Wildlife Resources regarding its recommendations to protect wildlife resources.
- Coordinate with the Virginia Outdoors Foundation regarding its recommendation for additional review if the project area changes or the project does not begin within 24 months.
- 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.[9]

On July 30, 2021, Staff filed testimony along with an attached report ("Staff Report") summarizing the results of its investigation of CVEC's Application. Staff concluded that, contingent upon the Commission's approval of APCo's improvement projects proposed in Case No. PUR-2021-00001, CVEC has reasonably demonstrated the need for the proposed Rebuild Project.[10] Staff therefore did not oppose the issuance of the certificates of public convenience and necessity ("CPCNs") requested in the Cooperative's Application.[11]

On August 9, 2021, the Cooperative filed its response to the DEQ Report and Staff Report ("Response"). In its Response, CVEC stated that it did not oppose the conclusions contained in the Staff Report.[12] The Cooperative further stated that it did not oppose the recommendations contained within the DEQ Report.[13]

Due to the ongoing public health issues related to the spread of COVID-19, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on September 21, 2021. The Cooperative, the County, and Staff participated at the hearing.

On September 28, 2021, the Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner ("Report") was issued. In the Report, the Chief Hearing Examiner found: (i) the Cooperative has demonstrated the need for its proposed Rebuild Project and has demonstrated the Rebuild Project avoids or reasonably minimizes the impact on existing residences, scenic assets, historic resources and the environment; (ii) the Cooperative's Application does not appear to adversely impact any goal established by the Virginia Environmental Justice Act; and (iii) the recommendations in the DEQ Report should be adopted by the Commission as conditions of approval.[14] The Chief Hearing Examiner recommended that the Commission adopt the findings in the Report, grant the Cooperative's Application to construct the Rebuild Project, and approve the Cooperative's request for a CPCN for the Rebuild Project.[15]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require that the Cooperative construct the Rebuild Project. The Commission finds that CPCNs authorizing the Rebuild Project should be issued subject to certain findings and conditions contained herein.

Applicable Law

The statutory scheme governing the Cooperative'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."

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[9] Ex. 8 (DEQ Report) at 6.

[10] Ex. 9 (Joshipura Direct) at Staff Report at 16. The Commission approved APCo's improvement projects, including APCo's retirement of the existing 46 kV transmission line serving CVEC and the construction of a new 138 kV transmission line to CVEC's Gladstone Substation in Case No. PUR-2021-00001. *See supra* n.4.

[11] Ex. 9 (Joshipura Direct) at Staff Report at 16.

[12] Ex. 10 (Response) at 1.

[13] *Id.* at 1-2.

[14] Report at 15.

[15] *Id*. at 16. No participant filed comments opposing the findings and recommendations set forth in the Report.

Code § 56-46.1 further directs the Commission to consider several factors when reviewing the Cooperative'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, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 67-101.1, 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 chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

The Code further requires that the Commission consider existing ROW 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

CVEC represents that the Rebuild Project is necessary to replace aging infrastructure that is at the end of its service life to comply with the Cooperative's mandatory transmission planning criteria, thereby enabling the Cooperative to maintain the overall long-term reliability of its transmission system.[16] Based on information provided by the Cooperative, Staff agreed with CVEC that the Rebuild Project is needed to ensure reliable service.[17] The Commission finds that the Cooperative's proposed Rebuild Project is needed to replace aging infrastructure, thereby enabling the Cooperative to maintain the overall long-term reliability of its transmission system.

Economic Development

The Commission has considered the effect of the Rebuild Project on economic development in the Commonwealth and finds that the evidence in this case demonstrates that the Rebuild Project will support continued reliable bulk electric power delivery, thereby supporting economic growth in the Commonwealth, including in Nelson and Appomattox Counties, Virginia.[18]

Rights-of-Way and Routing

CVEC has adequately considered usage of existing ROW. The Rebuild Project, as proposed, would be constructed on existing ROW or on Cooperative-owned property, with no additional ROW required.[19]

Impact on Scenic Assets and Historic Districts

As noted above, the Rebuild Project would be constructed on existing ROW already owned and maintained by CVEC. The Commission finds that such construction will avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Virginia Department of Historic Resources, and environment of the area concerned, as required by Code § 56-46.1 B, subject to the recommendations provided in the following section.

Environmental Impact

Pursuant to Code § 56-46.1 A and B, 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, among other things, 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. The Commission further finds that CVEC shall comply with all recommendations included in the DEQ Report.[20]

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[16] *See* Ex. 2 (Application) at 2.

[17] Ex. 9 (Joshipura Direct) at Staff Report at 16.

[18] *See id*. at 14.

[19] *See* Ex. 4 (Motion for Leave to Supplement Application with Attachments) at Attachment D. As such, no alternative routes were proposed for the Rebuild Projects.

[20] *See generally*, Ex. 8 (DEQ Report). A summary of the recommendations may be found on page 6 thereof.

Environmental Justice

The Virginia Environmental Justice Act ("VEJA")[21] sets forth that "[i]t is 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."[22] As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."[23]

The Cooperative stated that "the project is within existing ROW and does not require any additional land disturbance, clearing, or development."[24] The Cooperative also stated that it "does not anticipate disproportionally high or adverse impacts to the surrounding community or any low-income community, community of color, or fenceline community . . . consistent with the Project design to reasonably minimize impacts."[25]

We find, based on the record in this case, that the Rebuild Project does not adversely impact the goals established by the VEJA.

Accordingly, IT IS ORDERED THAT:

(1) CVEC 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, the Cooperative'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, Code § 56-265.1 *et seq.*, the Commission issues the following CPCNs to CVEC:

> Certificate No. ET-CVEC-APP-2021-A, which authorizes Central Virginia Electric Cooperative under the Utility Facilities Act to operate certificated transmission lines and facilities in Appomattox County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00016, cancels Certificate No. ET-135a, issued to Central Virginia Electric Cooperative on June 29, 1973.
>
> Certificate No. ET-CVEC-NEL-2021-A, which authorizes Central Virginia Electric Cooperative under the Utility Facilities Act to operate certificated transmission lines and facilities in Nelson County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00016, cancels Certificate No. ET-134a, issued to Central Virginia Electric Cooperative on September 25, 1980.

(4) Within thirty (30) days from the date of this Final Order, the Cooperative shall provide to the Commission's Division of Public Utility Regulation three copies of an appropriate map for each Certificate Number 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 Cooperative 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, 2025. No later than 90 days before the in-service date approved herein, except for good cause shown, the Cooperative is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter is dismissed.

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[21] Code §§ 2.2-234 through -235.

[22] Code § 2.2-235.

[23] Code § 2.2-234. *See also, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021-00001, Doc. Con. Cen. No. 210920108, Final Order at 14 (Sept. 9, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 25 (Apr. 30, 2021); *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. 210210007, Final Order at 14-15 (Feb. 1, 2021).

[24] Ex. 9 (Joshipura Direct) at Staff Report at Appendix A, Cooperative's Response to Staff Interrogatory No. 1-4.

[25] *Id*.

CASE NO. PUR-2021-00017
MARCH 2, 2021

APPLICATION OF
VIRGINIA NATURAL GAS, INC., and SEQUENT ENERGY MANAGEMENT, L.P.

For exemption from approval, or alternatively for approval of future exemptions, under Chapter 4 of Title 56 of the Code of Virginia

ORDER ON APPLICATION

On January 21, 2021, Virginia Natural Gas, Inc. ("VNG" or "Company"), and Sequent Energy Management, L.P. ("Sequent"), (collectively, "Applicants"), filed an Application with the State Corporation Commission ("Commission") requesting an exemption ("Exemption") or, alternatively, approval of future exemptions ("Future Exemption(s)"), from the filing and prior approval requirements of Chapter 4 of Title 56 of the Code of Virginia[1] ("Code") for future transactions conducted on interstate natural gas pipelines ("Pipeline(s)") where Sequent bids for VNG's capacity releases ("Capacity Release(s)").

On February 1, 2021, the Applicants filed a "Joint Motion of Virginia Natural Gas, Inc. and Sequent Energy Management, L.P. for Entry of a Protective Ruling ("Motion"). On February 4, 2021, Enspire Energy, LLC ("Enspire"), filed comments ("Comments") on the Application. On February 4, 2021, the Commission issued an order assigning a hearing examiner to rule on any discovery matters that may arise during the course of the proceeding, including the Applicants' Motion. On February 5, 2021, the Hearing Examiner issued a protective ruling. On February 10, 2021, VNG filed a "Limited Response of Virginia Natural Gas, Inc." ("Response") to Enspire's Comments.

By way of background, on July 17, 2020, the Commission, acting on VNG's Motion for Relief, dismissed the Applicants' Affiliates Act application to continue VNG's natural gas asset management agency agreement ("AMAA") with Sequent, which terminates effective March 31, 2021.[2] In the instant Application, VNG describes its plan to replace the AMAA with a passive asset optimization plan ("Passive Plan").[3]

Pursuant to the VNG-AGL Services Company ("AGSC") services agreement approved in Case No. PUR-2020-00133,[4] VNG works with AGSC's gas supply division to forecast customer demand, develop a logical dispatch plan, and provide reliable least-cost natural gas service to VNG's native load customers. In response to Commission Staff ("Staff") discovery, VNG represents that the Passive Plan will be secondary to VNG's primary responsibility to serve its utility customers' demand for natural gas. As currently structured, the Passive Plan is not expected to significantly increase the time spent on gas supply activities.[5]

The Company represents that, under the Passive Plan, once VNG's native load requirements are satisfied, VNG and AGSC will assess if there are opportunities for VNG to temporarily release excess Pipeline transportation and storage capacity ("Capacity") to generate revenues/credits to offset VNG's Capacity costs. If such opportunities exist, VNG will schedule the release of the excess Capacity through the Pipeline's electronic bulletin board ("EBB") competitive bidding process, which is regulated by the Federal Energy Regulatory Commission ("FERC") pursuant to 18 C.F.R. § 284.8 (the "Capacity Release Rules").[6]

In response to Staff discovery, VNG represents that it may release excess Capacity from the Columbia Gas Transmission, Columbia Gulf Transmission, Cove Point LNG, Eastern Gas Transmission and Storage ("Eastern Gas"),[7] or Transco Gas Pipelines.[8] Since VNG considers any releases in future periods as uncertain and speculative, VNG expects that most releases will be performed on a monthly or seasonal basis.[9] VNG further represents that, in general, any Capacity that provides deliverability to the VNG city gate will be recallable.[10] VNG represents that it does not own any Capacity that is unnecessary to serve its native load. Therefore, none of VNG's available Capacity will be permanently released.[11]

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[1] Code § 56-76 *et seq*. ("Affiliates Act")

[2] *See 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*, Case No. PUR-2018-00203, Doc. Con. Cen. No. 200720205, Order on Motion (July 17, 2020).

[3] *See* Application at 4.

[4] *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. 200910125, Order Granting Approval (Sept. 8, 2020).

[5] *See* VNG's Response to Staff Data Request No. 1-7, which is attached to Staff's action brief, dated February 19, 2021, filed concurrently with this order ("Action Brief").

[6] *See* Application at 4.

[7] Eastern Gas owns and operates the former Dominion Energy Transmission, Inc., pipeline on which VNG holds capacity.

[8] *See* VNG's Response to Staff Data Request No. 1-2(a), attached to Staff's Action Brief.

[9] *See* VNG's Response to Staff Data Request No. 1-2(c), attached to Staff's Action Brief.

[10] *See* VNG's Response to Staff Data Request No. 1-2(b), attached to Staff's Action Brief.

[11] *See* VNG's Response to Staff Data Request No. 1-2(d), attached to Staff's Action Brief.

The Applicants state that, as a market participant, Sequent may submit a bid for a VNG Capacity Release through the applicable Pipeline's EBB platform.[12] The Applicants represent that should Sequent submit the highest bid, VNG's awarding of the Capacity Release to Sequent may appear to require prior approval pursuant to the Affiliates Act.[13] However, the Applicants assert that the Capacity Release transaction is bifurcated, with the first part of the transaction occurring between VNG and the Pipeline, and the second part occurring between the Pipeline and winning bidder, with both parts subject to FERC regulation.[14] Per FERC rules, the Capacity Release is awarded to the highest bidder.[15] The prevailing bidder will not be known until the close of the bidding process.[16]

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds as follows.

Based on the facts and circumstances of this case, we do not believe an outright Exemption from the Affiliates Act is warranted. The three Virginia Electric and Power Company ("DEV") Affiliates Act cases cited in the Application[17] involved transactions between the utility and unregulated affiliates that were conducted and priced under specific rate-regulated tariffs. This Application presents a different set of circumstances. While the Capacity Release Rules promote transparency, competitive bidding, and fair pricing, they do contain exceptions for certain releases ("Exempt Release(s)"), which include both non-bid and prearranged deal transactions.[18]

Enspire's Comments express concerns with potential non-bid transactions and recommend that the Commission restrict VNG to biddable capacity releases.[19] VNG, however, represents in its Response that it does not plan to engage in any non-biddable releases and, therefore, Enspire's recommendations are unnecessary.[20] Based on VNG's reply to Staff discovery[21] and its Response to Enspire's Comments, it appears that Exempt Releases, including both non-biddable and prearranged transactions, are not part of the Applicants' request and do not require a Commission ruling in this case.

We will, therefore, grant the Applicants' request for Future Exemptions from the filing and prior approval requirements of the Affiliates Act, subject to certain requirements that protect the public interest, which are listed in the Appendix attached to this order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77 B, the request for Future Exemptions is granted, subject to the requirements listed in the Appendix attached to this order.

(2) This case is dismissed.

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[12] Application at 5.

[13] *Id.*

[14] *Id.*

[15] *See* 18 C.F.R. § 284.8(e).

[16] Application at 5.

[17] *Id.* at 7. *See Application of Virginia Electric and Power Company, Dominion Energy, Inc., and Dominion Energy Services, Inc., For an exemption from approval of, or alternatively for approval of, retail service arrangements under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2019-00044, 2019 S.C.C. Ann. Rept. 391, Order Granting Exemption (Apr. 26, 2019); *Application of Virginia Electric and Power Company and Atlantic Coast Pipeline, LLC, For exemption from or approval to enter into retail service arrangements under Chapter 4, Title 56 of the Code of Virginia*, Case No. PUR-2018-00105, 2018 S.C.C. Ann. Rept. 471, Order Granting Exemption (Sept. 7, 2018); and *Application of Virginia Electric and Power Company and Dominion Energy, Inc., For exemption from or approval to enter into retail service arrangements under Chapter 4, Title 56 of the Code of Virginia*, Case No. PUR-2016-00138, 2017 S.C.C. Ann. Rept. 413, Order Granting Exemption (Feb. 13, 2017).

[18] *See* 18 C.F.R. § 284.8(h)(1).

[19] *See* Comments at 3.

[20] *See* Response at 2-3.

[21] *See* VNG's Response to Staff Data Request Nos. 2-11 and 3-13, attached to Staff's Action Brief.

APPENDIX

1) The Future Exemptions granted in this case shall have no accounting or ratemaking implications.

2) The Future Exemptions granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.

3) VNG shall provide 30 days' prior notice to the Commission of any potential Exempt Release transactions so that the Commission may consider whether separate Affiliates Act action is required.

4) VNG shall include a schedule listing all Capacity Release transactions by Pipeline, Type of Capacity, Type of Release, Quantity Released (in dths), Period of Release (in days), FERC Tariff Rates (in $), and Winning Bidder, in its Annual Report of Affiliate Transactions submitted electronically to the 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.

CASE NO. PUR-2021-00018
MAY 18, 2021

APPLICATION OF
APPALACHIAN POWER COMPANY

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

FINAL ORDER

On March 5, 2021, Appalachian Power Company ("APCo" or "Company"), pursuant to § 56-585.1 A 4 ("Subsection A 4") of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission") its application ("Application") for approval to implement factors to recover its actual and projected transmission-related costs through its transmission rate adjustment clause ("T-RAC").[1] Specifically, APCo requests permission to recover a proposed total revenue requirement of $337,737,356 through the T-RAC for the July 1, 2021, through June 30, 2022 rate year.[2]

Subsection A 4 allows an investor-owned electric utility to recover, with Commission approval, certain costs through a rate adjustment clause. Subsection A 4 deems to be reasonable and prudent the "costs for transmission services provided to the utility by the regional transmission entity of which the utility is a member" and "costs charged to the utility that are associated with demand response programs approved by the Federal Energy Regulatory Commission [('FERC')] and administered by the regional transmission entity of which the utility is a member."

In its Application, APCo states the transmission costs sought by the Company fall within the definition of costs deemed reasonable and prudent by Subsection A 4.[3] APCo requests a total annual transmission revenue requirement of approximately $337.7 million, which the Company explains consists of three parts: (1) $287.7 million of costs that APCo projects will be incurred during the July 2021 through June 2022 rate year; (2) a cumulative Virginia jurisdictional actual under-recovery, or true-up, balance as of January 31, 2021, of $21.6 million; and (3) a projected Virginia jurisdictional under-recovery of $28.4 million for February 1, 2021, through June 30, 2021.[4]

APCo also states in its Application that, as approved by the Commission in Case No. PUR-2020-00015, the transmission element of base rates will be eliminated from the Company's base rate schedules, and the Company will collect 100% of transmission revenues through the T-RAC.[5]

APCo's proposed annual revenue requirement of $337,737,356 results in a revenue increase of approximately $122 million over the Company's expected revenue requirement using rates approved by the Commission in Case No. PUR-2017-00164.[6] APCo's proposed T-RAC rates would increase the monthly bill for a residential customer using 1,000 kilowatt-hours per month by $11.52.[7]

On March 12, 2021, the Commission issued an Order for Notice and Hearing that, among other things, docketed the Application; directed the Company to publish notice of the Application; provided any interested person an opportunity to file comments on the Application or participate in this proceeding as a respondent by filing a notice of participation; directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits containing Staff's findings and recommendations; scheduled a public hearing for April 26, 2021, to receive the testimony of public witnesses and the evidence of the Company, any 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.

Notices of Participation were filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"), Steel Dynamics, Inc., the VML/VACo APCo Steering Committee, and the Old Dominion Committee for Fair Utility Rates.

On April 9, 2021, Staff filed testimony recommending an annual T-RAC revenue requirement of $337,737,356, as proposed by the Company.[8]

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[1] Ex. 2 (Application) at 1. Supporting testimony and other documents also were filed with the Application.

[2] *Id*. at 2.

[3] *Id*. at 3.

[4] *See, e.g., id.* at 3-4; Ex. 3 (Frantz Direct) at 5; Ex. 5 (Sebastian Direct) at 7, 9.

[5] Ex. 2 (Application) at 4-5. *See 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, Doc. Con. Cen. No. 201140127, Final Order (Nov. 24, 2020) (approving the Partial Stipulation filed therein on September 14, 2020). Previously, the Company recovered its transmission costs through a combination of base rates and the T-RAC. Ex. 2 (Application) at 3-4.

[6] *Id*. at 4. *See Application of Appalachian Power Company, For approval of a rate adjustment clause pursuant to § 56-585.1 A 4 of the Code of Virginia*, Case No. PUR-2017-00164, 2018 S.C.C. Ann. Rept. 323, Final Order (Feb. 28, 2018).

[7] Ex. 2 (Application) at 4.

[8] Ex. 6 (Kaufman) at 7.

On April 16, 2021, APCo filed rebuttal testimony proposing an alternative rate design for the General Service ("GS") and Medium General Service ("MGS") classes, based on conversations with Staff, whereby the GS/MGS rates would be developed based on the combined revenue requirements of both the GS and MGS classes.[9] The Company's rebuttal testimony states this "produces a more consistent rate increase (as a percentage) between the two classes," and "the increase among high load factor customers and low load factor customers within the GS class is more consistent."[10] The Company further states that this alternative rate design does not impact the proposed rates for customers in other classes.[11]

Due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, the evidentiary hearing was convened virtually on April 26, 2021, with no party present in the Commission's courtroom. No public witnesses appeared to testify at the hearing.[12] The Company, Staff and Consumer Counsel participated in the hearing. Staff indicated, through counsel, that Staff agreed to the revised revenue allocation for the GS and MGS classes as presented in the Company's rebuttal testimony.[13]

On April 30, 2021, the Report of Mary Beth Adams, Hearing Examiner ("Report"), was filed. In her Report, the Hearing Examiner summarized the record in this proceeding and recommended that the Commission approve a total annual T-RAC revenue requirement of $337,737,356.[14] The Hearing Examiner found that this revenue requirement "is consistent with § 56-585.1 A 4 of the Code as it is designed to recover the transmission costs for transmission services provided to the utility by PJM, as determined under applicable rates, terms and conditions approved by FERC."[15] The Hearing Examiner further recommended that the Company's uncontested alternative rate design for the GS and MGS classes, as proposed in the Company's rebuttal testimony, should be approved.[16]

On May 3, 2021, APCo filed a letter stating that the Company supports the Hearing Examiner's findings, and the Company would not be filing comments on the Report. Similarly, on May 5, 2021, Staff filed a letter requesting that the Commission adopt the Hearing Examiner's findings and recommendations. On May 6, 2021, Consumer Counsel filed comments stating it has no objection to the findings and recommendations in the Report, but reiterating "its concerns with the rising cost of the Company's transmission service."[17]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the T-RAC revenue requirement of $337,737,356, as proposed in the Application and uncontested by Staff and the respondents, is approved. We further approve the Company's alternative T-RAC rate design for the GS and MGS classes, as proposed in the Company's rebuttal testimony.

In approving this request for an increase in the T-RAC, 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) Rider T-RAC, as approved herein, shall become effective for service rendered on and after July 1, 2021.

(2) 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 Public Utility 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.

(3) This matter is dismissed.

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[9] Ex. 8 (Sebastian Rebuttal) at 3.

[10] *Id.* at 3-4.

[11] *Id.* at 4.

[12] The Commission received five written public comments as well as a letter in opposition to the proposed T-RAC increase, signed by Delegate Terry G. Kilgore (1st House District), Delegate William C. Wampler, III (4th House District), and Senator Todd Pillion (40th Senatorial District).

[13] Tr. 12-13.

[14] Report at 11.

[15] *Id.*

[16] *Id.*

[17] Consumer Counsel Comments at 2.

CASE NO. PUR-2021-00019
MARCH 22, 2021

APPLICATION
AQUA VIRGINIA, INC., GREAT BAY UTILITIES, INC., and ESSENTIAL UTILITIES, INC.

For authority to participate in a tax allocation agreement pursuant to Virginia Code §§ 56-76 *et seq*., the Affiliates Act

ORDER GRANTING APPROVAL

On March 1, 2021, Aqua Virginia, Inc. ("Aqua Virginia"), Great Bay Utilities, Inc. ("Great Bay"), and Essential Utilities, Inc. ("Essential") (collectively, "Applicants"),[1] completed the filing of an application ("Application") with the State Corporation Commission ("Commission") to update the authority granted in Case No. PUE-2014-00079[2] for continued participation in a revised tax allocation agreement ("2021 Tax Agreement") pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code").[3]

Aqua Virginia and Great Bay are public utilities that provide water and/or wastewater service to customers in Virginia. Essential, which is headquartered in Pennsylvania, is their parent company.

The Applicants filed the Application in order to update and revise the currently operative Tax Agreement ("2014 Tax Agreement") reflect Aqua Virginia's acquisition of Great Bay,[4] the renaming of Aqua America, Inc., as Essential,[5] and Essential's acquisition of the Peoples Gas companies.[6]

Essential files, remits, and reconciles a consolidated Federal income tax return prepared in accordance with Section 1504(a) of the Internal Revenue Code of 1986 ("IRC"), which provides for the allocation of federal income tax liabilities and benefits among Essential and the affiliated members ("Member(s)") of its consolidated tax group ("Tax Group").

In general, the 2021 Tax Agreement provides for the Members of the Tax Group to be allocated, based on separate company income or loss, their proportionate share of: (1) the total consolidated Federal tax liability; (2) less any consolidated Federal tax credits; (3) plus any tax credit recapture; (4) plus any minimum tax. In addition, each Member of the Tax Group is deemed to have made an IRC § 243 election for qualifying dividends for the 100% dividend received deduction when calculating separate company income. Notwithstanding the general formula, the 2021 Tax Agreement further states that:

> Essential Utilities, Inc., represents that in no case will any affiliated public utility service company that is a member of the [2021 Tax Agreement] be allocated more of the consolidated federal income tax liability than the amount of the income tax it would incur on a standalone, separate company basis.[7]

The Commission directed that the above-quoted language be inserted into the 2014 Tax Agreement as a condition of its approval in the 2014 Order.

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff ("Staff") through Staff's action brief, and having considered the Applicants' comments thereon, is of the opinion and finds that the proposed 2021 Tax Agreement is in the public interest and is approved subject to the requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the 2021 Tax Agreement is approved subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

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[1] Page 12 of Exhibit A to the Application lists 49 affiliated signatories in addition to the listed Applicants, who have been identified as parties to the Application pursuant to Code § 56-84 and have provided the statutorily required verifications.

[2] *See Application of Aqua Virginia, Inc., Aqua Presidential, Inc., and Aqua America, Inc., To update authority granted in Case No. PUE-2008-00013 for continued participation in a tax allocation agreement pursuant to the Affiliates Act, § 56-76 et seq. of the Code of Virginia*, Case No. PUE-2014-00079, 2014 S.C.C. Ann. Rpt. 478, Order Granting Authority (Nov. 21, 2014) ("2014 Order").

[3] Code § 56-76 *et seq*.

[4] *See Joint Petition of Aqua Virginia, Inc., Great Bay Utilities, Inc., Kevin L. Gouldman, and Northern Neck Water, Inc., For approval of a transfer of utility assets*, Case No. PUR-2018-00108, 2018 S.C.C. Ann. Rpt. 472, Order Granting Approval (Dec. 17, 2018).

[5] On February 3, 2020, Aqua America, Inc., changed its name to Essential.

[6] On March 16, 2020, Essential completed its acquisition of the PNG Companies, a corporate group including Peoples Natural Gas Company LLC, Peoples Gas Company LLC, Peoples Gas West Virginia, Inc., Peoples Gas Kentucky, Inc., and Delta Natural Company, Inc. (collectively, "Peoples").

[7] See Exhibit A, at 1.

APPENDIX

1) The Commission's approval of the 2021 Tax 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 reserves the right to reflect ratemaking adjustments to Aqua Virginia's and Great Bay's income taxes in any Commission review of the companies' regulated cost of service in the future.

4) Separate Commission approval shall be required for any change in the terms and conditions of the approved 2021 Tax Agreement.[1]

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 the Commission.

6) Aqua Virginia shall file an executed copy of the approved 2021 Tax Agreement within 60 days after the effective date of this Order Granting Approval.

7) Aqua Virginia and Great Bay shall prepare an annual detailed reconciliation ("Reconciliation") of any differences between their actual allocation of federal income tax liabilities and what such liabilities would have been on a standalone, separate return basis. The Reconciliation and other income tax transactions associated with the approved Tax Agreement shall be included in Aqua Virginia's Annual Report of Affiliate Transactions ("ARAT") submitted to the 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.

[1] The Applicants can provide notice of any future changes to the list of Members participating in the 2021 Tax Agreement ("Member List") by including an updated Member List (with changes highlighted) in Aqua Virginia's ARAT.

CASE NO. PUR-2021-00023
FEBRUARY 16, 2021

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For approval to issue long-term debt securities pursuant to Chapter 3 of Title 56 of the Virginia Code

ORDER GRANTING APPROVAL

On January 29, 2021, Virginia-American Water Company ("Virginia-American" 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"), seeking authority to issue up to $100 million of long-term debt securities ("Debt"). Additionally, the Company requests authority to enter into financial swaps, hedges, or other derivative instruments ("Hedge Agreements") in connection with the Debt. Virginia-American paid the requisite fee of $250.

Virginia-American proposes to issue up to the aggregate principal amount of $100 million of Debt from time to time through December 31, 2024. The Company intends to issue the Debt in the form of one or more long-term promissory notes with American Water Capital Corp., pursuant to the existing affiliate authority under the financial services agreement approved in Case No. PUR-2020-00254[2], through December 31, 2024. The Company also requests authority to issue the Debt to unaffiliated lenders if that alternative appears appropriate.

Virginia-American requests the flexibility for the Debt to be issued at a fixed or variable rate, with such rate based on market conditions at the time of issuance. Proceeds from the Debt will be used for purposes consistent with those permitted under Code § 56-58.

In connection with the Debt, Virginia-American requests additional authority to enter into one or more interest rate hedging arrangements to reduce the Company's exposure to interest rate volatility prior to the issuance of the Debt. Such Hedge Agreements would be in the form of a forward starting interest rate swap, a treasury lock, or other cash flow hedge with similar characteristics. The notional amount of the Hedge Agreements will not exceed the underlying amount of Debt intended to be issued.

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.

Accordingly, IT IS ORDERED THAT:

(1) Virginia-American 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.

[1] Code § 56-55 *et seq.*

[2] *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*, Case No. PUR-2020-00254, Doc. Con. Cen. 2012300002, Order (Dec.17, 2020).

APPENDIX

1. Virginia-American is authorized to issue and sell up to an aggregate principal amount of $100 million of Debt from time to time through December 31, 2024, under the terms and conditions and for the purposes stated in the Application.

2. Virginia-American is authorized to enter into Hedge Agreements through December 31, 2024, for the purposes set forth in the Application and to the extent that the aggregate notional amount outstanding does not exceed the associated amount of the underlying Debt to be issued and hedged.

3. Virginia-American shall file with the Clerk of the Commission a preliminary report of action within ten (10) days after any Debt is issued or Hedge Agreement is executed pursuant to this case. Such report shall include the date of issuance, the amount of issuance, the applicable interest rate, the maturity date, and the proceeds to the Company for any Debt issued, along with details concerning any associated Hedge Agreement to reflect the notional amount, type of hedge, and the settled amount.

4. Virginia-American shall file a more detailed annual report of action within sixty (60) days after the end of each calendar year in which any Debt is issued pursuant to this case, with a final report due on or before March 17, 2025. Such annual report shall include a summary of the information from preliminary reports for all Debt issued and associated Hedging Agreements executed during the year pursuant to the exercise of authority granted in this case. The final report shall include a cumulative summary of the actions taken during the entire period authorized and an itemized list of issuance expenses to date associated with each security and how such costs will be booked and treated for accounting purposes.

5. The approval granted in this case shall have no accounting or ratemaking implications.

CASE NO. PUR-2021-00024
MARCH 23, 2021

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of an Affiliate Agreement, pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On January 29, 2021, Appalachian Power Company ("APCo" 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 to enter into an affiliate agreement ("Agreement"). The proposed Agreement will establish a sharing program for materials, equipment, supplies, and capitalized spare parts used in the construction, operation, or maintenance of electric transmission facilities ("Transmission Assets"), between APCo and eleven (11) of its American Electric Power, Inc. ("AEP") affiliates, including five (5) transmission-only affiliates (collectively, "Affiliates"). The Company represents that under the Agreement, Transmission Assets will be transferred at net book value, net of accumulated depreciation.

The following Affiliates will be parties to the Agreement: Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, and Wheeling Power Company (collectively with APCo, the "AEP Operating Companies"); and AEP Appalachian Transmission Company, Inc., AEP Indiana Michigan Transmission Company, Inc., AEP Kentucky Transmission Company, Inc., AEP Ohio Transmission Company, Inc., and AEP West Virginia Transmission Company, Inc. (collectively, the "AEP Transcos"). Together, the AEP Operating Companies and AEP Transcos are referred to as the "AEP East Companies." Finally, the Company states that American Electric Power Service Corporation will serve as agent to the AEP East Companies under the proposed Agreement.[2]

In the Application, the Company states that the proposed Agreement will complement the Affiliated Transactions Agreement currently in place between APCo and the other AEP Operating Companies ("Current Agreement"), most recently approved by the Commission in Case No. PUR-2018-00197.[3] The Current Agreement allows APCo to share Transmission Assets (as well as generation- and distribution-related assets) with affiliates; however, it is between the AEP Operating Companies only and does not include the AEP Transcos. The Company represents that the proposed Agreement will serve the same purposes and provide the same benefits as the Current Agreement but will allow APCo to share Transmission Assets with the AEP Transcos as well as the AEP Operating Companies.[4]

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[1] Code § 56-76 *et seq*.

[2] Application at 1-3.

[3] *See Application of Appalachian Power Company, et al., For approvals pursuant to Chapter 4 of Title 56 of the Code of Virginia,* Case No. PUR-2018-00197, 2019 S.C.C. Ann. Rept. 342, Order Granting Approval (May 9, 2019).

[4] Application at 6.

The Company states that the proposed Agreement will minimize costs by allowing APCo to maintain a smaller inventory of Transmission Assets than it would have otherwise, obtain Transmission Assets from its Affiliates at net book value (rather than from a third-party at market value), and replace Transmission Assets more quickly.[5] Meanwhile, if APCo needs to dispose of any Transmission Assets, the Company represents that it can dispose of them in a more optimal way, rather than simply scrapping the assets or disposing of them at salvage value. In summary, the Company represents that the Agreement will promote the public interest by allowing APCo and the other AEP East Companies to achieve lower costs, operational flexibility, and enhanced reliability of their electric transmission facilities by sharing Transmission Assets among the AEP East Companies.[6]

NOW THE COMMISSION, upon consideration of this matter, 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 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 Granting Approval, subject to the requirements set forth in the Appendix attached hereto.

(2) This case is dismissed.

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[5] We note that the Company's assertion that the benefits of maintaining "a smaller inventory" is not necessarily consistent with that of replacing "Transmission Assets more quickly."

[6] Application at 5.

APPENDIX

(1) The Commission's approval of the Agreement is limited to five (5) years from the date of the Order Granting Approval 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 Va. Code § 56-76 *et seq*., hereafter.

(4) Separate Commission approval shall be required for any changes in the terms and conditions of the 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 Commission's approval is limited to the categories of goods and services identified in the Agreement. Should the Company wish to obtain from or provide additional goods or services to its Affiliates under the Agreement, subsequent Commission approval shall be required.

(7) Separate Affiliates Act approval shall be required for the Company to obtain from or provide goods or services to its Affiliates through the engagement of affiliated third parties under the Agreement.

(8) The pricing for the sharing of inventory between APCo and its Affiliates under the proposed Agreement shall be at the net book value of the transferred Transmission Asset.

(9) The Company shall file with the Commission a signed and executed copy of the Agreement approved in this case within ninety (90) days of the effective date of the Order Granting Approval 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) The Company shall include all transactions associated with the 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 Company's 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 names of all direct and indirect affiliated parties to the Agreement;
(c) The name and type of activity performed by each Affiliate under the Agreement; and
(d) 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 they are recorded on APCo's books).

CASE NO. PUR-2021-00025
MARCH 29, 2021

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of an affiliate agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On January 29, 2021, Appalachian Power Company ("Appalachian" or "Applicant") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code")[1], to request approval to enter into an agreement ("Agreement") that will establish a sharing program between Appalachian and its affiliates in American Electric Power, Inc.'s ("AEP") eastern and western zones.[2] The Agreement would allow the sharing of materials, equipment, supplies, and capitalized spare parts used in the construction, operation, or maintenance of electric utility facilities ("Assets"). The Applicant is currently a party to a similar agreement in which it shares Assets with affiliates in AEP's eastern zone only; however, the updated Agreement would also give the Applicant permission to share with affiliates in AEP's western zone.

The affiliated companies in AEP's eastern zone include Appalachian, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, and Wheeling Power Company (collectively, "AEP East Companies"). The affiliated companies in AEP's western zone include Public Service Company of Oklahoma, Southwestern Electric Power Company, AEP Texas, Inc., and AEP Oklahoma Transmission Company, Inc. (collectively, "AEP West Companies"). Finally, American Electric Power Service Corporation provides management and professional services to AEP and its utility subsidiaries. Each of the preceding parties is a direct, wholly owned subsidiary of AEP and is therefore an "affiliated interest" of Appalachian by the definition provided in the Affiliates Act.

In the past, the Commission has approved other sharing agreements between Appalachian and its affiliates. In particular, the Applicant states that the Agreement will "complement" the agreement currently in place between Appalachian and the other AEP East Companies, most recently approved by the Commission in 2019.[3] The Applicant indicated that the transfer process under the proposed Agreement would be identical to that of existing sharing agreements, and that the instant Application "merely . . . seeks to increase the number of affiliates with whom Appalachian can transact."[4] Through a centralized inventory control system shared with its affiliates, Appalachian may already transact in materials, supplies, and capital spare parts with the AEP East Companies.[5]

Appalachian represents that Assets will be transferred at net book value, including the "original capital installation, plus any further capital additions during the asset's life, minus depreciation".[6] The Applicant asserts that the proposed Agreement would minimize costs by allowing Appalachian to maintain a smaller inventory than it would have otherwise, obtain Assets from affiliates at net book value (rather than from a third-party at market value), and replace Assets more quickly.[7] Meanwhile, if Appalachian needs to dispose of any assets, it may dispose of them "in a more optimal way, rather than scrapping the Assets or disposing of them at salvage value."[8] In summary, the Applicant represents that the Agreement would promote the public interest by allowing Appalachian, along with its affiliates, to achieve "lower costs, operational flexibility, and enhanced reliability of their electric facilities" by sharing Assets with both the AEP East Companies and the AEP West Companies.

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, is of the opinion and finds that the proposed Agreement is in the public interest and should be approved subject to the requirements listed in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) The Agreement is approved subject to the requirements listed in the Appendix attached to this Order Granting Approval.

(2) This case is dismissed.

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[1] Code § 56-76 *et seq*. ("Affiliates Act").

[2] Pursuant to Code § 56-84 *et seq*., each of the affiliated companies provided a verified signature in the Application.

[3] *See Application of Appalachian Power Company, et al, For approvals pursuant to Chapter 4 of Title 56 of the Code of Virginia,* Case No. PUR-2018-00197, 2019 S.C.C. Ann. Rept. 342, Order Granting Approval (May 9, 2019).

[4] Response to Staff Data Request I-2.

[5] *Id. See also* n.3.

[6] Response to Staff Data Request I-4.

[7] Application at 5. We note that the claimed benefit of maintaining "a smaller inventory" is not necessarily consistent with that of replacing "Assets more quickly."

[8] *Id.* See footnote 9.

APPENDIX A

(1) The Commission's approval of the Agreement is limited to five (5) years from the effective date of the Order Granting Approval in this case. Should Appalachian wish to continue under the Agreement beyond that date, separate Commission approval is required.

(2) The Commission's approval has no accounting or ratemaking implications.

(3) The Commission's approval does not preclude the Commission from exercising its authority under Va. Code § 56-76 *et seq*., hereafter.

(4) Separate Commission approval is required for any changes in the terms and conditions of the 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 Commission's approval is limited to the categories of goods and services identified in the Agreement. Should Appalachian wish to obtain or provide additional goods or services to its affiliates under the Agreement, subsequent Commission approval is required.

(7) Separate Affiliates Act approval is required for Appalachian to obtain or provide goods or services from its affiliates through the engagement of affiliated third parties under the Agreement.

(8) The pricing for the sharing of inventory between Appalachian and its AEP East Companies and AEP West Companies affiliates shall be at the net book value[1] of the transferred Asset.

(9) Appalachian shall file with the Commission a signed and executed copy of the Agreement approved in this case 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").

(10) Appalachian shall include all transactions associated with the 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. Appalachian's ARAT reporting should include, but not be limited to, the following information:

(a) The most recent Case Number under which the Agreement was approved;

(b) The names of all direct and indirect affiliated parties to the agreement;

(c) The name and type of activity performed by each affiliate under the Agreement; and

(d) 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 the utility's books).

[1] Response to Staff Data Request I-4.

CASE NO. PUR-2021-00027
AUGUST 11, 2021

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For authorization to amend and extend its conservation and ratemaking efficiency plan pursuant to Chapter 25 of Title 56 of the Code of Virginia

ORDER APPROVING AMENDED NATURAL GAS CONSERVATION AND RATEMAKING EFFICIENCY PLAN

On April 19, 2021, Columbia Gas of Virginia, Inc. ("CVA" or "Company"), filed with the State Corporation Commission ("Commission") an application ("Application") for authorization to amend and extend for three years its Conservation and Ratemaking Efficiency Plan ("CARE Plan") pursuant to Chapter 25 of Title 56 of the Code of Virginia ("Code").[1] According to the Company, its current CARE Plan includes a portfolio of programs that promote conservation and energy efficiency among CVA's residential customers and a decoupling mechanism that adjusts actual non-gas distribution revenues per customer to the allowed distribution revenues previously approved by the Commission.[2] In its Application, the Company proposes to extend its CARE Plan, along with certain modifications and amendments, for an additional three-year period, through December 31, 2024 ("Amended CARE Plan").[3]

[1] Code § 56-600 *et seq.* ("CARE Act").

[2] Application at 1.

[3] *Id.* at 2.

The proposed Amended CARE Plan would only be available to residential customers, including a specific program for low-income and elderly residential customers.[4] The proposed Amended CARE Plan would extend three current conservation and energy efficiency programs and add one new program, for a total of 29 measures.[5] Specifically, the Company requests approval to extend the following three conservation and energy efficiency programs,[6] with certain modifications, for an additional three years:

(1) Web-Based Home Audit Program;

(2) Home Savings Program; and

(3) Residential Income and Age Qualifying Program.[7]

The Company also requests approval of a new program, the Home Energy Report Program, which the Company states is intended to encourage customer engagement with home energy management and energy efficiency to reduce energy consumption.[8]

The Company expects to invest $5.3 million over the three years of the Amended CARE Plan.[9] According to the Company, the proposed Amended CARE Plan is designed to recover the incremental costs associated with its conservation and energy efficiency programs, as incurred, by means of a surcharge mechanism described in Section 12.4 of the Company's General Terms and Conditions (the CARE Program Adjustment ("CPA")).[10] The Company estimates that the proposed Amended CARE Plan's CPA will cost the average residential customer, using 63.6 dekatherms annually, approximately $6.74 in 2022.[11] In its Application, CVA requests authority to implement the CPA effective with the first billing unit for the Company's January 2022 billing cycle (*i.e.*, December 31, 2021).[12] The Company's proposed Amended CARE Plan also includes a performance-based incentive mechanism and a decoupling mechanism.

On May 4, 2021, the Commission issued an Order for Notice and Comment in this proceeding that directed CVA to provide public notice of its Application and invited interested persons to file comments or a notice of participation or request a hearing on the Company's Application. The Commission also directed the Staff of the Commission ("Staff") to investigate the Application and file a report containing Staff's findings and recommendations ("Report" or "Staff Report"). On June 21, 2021, the Board of Supervisors of Culpeper County, Virginia, filed its notice of participation. No comments or requests for hearing were filed in this proceeding.

On July 16, 2021, Staff filed its Report on the Company's Application. Among other things, the Staff Report examined the cost-effectiveness of the proposed Amended CARE Plan and analyzed the general assumptions and structure of the Company's cost/benefit model as well as the individual modifications proposed by the Company.

Staff first noted that the Company utilized a cost/benefit model that is identical to the model used in support of the Company's previous CARE Plan applications. Accordingly, Staff does not oppose the cost/benefit model used in the Company's Application in this proceeding.[13]

Staff examined the Company's methodology for forecasting long-term natural gas prices (avoided costs), which starts with a short-term forecast of commodity gas and, after adjusting those prices for transportation, upstream capacity costs, etc., extrapolates the adjusted prices using a regression analysis time-trend line.[14] Staff found that the Company's new natural gas prices analysis will result in more reliable projections and be less likely to produce overstated estimates of savings.[15]

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[4] *Id.* at 4.

[5] *Id.* at 1, 8.

[6] The Commission approved these programs in Case No. PUE-2015-00072. *See Application of Columbia Gas of Virginia, Inc., For authorization to amend and extend its conservation and ratemaking efficiency plan pursuant to Virginia Code § 56-602*, Case No. PUE-2015-00072, 2016 S.C.C. Ann. Rept. 261, Order Approving Amended Natural Gas Conservation and Ratemaking Efficiency Plan (Feb. 23, 2016).

[7] Application at 9-10.

[8] *Id.* at 10-11.

[9] *Id.* at 9.

[10] *Id.* at 11-12.

[11] *Id.* at 12. The Company states that this CPA will be subject to a true-up. Direct Testimony of Carla Dix at 19.

[12] Application at 15.

[13] Staff Report at 1, 9.

[14] *Id.* at 16.

[15] *Id.* at 17.

Staff is not opposed to the Company's current revenue normalization adjustment ("RNA"), CPA and performance-based incentive mechanism ("CPPI") methodologies.[16] If, however, the Commission modifies the Company's proposed Amended CARE Plan, Staff recommends that the Company's usage reduction targets for the CPPI be adjusted accordingly.[17]

Staff further found that its review of the Company's analysis indicates that the Commission should consider excluding six of the measures in the Home Savings Program, as the net present value of the costs exceeds the net present value of the benefits for these measures under both the Total Resource Cost and the Ratepayer Impact Measure cost effectiveness tests.[18] These measures include the Home High-Efficiency Gas Storage Water Heater (UEF > 0.64); Home and New Construction Tier 2 High-Efficiency Gas Storage Water Heater (UEF > 0.80); the Home and New Construction Direct Vent Gas Fireplace with electric ignition (AFUE > 70%); and the New Construction Tier 3 High Efficiency Gas Furnace (AFUE > 98%).[19] Staff asserts that removing these measures improves the overall cost effectiveness of the proposed Home Savings Program.[20]

Lastly, Staff noted that the Company is currently refunding an over-recovery balance that existed as of October 31, 2020, to the Company's Small General Service ("SGS") customers via a bill credit.[21] The Company has completed the return of the SGS over-recovery, and then some, and wishes to discontinue the credit effective with the date of the Commission's final order in this case.[22] Staff does not oppose discontinuation of the SGS credit and further states that as the Business Savings Program terminated in 2018, it would not be appropriate to initiate any new charges to SGS customers in 2022.[23]

On July 26, 2021, the Company filed its Reply Comments to the Staff Report. CVA stated that it is generally supportive of the conclusions in the Staff Report but disagrees with Staff's recommendation that the Commission consider excluding six of the measures in the Home Savings Program for residential customers.[24] CVA urged the Commission to evaluate the overall Home Savings Program instead of separately evaluating each measure.[25]

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds as follows. The CARE Act requires that a CARE program or portfolio of programs 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 following four tests: the Total Resource Cost Test, the Program Administrator Test (also referred to as the Utility Cost Test), the Participant Test, and the Ratepayer Impact Measure Test."[26] We find that the Company's Amended CARE Plan satisfies the provisions of the CARE Act and accordingly approve a three-year extension.[27]

We further approve the Company's request to discontinue the current bill credit to the SGS customers, effective with the date of this order, which was unopposed by Staff.

In approving this request for an increase, the Commission notes its awareness of the ongoing COVID-19 health issues, which have 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 for approval to amend and extend its CARE Plan is approved, and shall be effective January 1, 2022, to December 31, 2024.

(2) The Company's request to discontinue the current bill credit to the SGS customers is approved, effective with the date of this order.

(3) The Company shall continue to include a separate line item for the RNA in its bills to customers who are subject to the RNA.

(4) CVA shall file revised CARE Plan tariff sheets and terms and conditions of service, as applicable, with the Clerk of the Commission and the Division of Public Utility Regulation within thirty (30) days of the entry of this Order.

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[16] *Id.* at 17-18.

[17] *Id.* at 18.

[18] *Id.* at 10-11.

[19] *Id.* at 10.

[20] *Id.* at 13.

[21] *Id*. at 39.

[22] Staff Report at 39; Reply Comments at 7.

[23] Staff Report at 39-40.

[24] Reply Comments at 2.

[25] *Id.* at 3.

[26] Code § 56-600.

[27]We approve the CARE programs with the measures as proposed by CVA and do not reach a finding as to whether the Commission does or does not have authority to reject certain measures within a CARE program or portfolio.

(5) Consistent with the findings made herein, CVA must file for approval to extend, modify, or renew its CARE Plan beyond December 31, 2024, or the CARE Plan will terminate.

(6) CVA shall file its annual Evaluation, Measurement & Verification report on May 1, 2022, and each May 1 thereafter.

(7) This matter is dismissed.

CASE NO. PUR-2021-00028
MARCH 4, 2021

APPLICATION OF
ATX TELECOMMUMICATIONS SERVICES OF VIRGINIA, LLC

For cancellation of a certificate of public convenience and necessity to provide local exchange telecommunications services

ORDER CANCELLING CERTIFICATE

On February 5, 2021, a letter application was filed on behalf of ATX Telecommunications Services of Virginia, LLC ("ATX") with the State Corporation Commission ("Commission") requesting cancellation of the certificate of public convenience and necessity ("Certificate No. T-388a") issued to ATX to provide local exchange telecommunications services in the Commonwealth of Virginia in Case No. PUC-2000-00228.[1] The filing states that ATX does not have any customers in Virginia.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate No. T-388a should be cancelled, and any tariffs on file associated with the certificate should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed as Case No. PUR-2021-00028.

(2) Certificate No. T-388a, issued to ATX to provide local exchange telecommunications services, is hereby cancelled.

(3) Any tariffs on file with the Commission associated with Certificate No. T-388a are hereby cancelled.

(4) This case is dismissed.

[1] *Application of ATX Telecommunications Services of Virginia, LLC, For certificate of public convenience and necessity to provide local exchange telecommunications services*, Case No. PUC-2000-00228, 2001 S.C.C. Ann. Rept. 323, Final Order (Dec. 15, 2000).

CASE NO. PUR-2021-00029
MARCH 4, 2021

APPLICATION OF
EUREKA TELECOM OF VA, INC.

For cancellation of a certificate of public convenience and necessity to provide local exchange telecommunications services

ORDER CANCELLING CERTIFICATE

On February 5, 2021, a letter application was filed on behalf of Eureka Telecom of VA, Inc. ("Eureka"), with the State Corporation Commission ("Commission") requesting cancellation of the certificate of public convenience and necessity ("Certificate No. T-575a") issued to Eureka to provide local exchange telecommunications services in the Commonwealth of Virginia in Case No. PUC-2005-00114.[1] The filing states that Eureka does not have any customers in Virginia.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate No. T-575a should be cancelled, and any tariffs on file associated with the certificate should be cancelled.

[1] *Application of eLink Telecommunications of Virginia, Inc., To cancel existing certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services and to reissue certificates reflecting new corporate name*, Case No. PUC-2005-00114, 2005 S.C.C. Ann. Rept. 291, Final Order (Sept. 29, 2005).

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed as Case No. PUR-2021-00029.

(2) Certificate No. T-575a, issued to Eureka to provide local exchange telecommunications services, is hereby cancelled.

(3) Any tariffs on file with the Commission associated with Certificate No. T-575a are hereby cancelled.

(4) This case is dismissed.

CASE NO. PUR-2021-00030
FEBRUARY 24, 2021

APPLICATION OF
INFOHIGHWAY OF VIRGINIA, INC.

For cancellation of a certificate of public convenience and necessity to provide local exchange telecommunications services

ORDER CANCELLING CERTIFICATE

On February 5, 2021, a letter application was filed on behalf of InfoHighway of Virginia, Inc. ("InfoHighway"), with the State Corporation Commission ("Commission") requesting cancellation of the certificate of public convenience and necessity ("Certificate No. T-562") issued to InfoHighway to provide local exchange telecommunications services in the Commonwealth of Virginia in Case No. PUC-2001-00079.[1] The filing states that InfoHighway does not have any customers in Virginia.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate No. T-562 should be cancelled, and any tariffs on file associated with the certificate should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed as Case No. PUR-2021-00030.

(2) Certificate No. T-562, issued to InfoHighway to provide local exchange telecommunications services, is hereby cancelled.

(3) Any tariffs on file with the Commission associated with Certificate No. T-562 are hereby cancelled.

(4) This case is dismissed.

[1] *Application of InfoHighway of Virginia, Inc., For a certificate of public convenience and necessity to provide local exchange telecommunications services*, Case No. PUC-2001-00079, 2001 S.C.C. Ann. Rept. 323, Final Order (June 20, 2001).

CASE NO. PUR-2021-00031
MARCH 3, 2021

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE AND CENTRAL VIRGINIA SERVICES, INC.

For Approval pursuant to Title 56, Chapter 3 and Chapter 4 of the Code of Virginia

FINAL ORDER

On February 5, 2021, Central Virginia Electric Cooperative ("CVEC" or "Cooperative") and Central Virginia Services, Inc. ("CVSI") (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapter 3[1] and Chapter 4[2] of Title 56 of the Code of Virginia ("Code"), paid the requisite filing fee of $250 and filed the verified signatures required to complete the Application. On February 22, 2021, the Commission issued an order extending the time for review by thirty (30) days.

Applicants request approval for CVEC to borrow $40 million from the National Rural Utilities Cooperative Finance Corporation ("CFC") to finance the remainder of the fiber optic broadband network approved in Case No. PUR-2020-00113.[3] Applicants further request approval for CVEC to provide an unsecured guaranty to the National Cooperative Services Corporation ("NCSC") on behalf of CVSI so CVSI can secure a $10 million loan from

[1] Code § 56-55 *et seq.* ("Chapter 3")

[2] Code § 56-76 *et seq.* ("Chapter 4").

[3] *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).

NCSC. Applicants additionally request approval for CVEC to obtain a $3.396 million letter of credit from CFC for the account of CVSI, which can be amended up to a maximum amount of $6.8 million, so that CVSI can satisfy the conditions of the Federal Communications Commission's ("FCC") Rural Digital Opportunity Fund ("RDOF") auction. The Applicants represent that the fiber optic broadband network will provide improved electric system performance and access to reliable broadband internet to its customers.

On February 26, 2021, the Applicants filed an amendment to the Application ("Amendment") requesting the ability to amend the amount for the letter of credit up to a maximum amount of $6.8 million through December 31, 2026. The Applicants state that approving the Amendment would allow them to minimize the need to seek separate future approvals from the Commission should Applicants ever need to increase the letter of credit amount in future years to comply with the requirements of FCC-RDOF.

NOW THE COMMISSION, upon consideration of the Application and the Amendment and having been advised by its Staff through its action brief and acknowledging that the Cooperative has no 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.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Chapters 3 and 4, CVEC is hereby granted approval to enter into the debt, guaranty, and letter of credit transactions outlined in the Application, as amended, in the manner and for the purposes stated in the Application, subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is hereby dismissed.

APPENDIX

1. The Cooperative shall make annual amendments to its letter of credit to align with the amount required for CVSI to receive distributions from the Universal Service Administrative Company under the terms of FCC-RDOF. This authority shall extend through the period ending December 31, 2026, and is limited to a maximum amount of $6.8 million.

2. Separate approval shall be required for any changes to the letter of credit beyond the approved term and maximum amount described in Requirement No. 1.

3. Separate approval shall be required for any changes to the letter of credit to support any grant funding other than from FCC-RDOF.

4. The Cooperative shall report the amount of the letter of credit maintained by CVEC on behalf of CVSI for FCC-RDOF distributions in the prior year in its 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. The report shall indicate the letter of credit amount required to be in effect for the instant year to support distributions to be received for that year. This reporting requirement shall end after a report is filed stating that letter of credit support for distributions is no longer required.

5. The Cooperative shall include in its ARAT a schedule outlining the debt covenants contained in each transaction, broken down by transaction, and the Cooperative's or CVSI's current compliance with those covenants.

6. The Cooperative shall provide notice to the UAF Director within 30 days of not meeting a debt covenant or having to make payments of principal or interest on behalf of CVSI under the guaranty or letter of credit. Such notice shall include an explanation as to why the event occurred and plans taken to address the event.

7. The Commission's approval shall have no accounting or ratemaking implications.

8. 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.

9. 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.

10. Separate approval shall be required for any additional changes in the terms and conditions of the loan, guaranty, or letter of credit.

11. The Cooperative shall file with the Commission a signed and executed copy of the guaranty and the letter of credit within ninety (90) days of the effective date of this Final Order, subject to administrative extension by the Commission's UAF Director.

12. All costs, inclusive of attorney fees and filing fees, associated with obtaining and maintaining the letter of credit 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 ARAT.

CASE NO. PUR-2021-00032
MARCH 5, 2021

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE and EMPOWER BROADBAND, INC.

For Approval pursuant to Title 56, Chapter 3 and Chapter 4 of the Code of Virginia

FINAL ORDER

On February 8, 2021, Mecklenburg Electric Cooperative ("MEC" or "Cooperative") and EMPOWER Broadband, Inc. ("Empower") (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapter 3[1] and Chapter 4[2] of Title 56 of the Code of Virginia ("Code"). On February 16, 2021, Applicants paid the requisite filing fee of $250 and filed the verified signatures required to complete the Application.

Applicants request authority for MEC to enter into a Letter of Credit Reimbursement Agreement ("Agreement") with the National Rural Utilities Cooperative Finance Corporation ("CFC") for a letter of credit ("LOC") on behalf of Empower. Applicants state that the Agreement and associated LOC are necessary for Empower to receive its funding support awarded from the Federal Communications Commission's ("FCC") Rural Digital Opportunity Fund ("RDOF"). Applicants further request authority for annual amendments to the Agreement to accommodate annual increases to the LOC with CFC for up to six years as necessary for Empower to receive subsequent RDOF funding support installments of the amount awarded under FCC Phase I Auction 904.

NOW THE COMMISSION, upon consideration of the Application, having been advised by its Staff through its action brief, and having been advised that the Applicants have no objection thereto, 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.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Chapters 3 and 4, MEC is hereby granted approval to enter and annually amend the Agreement to issue a LOC as described in the Application, subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is hereby dismissed.

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[1] Code § 56-55 *et seq*. ("Chapter 3")

[2] Code § 56-76 *et seq*. ("Chapter 4").

APPENDIX

1. MEC is authorized to enter into and annually amend the terms of the Agreement with CFC to issue an LOC on behalf of Empower, in the amount and for the purposes represented in the Application as necessary for Empower to receive RDOF funding support payments awarded under Phase 1 Auction 904. Separate approval is required for MEC to amend the terms of the Agreement to issue an LOC on behalf of Empower for any other federal grant funding not specified in the Application.

2. The Commission's approval shall have no accounting or ratemaking implications.

3. All costs associated with obtaining authority for and executing annual amendments to the Agreement and the associated LOC, inclusive of attorney fees and filing fees, shall be charged to Empower, and the dates, accounts, and amounts of such transactions, as recorded on the books of MEC and Empower, shall be included in MEC'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.

4. In the event that MEC is required to pay for any obligations on behalf of Empower under the Agreement and associated LOC, the dates, accounts, and amounts of such transactions, as recorded on the books of MEC and Empower, shall be included in MEC's ARAT.

5. 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.

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. The Cooperative shall file with the Commission a signed and executed copy of each annual Agreement and associated LOC within sixty (60) days of its execution, subject to administrative extension by the Commission's UAF Director.

CASE NO. PUR-2021-00033
APRIL 8, 2021

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY and AMERICAN WATER WORKS COMPANY, INC.

For authority to receive capital contributions from an affiliate pursuant to Va. Code § 56-76 *et seq.*

ORDER GRANTING APPROVAL

On February 10, 2021, Virginia-American Water Company ("Virginia-American" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 4[1] of Title 56 of the Code of Virginia ("Code"), seeking authority to receive equity capital contributions from its parent company affiliate, American Water Works Company, Inc. ("AWW").

Virginia-American requests authority to receive up to the aggregate amount of $50 million of equity capital contributions from time to time through December 31, 2024. The Company states that the proceeds of these capital contributions may be used for one or more of the following purposes: the repayment of all or a portion of Virginia-American's outstanding short-term debt; the purchase, acquisition, construction and/or improvement of new or existing properties and facilities; refinancing of long-term securities; and for general corporate purposes. The Company further states that the proposed authority will provide Virginia-American with more flexibility in financing its capital needs through year-end 2024.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through its action brief and Company comments thereto, is of the opinion and finds that the authority requested is in the public interest and shall be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, Virginia-American is granted approval to receive equity capital contributions as requested in the Application 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.

[1] Code § 56-76 *et seq.*

APPENDIX

1. Virginia-American is authorized, from the date of this Order Granting Approval, to receive up to the aggregate amount of $50 million of equity capital contributions from AWW from time to time through December 31, 2024, under the terms and conditions and for the purposes stated in the Application.

2. All equity capital contributions received by Virginia-American pursuant to the authority granted in this case shall be reported to show the date and amount of each respective contribution in Virginia-American's Annual Report of Affiliate Transactions submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director.

3. The Commission's approval shall have no accounting or ratemaking implications. Specifically, the approval granted in this case shall not guarantee the recovery of any costs directly or indirectly related to the proposed cash capital contributions.

4. 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.

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.

CASE NO. PUR-2021-00034
JUNE 28, 2021

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 16, 2021, 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 increase its levelized fuel factor by $0.00163 per kilowatt-hour ("kWh"), from $0.02168 per kWh to $0.02331 per kWh, effective for service rendered on and after April 1, 2021 ("Application").[1] According to KU/ODP, the proposed fuel factor represents an increase of $1.63 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 February 24, 2021, the Commission issued an Order Establishing 2021-2022 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] (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, 2021.

On April 23, 2021, 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.[4] Staff recommended that the Commission approve the levelized fuel factor of $0.02331 per kWh as proposed by KU/ODP and put into effect on an interim basis for service rendered on and after April 1, 2021.[5]

On May 11, 2021, KU/ODP filed a letter advising that it would not file rebuttal testimony in this proceeding. The Commission received two written public comments. No parties filed to participate as respondents, and no respondent testimony was filed in this proceeding.

No public witnesses registered to testify telephonically on June 2, 2021.[6] The evidentiary hearing was conducted on June 3, 2021, with counsel for KU/ODP and Staff all appearing virtually.

On June 11, 2021, the Report Michael D. Thomas, Senior Hearing Examiner ("Report") was issued. After summarizing the record in this proceeding, the Senior Hearing Examiner found the proposed levelized fuel factor to be consistent with the requirements of Code § 56-249.6 A 1.[7] Accordingly, the Senior Hearing Examiner recommended that the Commission approve for KU/ODP a levelized fuel factor of $0.02331 per kWh to be effective for service rendered on and after April 1, 2021.[8] 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.[9]

On June 16, 2021, the Company filed comments in response to the Senior Hearing Examiner's Report. Staff comments were filed June 17, 2021. Staff asked that the Commission adopt the findings and recommendations contained in the Report pertaining to the establishment of the fuel factor for 2021-2022.[10] In its comments, KU/ODP asked the Commission to adopt the findings and recommendations contained in Report and enter an order by June 30, 2021, approving the proposed fuel factor of $0.02331 per kWh for service rendered on and after April 1, 2021.[11]

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[1] Ex. 2 (Application) at 1, 2, 5.

[2] *Id.* at 5; Ex. 3 (Fackler Direct) at 11.

[3] Due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, the procedural schedule provided for a telephonic public witness hearing for June 2, 2021, and an evidentiary hearing for June 3, 2021, either in a Commission courtroom, or by electronic means, subject to further Commission Order or Hearing Examiner's Ruling. On April 15, 2021, a Hearing Examiner's Ruling was entered directing that the June 3, 2021 hearing would be conducted via a web-based conferencing tool, with no one present in the Commission's courtroom.

[4] Ex. 7 (Tufaro Direct) at 13.

[5] *Id.*

[6] Tr. 10-11.

[7] Report at 12.

[8] *Id.*

[9] *Id.*

[10] Staff Comments at 1.

[11] KU/ODP Comments at 1.

NOW THE COMMISSION, upon consideration of the record herein and the applicable law, is of the opinion and finds that the findings and recommendations of the Senior Hearing Examiner described above should be adopted. Accordingly, we find that setting the Company's fuel factor at $0.02331 per kWh is reasonable and appropriate. We find that this rate should be approved and effective for service rendered on and after April 1, 2021, pending further order of the Commission.

We note that the fuel factor we approve herein is projected to increase, by $1.63 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 2020-2021 fuel year.[12] For clarification, we note that the fuel factor approved herein is the same increase that has already been effected through the Company's interim rates placed into effect on April 1, 2021. Thus, no additional increase is being approved beyond that which has already been implemented. The Commission realizes that the ongoing COVID-19 public health crisis 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.

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 described herein are adopted.

(2) The proposed fuel factor of $0.02331 per kWh hereby is approved and shall be effective for service rendered on and after April 1, 2021.

(3) This case is continued.

[12] Report at 4. *See also* Ex. 7 (Tufaro Direct) at 2-3; Ex. 3 (Fackler Direct) at 11.

CASE NO. PUR-2021-00035
AUGUST 13, 2021

APPLICATION OF
PIGEON RUN SOLAR, LLC

For a permit to construct and operate an energy storage facility

FINAL ORDER

On February 22, 2021, Pigeon Run Solar, LLC ("Pigeon Run" or "Company"), pursuant to 20 VAC 5-335-80 C of the Regulations Governing the Deployment of Energy Storage[1] and 5 VAC 5-20-80 A of the State Corporation Commission's ("Commission") Rules of Practice and Procedure,[2] filed with the Commission an application ("Application") for a permit ("Permit") to construct, own, and operate an approximately 20 megawatt ("MW") battery energy storage system ("BESS") to be located in Campbell County, Virginia.[3] According to the Application, Pigeon Run was formed as a special purpose entity for the purpose of developing, constructing, owning, and operating an approximately 60 MW alternating current photovoltaic solar electric generating project ("Solar Facility") and the associated BESS that is the subject of its Application (collectively, the "Project").[4] In its Application, Pigeon Run is requesting a Permit from the Commission for the BESS only.[5]

On March 12, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") which, among other things, docketed the Application; required Pigeon Run to publish notice of its Application; invited comments, notices of participation, and requests for hearing from interested persons; directed the Commission Staff ("Staff") to investigate the Application and present its findings and recommendations in a report; and assigned a Hearing Examiner to rule on any discovery matters that may arise during the course of this proceeding.

On May 10, 2021, Virginia Electric and Power Company ("Dominion") filed a notice of participation. No written public comments or requests for hearing were filed.

[1] 20 VAC 5-335-10 *et seq*.

[2] 5 VAC 5-20-10 *et seq.*

[3] Application at 1.

[4] *Id.* at 1; Application Appendix 1 at 2.

[5] Application at 1. Pigeon Run represents that it will file a permit by rule ("PBR") application for the Solar Facility portion of the Project with the Virginia Department of Environmental Quality ("DEQ") pursuant to Code § 10.1-1197.5 *et seq*. *Id.* at 3-4.

As directed in the Procedural Order, Staff requested the DEQ to coordinate an environmental review of the proposed BESS by the appropriate agencies and to provide a report on the review. On April 27, 2021, DEQ filed a report ("DEQ Report") on the proposed BESS, 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 proposed BESS. According to the DEQ Report, the Company should:

- Follow DEQ's general recommendations concerning potential surface water impacts;
- Coordinate with the Virginia Marine Resources Commission ("VMRC") as necessary should the proposed Project change and a new review by VMRC be required relative to its jurisdictional areas;
- Follow best practices to limit emissions of volatile organic compounds and oxides of nitrogen;
- 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 ("DCR") Division of Natural Heritage to obtain an update on natural heritage information if the scope of the Project changes and/or six months have passed before it is utilized;
- Coordinate with the Department of Wildlife Resources ("DWR") regarding its recommendation to follow the *Solar Energy Facility Guidance*, as applicable;[6]
- Coordinate with the local Virginia Department of Transportation residency office to develop an appropriate work zone plan for the Project;
- Coordinate with the Department of Health regarding its recommendations to protect public drinking water sources and water utility infrastructure;
- Contact the Virginia Outdoors Foundation, as necessary, regarding its recommendation to coordinate further if the Project area changes or if the Project does not begin within 24 months;
- Follow the principles and practices of pollution prevention to the maximum extent practicable;
- Limit the use of pesticides and herbicides to the extent practicable.[7]

On June 7, 2021, Staff filed its Staff Report summarizing the results of its investigation of Pigeon Run's Application. Staff concludes that the Company has met the requirements for issuance of the requested Permit. Specifically, Staff states that the Company has reasonably demonstrated that the BESS will have no materially adverse effect on the reliability of electric service provided by any regulated public utility; does not adversely impact any goal established by the Virginia Environmental Justice Act ("EJ Act");[8] and is not otherwise contrary to the public interest. Therefore, Staff does not oppose the issuance of the Permit necessary for the construction, ownership, and operation of the proposed BESS.[9]

On June 18, 2021, Pigeon Run filed Reply Comments. Among other things, Pigeon Run states that it does not object to the Summary of Recommendations presented in the DEQ Report with the exception of the recommendation to coordinate with the DCR's Division of Natural Heritage to obtain an update on natural heritage information under certain circumstances. With respect to that recommendation, Pigeon Run proposes certain modifications. In its Reply Comments, Pigeon Run further states that it concurs with the conclusions in the Staff Report.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that Pigeon Run should be granted the requested Permit to construct and operate the proposed BESS, subject to certain findings and conditions contained herein.

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[6] This particular recommendation reads: "Coordinate with the [DWR] regarding its recommendation to follow the *Solar Energy Facility Guidance*, as applicable, as the boarder solar facility site (Environmental Impacts and Mitigation, Item 7(c), page 15)." DEQ Report at 5. The reference to "boarder solar facility site" is unclear, as that term is not used elsewhere in the DEQ Report. The full comment from DWR to DEQ concerning the Project reads as follows:

> We have reviewed the SCC application for the subject [P]roject that proposes to develop a site in Campbell County into a battery storage facility located within a proposed solar farm. We currently do not document any listed wildlife or designated resources under our jurisdiction from the [P]roject area. Therefore, we do not anticipate adverse impacts upon such species or resources to result from the proposed work.
>
> Based on the [P]roject description, we assume development of a battery storage does not include placement of solar panels or require a PBR. However, we offer the following [P]roject design and operational guidance that, when implemented, serve to minimize adverse impacts of solar energy facilities, of which this [P]roject is a part, upon wildlife and other natural resources and recommend that any applicable to this [P]roject be fully considered:
> https://www.dwr.virginia.gov/wp-content/uploads/media/Solar-Energy-Facility-Guidance.pdf.

DEQ Report at Email Attachment from Amy Ewing to Janine Howard, entitled "ESSLog# 41184_21-034S_Pigeon Run Solar_DWR_AME20210422."

[7] DEQ Report at 4-5.

[8] Code § 2.2-234 *et seq.*

[9] Staff Report at 11.

Commission Regulations Governing the Deployment of Energy Storage

20 VAC 5-335-80 A provides:

> Other than a Phase I or Phase II Utility, each person seeking to construct and operate an energy storage facility in the Commonwealth with an energy storage power rating of one megawatt or greater, either on a stand-alone basis or on an aggregated basis facilitated by an energy storage aggregator, shall either (i) obtain a permit from the [C]ommission pursuant to this section, or (ii) apply for and receive a certificate of public convenience and necessity from the [C]ommission pursuant to § 56-580 of the Code of Virginia for the energy storage facility, prior to commencing construction or operation. If such person applies for and receives a certificate of public convenience and necessity from the [C]ommission, a permit under this section shall not be required.

20 VAC 5-335-80 B provides:

> In evaluating a permit application, the [C]ommission shall make a determination for approval based upon a finding that the energy storage facility (i) will have no material adverse effect upon reliability of electric service provided by any regulated public utility; (ii) does not adversely impact any goal established by the Virginia Environmental Justice Act (§ 2.2-234 et seq. of the Code of Virginia); and (iii) is not otherwise contrary to the public interest.

Code of Virginia

Section 2.2-234 provides:

> "Environmental justice" means the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy.

Section 2.2-235 provides:

> It is 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.

Finally, Section 56-46.1 of the Code 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.

Reliability

We find that construction and operation of the BESS will have no material adverse effect upon the reliability of service provided by any regulated public utility. The Project, including the BESS, is being analyzed under PJM Interconnection, L.L.C.'s ("PJM") interconnection process, and is planned to interconnect to the Dominion transmission system.[10] As part of the interconnection process, certain studies are performed to analyze the impact on the PJM system and identify any upgrades required to mitigate any adverse impact. The results of the PJM studies presented in the Application confirm that the BESS can be interconnected safely and reliably with the Dominion transmission system.[11]

Environmental Justice

The Company retained a third party to perform a review of the proposed BESS' compliance with the EJ Act. Based on this review, the Company asserts that the proposed BESS is not located in a census block that would be considered a low-income community; however, since adjacent census blocks would qualify as a low-income community, the Company considered low-income communities to be present.[12] The Company asserts that the census block in which the proposed BESS will be located, as well as adjacent census blocks, are considered to be communities of color.[13] The Company asserts that it does not consider fenceline communities to be present within the vicinity since the proposed BESS is not a major source of pollution and since no major sources of pollution are within approximately one mile of the Project site.[14]

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[10] Application at 8; Staff Report at 4-6.

[11] Staff Report at 5-6.

[12] Application at 9; Application Appendix 1 at 10-11; Staff Report at 7.

[13] Application at 10; Application Appendix 1 at 10-11; Staff Report at 8.

[14] Application at 10; Application Appendix 1 at 11; Staff Report at 8.

The Company states that it has worked to inform the community about the proposed BESS and has solicited feedback. The Company also reports that a public information meeting was held, and all adjacent and nearby property owners were mailed invitations. Further, the Company states that it has had meetings with the Campbell County Board of Supervisors, Planning Commission, and fire department.[15]

Further, Pigeon Run states that the BESS will have minimal impact on the environment, will not emit harmful air pollutants or greenhouse gases, and will reduce dependence on traditional energy generating facilities such as coal, natural gas, and oil-fired power plants.[16]

We find, based on the record in this proceeding, that the proposed BESS does not adversely impact any goal established by the EJ Act.

Public Interest

The Company states that the proposed BESS is not contrary to the public interest as it will provide economic benefits to Campbell County.[17] Additionally, the Company states that the BESS will have no material adverse effect on the reliability of electric service provided by any regulated public utility and that Pigeon Run will be responsible for any costs associated with upgrades to the electrical system that may be needed as a result of its interconnection.[18] Moreover, Pigeon Run avers that the Project including the BESS will increase renewable energy generation and availability in the Commonwealth.[19] Further, Pigeon Run has agreed to comply with all necessary federal, state, and local environmental permits as required to construct and operate the proposed BESS.[20]

We find that the construction and operation of the proposed BESS is not contrary to the public interest.

Environmental Impact

Pursuant to § 56-46.1 A of the Code, the Commission is required to consider the BESS'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 BESS 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 proposed BESS. This finding is supported by the DEQ Report, as nothing therein suggests that the BESS should not be constructed.

There are, however, recommendations included in the DEQ Report for the Commission's consideration.[21] In its Reply Comments, the Company states that it does not object to the summary of recommendations in the DEQ Report with one exception: the Company proposes to modify the recommendation from the DCR's Division of Natural Heritage, which requires that Pigeon Run "[c]oordinate with the [DCR's] Division of Natural Heritage to obtain an update on natural heritage information if the scope of the [P]roject changes and/or six months has passed before it is utilized . . ."[22] The Company requests that it be required to resubmit Project information only if there are material changes to the scope of the BESS, or if twelve months from the date of the Commission's Final Order in this proceeding pass before construction commences on the BESS.[23] We find this proposed modification to be reasonable.[24]

We therefore find that as a condition of the Permit granted herein, Pigeon Run should be required to comply with the recommendations in the DEQ Report and to coordinate with DEQ to implement DEQ's recommendations, subject to the requested modification discussed herein. Finally, as a further condition of the Permit granted herein, the Company shall obtain all environmental permits and approvals that are necessary to construct and operate the proposed BESS.

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[15] Application at 10-11; Application Appendix 1 at 13; Staff Report at 8-9.

[16] Application at 11; Staff Report at 9.

[17] Application at 7.

[18] Application at 8, 12; Application Appendix 1 at 14-15; Staff Report at 9-10.

[19] Application Appendix 1 at 20. *See also* Code § 67-101.1 (stating that the policy of the Commonwealth is, among other things, to "[d]evelop energy resources necessary to produce 30 percent of Virginia's electricity from renewable energy sources by 2030 and 100 percent of Virginia's electricity from carbon-free sources by 2040").

[20] Application at 5, 12.

[21] DEQ Report at 4-5.

[22] *Id*. at 5, 14.

[23] Reply Comments at 2.

[24] The Commission has granted similar relief in the past, requiring a utility rebuilding a transmission line to consult with DCR for updates to the Biotics Data System only if the scope of the rebuild project materially changed or 12 months from the date of the Commission's final order were to pass before the rebuild project commenced construction. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Landstown-Thrasher Line #231 230 kV Transmission Line Rebuild*, Case No. PUR-2018-00096, 2018 S.C.C. Ann. Rept. 461, 464, Final Order (Dec. 3, 2018); *Application of Virginia Electric and 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.*, Case No. PUR-2018-00075, 2018 S.C.C. Ann. Rept. 431, 434, Final Order (Nov. 1, 2018).

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 Clean Energy Policy set forth in § 67-101.1." The Commission finds that the evidence in this case demonstrates that the proposed BESS will have a positive impact on economic development in the Commonwealth.[25]

Accordingly, IT IS ORDERED THAT:

(1) Subject to the conditions and requirements set forth in this Final Order, Pigeon Run is granted approval and Permit No. ESP-PGRS-CAM-2021-A to construct and operate the proposed BESS.

(2) Pigeon Run shall submit forthwith to the Commission's Division of Public Utility Regulation, to the attention of Mr. Mike Cizenski, one (1) map copy that shows the location of the BESS that is the subject of the above granted Permit.

(3) Within six (6) months from the date of this Final Order, the Company shall submit to the Director of the Division of Public Utility Regulation information regarding the estimated total cost of the BESS.

(4) This case is dismissed.

[25] *See* Application Appendix 1 at 7-8 (stating that the BESS contributes to the efficiency of the Project and helps the Project's economic benefits be realized, including the creation of approximately 135 full-time equivalent jobs during construction and approximately four full-time equivalent local jobs during the 35 years the Project is expected to operate, as well as providing significant property tax revenue).

CASE NO. PUR-2021-00037
MAY 26, 2021

APPLICATION OF
CENTURYLINK COMMUNICATIONS, LLC

For designation as an eligible telecommunications carrier

FINAL ORDER

On February 17, 2021, CenturyLink Communications, LLC ("CenturyLink" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to 47 U.S.C. § 214(e), seeking that the Commission enter an order designating CenturyLink as an eligible telecommunications carrier ("ETC") in order to receive federal universal service fund support in specific areas of the Commonwealth of Virginia through the Rural Digital Opportunity Fund ("RDOF") of the Federal Communications Commission ("FCC").[1]

According to the Application, CenturyLink's ultimate parent company, CenturyLink, Inc. (n/k/a Lumen), was the winning RDOF bidder as announced by the FCC on December 7, 2020, and assigned the winning bids to its incumbent local exchange carrier subsidiaries certificated in Virginia for implementation.[2] CenturyLink stated that some of the assigned RDOF census blocks fall outside the authorized incumbent service territories of those affiliates.[3] CenturyLink stated that it seeks to be designated as an ETC in those 197 census block areas in Virginia not within the incumbent affiliates' service territories ("Incremental CBs").[4] CenturyLink further stated that it seeks ETC designation to provide the RDOF supported services in designated portions of the counties of Campbell, Hanover, Madison, and Rockbridge, Virginia.[5]

CenturyLink is a competitive local exchange carrier authorized to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia pursuant to certificates of public convenience and necessity issued by the Commission.[6] CenturyLink stated that designating it as an ETC in the Incremental CBs will allow it, either directly or through its affiliates, to bring voice and broadband internet access services to consumers in the Incremental CBs, thus advancing the goals of universal service under the FCC's RDOF program.[7]

[1] CenturyLink requested that the Commission enter an order designating it an ETC by June 1, 2021, given the FCC's deadline of June 7, 2021, for state commission action on ETC requests. Application at 1, 8.

[2] *Id.* at 2 (referencing Central Telephone Company of Virginia and United Telephone Southeast LLC).

[3] *Id.*

[4] *Id.*

[5] *Id.* at 2, Exhibit B.

[6] *Id.* at 3, 4; *see also Application of Qwest Communications Company, LLC, For reissuance of certificates of public convenience and necessity to reflect a corporate name change,* Case No. PUC-2014-00022, 2014 S.C.C. Ann. Rept. 222, Order Reissuing Certificates (June 27, 2014).

[7] Application at 7.

In support of its Application, CenturyLink stated that it is a common carrier for purposes of ETC designation and that it plans to offer the services stipulated by RDOF in the Incremental CBs using either its own facilities or a combination of its own facilities and resale of another carrier's or affiliate's facilities and services.[8] According to the Application, those services include voice telephone service and broadband services consistent with the FCC's RDOF rules, and Lifeline services for low-income consumers consistent with FCC requirements.[9] CenturyLink stated that it plans to advertise the availability of such services and the charges using media of general distribution.[10]

On February 26, 2021, the Commission issued an Order for Notice and Comment that, among other things, directed CenturyLink to provide notice of its Application to local exchange carriers ("LECs") certificated to provide service in Virginia; established a schedule by which LECs and other interested parties could file comments, objections, or requests for hearing on CenturyLink's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report"). The Commission did not receive any comments, objections, or requests for hearing on CenturyLink's Application.

On April 28, 2021, Staff filed its Staff Report, which detailed Staff's review of the Application. Staff did not oppose CenturyLink's request for ETC designation for RDOF support in the designated census blocks in Virginia but recommended that the Commission condition any approval herein on the following:

- CenturyLink should file or update necessary tariffs or product guides for Lifeline services consistent with the requirements of the FCC.
- CenturyLink should provide a copy of all its Universal Service Administrative Company ("USAC") annual reports and build-out milestone certifications, as well as data on the locations where service is available, whether public or confidential, to the Division of Public Utility Regulation.
- CenturyLink should be required to provide the annual notarized affidavit required by Case No. PUC-2001-00172. This affidavit is submitted to support the Commission's certification of the use of federal universal service funds as required by 47 U.S.C § 254(e) and 47 C.F.R. §§ 54.313 and 54.314.
- CenturyLink should be directed to comply with all requirements and criteria of the FCC, USAC, and the RDOF program.[11]

On May 5, 2021, CenturyLink filed a letter stating that it would not be filing a response to the Staff Report.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that CenturyLink's request that the Company be designated as an ETC for RDOF support for portions of the counties of Campbell, Hanover, Madison, and Rockbridge, Virginia, covering specific census blocks awarded in the FCC's RDOF auction, should be granted, subject to the conditions imposed herein as recommended by Staff.

Accordingly, IT IS ORDERED THAT:

(1) CenturyLink's request for ETC designation to receive RDOF support for services provided in the specific areas described in its Application is hereby granted.

(2) CenturyLink shall file or update necessary tariffs or product guides for Lifeline services consistent with the requirements of the FCC.

(3) CenturyLink shall provide a copy of all its USAC annual reports and build-out milestone certifications, as well as data on the locations where service is available, whether public or confidential, to the Commission's Division of Public Utility Regulation.

(4) CenturyLink shall provide to the Commission's Division of Public Utility Regulation an annual notarized affidavit on the Company's use of federal universal service funds in the form required by Case No. PUC-2001-00172.

(5) CenturyLink shall comply with all requirements and criteria of the FCC, USAC, and the RDOF program.

(6) This case is dismissed.

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[8] *Id.* at 5-6.

[9] *Id.* at 6.

[10] *Id.*

[11] Staff Report at 4-5; *see Petition of Virginia Telecommunications Industry Association, For the establishment of formal procedures for annual certification of use of federal universal support in accordance with 47 C.F.R. §§ 54.313 and .314,* Case No. PUC-2001-00172, Preliminary Order (Aug. 29, 2001).

CASE NO. PUR-2021-00038
SEPTEMBER 10, 2021

APPLICATION OF
QCT, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On April 21, 2021, QCT, LLC ("QCT" or "Company") completed the filing of an application with the State Corporation Commission ("Commission") for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia ("Application"). QCT also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia ("Code"). Included in the Application is QCT'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.* The Company 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.[1]

On June 4, 2021, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed QCT 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 July 6, 2021, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On August 18, 2021, 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 QCT subject to the following condition: QCT 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.[2] Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.[3] Staff also determined QCT will meet the definition of a competitive telephone company under Code § 56-54.2 upon the issuance of the local exchange Certificate requested in this proceeding, and the Company is entitled to elect to be regulated as such by operation of law.[4] Staff noted that pursuant to the governing statutory provisions, the election will be effective upon the issuance of the local exchange Certificate with no further action of the Commission required.[5]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant Certificates to QCT. Having considered Code § 56-481.1, the Commission finds that QCT may price its interexchange services competitively. The Commission finds that pursuant to Code § 56-54.2, QCT 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. Further, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.[6]

Accordingly, IT IS ORDERED THAT:

(1) QCT is hereby granted Certificate No. T-781 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) QCT is hereby granted Certificate No. TT-314A 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, QCT may price its interexchange telecommunications services competitively.

(4) QCT 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 QCT 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) QCT 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.

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[1] 5 VAC 5-20-10 *et seq.*

[2] Staff Report at 2, 5.

[3] *Id*. at 5.

[4] *Id*. at 4.

[5] *Id*.

[6] 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.

(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.

CASE NO. PUR-2021-00040
MARCH 4, 2021

APPLICATION OF
ROANOKE GAS COMPANY

For approval to implement tariff revisions that effect no increase in rates

ORDER GRANTING APPROVAL

By letter dated February 17, 2021 (and designated as "Confidential"), to William F. Stephens, Director, Division of Public Utilities of the State Corporation Commission ("Commission"), Roanoke Gas Company ("Roanoke" or "Company") requested "administrative approval of a rate decrease for high usage customers taking service under the Company's ITS rate schedule."[1] Roanoke cites, as authority for this request, § 56-40 of the Code of Virginia ("Code") which provides that the "Commission, in the exercise of its discretion, may permit any public utility corporation to put into effect any proposed revisions of its rate schedules when the proposed revision effects no increases."

The Commission will therefore treat the letter as an application for such action, and being sufficiently advised by its Staff, will approve the Company's request.

ACCORDINGLY, IT IS ORDERED that:

(1) This matter is docketed and assigned Case No PUR-2021-00040.

(2) Roanoke is authorized to implement the rate revisions requested in its letter application.

(3) This matter is dismissed.

[1] Letter at 1.

CASE NO. PUR-2021-00041
AUGUST 13, 2021

APPLICATION OF
SHOCKOE SOLAR, LLC

For a permit to construct and operate an energy storage facility

FINAL ORDER

On February 26, 2021, Shockoe Solar, LLC ("Shockoe Solar" or "Company"), pursuant to 20 VAC 5-335-80 C of the Regulations Governing the Deployment of Energy Storage[1] and 5 VAC 5-20-80 A of the Commission's Rules of Practice and Procedure,[2] filed with the State Corporation Commission ("Commission") an application ("Application") for a permit ("Permit") to construct, own, and operate an approximately 20 megawatt ("MW") battery energy storage system ("BESS") to be located in Pittsylvania County, Virginia.[3] According to the Application, Shockoe Solar was formed as a special purpose entity for the purpose of developing, constructing, owning, and operating an approximately 60 MW alternating current photovoltaic solar electric generating project ("Solar Facility") and the associated BESS that is the subject of its Application (collectively, the "Project").[4] In its Application, Shockoe Solar is requesting a Permit from the Commission for the BESS only.[5]

On March 12, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") which, among other things, docketed the Application; required Shockoe Solar to publish notice of its Application; invited comments, notices of participation, and requests for hearing from interested persons; directed the Commission Staff ("Staff") to investigate the Application and present its findings and recommendations in a report; and assigned a Hearing Examiner to rule on any discovery matters that may arise during the course of this proceeding.

[1] 20 VAC 5-335-10 *et seq*.

[2] 5 VAC 5-20-10 *et seq.*

[3] Application at 1.

[4] *Id.*; Application Appendix 1 at 2.

[5] Application at 1-2. Shockoe Solar represents that it will file a permit by rule application for the Solar Facility portion of the Project with the Virginia Department of Environmental Quality ("DEQ") pursuant to Code § 10.1-1197.5 *et seq*. *Id.* at 3.

On May 10, 2021, Virginia Electric and Power Company filed a notice of participation. No written public comments or requests for hearing were filed.

As directed in the Procedural Order, Staff requested the DEQ to coordinate an environmental review of the proposed BESS by the appropriate agencies and to provide a report on the review. On May 10, 2021, DEQ filed a report ("DEQ Report") on the proposed BESS, 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 proposed BESS. According to the DEQ Report, the Company should:

- Follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable;
- Coordinate with the Department of Conservation and Recreation's ("DCR") Division of Natural Heritage on its recommendations for an invasive species management plan and Project updates;
- Coordinate with the Department of Wildlife Resources regarding its recommendation to follow the *Solar Energy Facility Guidance*, as applicable;
- Coordinate with the Virginia Outdoors Foundation regarding its recommendation for additional review if the Project area changes or the Project does not begin within 24 months;
- 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 the local Virginia Department of Transportation residency office to develop an appropriate work zone plan for the Project.[6]

On June 7, 2021, Staff filed its Staff Report summarizing the results of its investigation of Shockoe Solar's Application. Staff concludes that the Company has met the requirements for issuance of the requested Permit. Specifically, Staff states that the Company has reasonably demonstrated that the BESS will have no materially adverse effect on the reliability of electric service provided by any regulated public utility; does not adversely impact any goal established by the Virginia Environmental Justice Act ("EJ Act");[7] and is not otherwise contrary to the public interest. Therefore, Staff does not oppose the issuance of the Permit necessary for the construction, ownership, and operation of the proposed BESS.[8]

On June 21, 2021, Shockoe Solar filed Reply Comments. Among other things, Shockoe Solar states that it does not object to the Summary of Recommendations presented in the DEQ Report with the exception of the recommendation to coordinate with the DCR's Division of Natural Heritage to obtain an update on natural heritage information under certain circumstances. With respect to that recommendation, Shockoe Solar proposes certain modifications. In its Reply Comments, Shockoe Solar further states that it concurs with the conclusions in the Staff Report.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that Shockoe Solar should be granted the requested Permit to construct and operate the proposed BESS, subject to certain findings and conditions contained herein.

Commission Regulations Governing the Deployment of Energy Storage

20 VAC 5-335-80 A provides:

> Other than a Phase I or Phase II Utility, each person seeking to construct and operate an energy storage facility in the Commonwealth with an energy storage power rating of one megawatt or greater, either on a stand-alone basis or on an aggregated basis facilitated by an energy storage aggregator, shall either (i) obtain a permit from the [C]ommission pursuant to this section, or (ii) apply for and receive a certificate of public convenience and necessity from the [C]ommission pursuant to § 56-580 of the Code of Virginia for the energy storage facility, prior to commencing construction or operation. If such person applies for and receives a certificate of public convenience and necessity from the [C]ommission, a permit under this section shall not be required.

20 VAC 5-335-80 B provides:

> In evaluating a permit application, the [C]ommission shall make a determination for approval based upon a finding that the energy storage facility (i) will have no material adverse effect upon reliability of electric service provided by any regulated public utility; (ii) does not adversely impact any goal established by the Virginia Environmental Justice Act (§ 2.2-234 et seq. of the Code of Virginia); and (iii) is not otherwise contrary to the public interest.

[6] DEQ Report at 6.

[7] Code § 2.2-234 *et seq.*

[8] Staff Report at 11.

Code of Virginia

Section 2.2-234 provides:

> "Environmental justice" means the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy.

Section 2.2-235 provides:

> It is 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.

Finally, 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.

Reliability

We find that construction and operation of the BESS will have no material adverse effect upon the reliability of service provided by any regulated public utility. The Project, including the BESS, is being analyzed under PJM Interconnection, L.L.C.'s ("PJM") interconnection process, and is planned to interconnect to the Mecklenburg Electric Cooperative system.[9] As part of the interconnection process, certain studies are performed to analyze the impact on the PJM system and identify any upgrades required to mitigate any adverse impact. The results of the PJM studies presented in the Application confirm that the BESS can be interconnected safely and reliably with the transmission system provided all necessary upgrades are constructed.[10]

Environmental Justice

The Company retained a third party to perform a review of the proposed BESS' compliance with the EJ Act. Based on this review, the Company asserts that the proposed BESS is not located in a census block that would be considered a low-income community; however, since adjacent census blocks would qualify as a low-income community, the Company considered low-income communities to be present.[11] The Company asserts that the census block in which the proposed BESS will be located, as well as adjacent census blocks, are considered to be communities of color.[12] The Company asserts that it does not consider fenceline communities to be present within the vicinity of the Project since the proposed BESS is not a major source of pollution and since no major sources of pollution are within approximately one mile of the Project site.[13]

The Company states that it has worked to inform the community about the proposed BESS and has solicited feedback. The Company also reports that while a public information meeting was not held due to COVID-19 concerns, informational letters were sent to property owners within approximately one-half mile of the Project site. Further, the Company states that it had several meetings with the Pittsylvania County Board of Supervisors, Planning Commission, and County Board of Zoning Appeals.[14]

Further, Shockoe Solar states that the BESS will have minimal impact on the environment, will not emit harmful air pollutants or greenhouse gases, and will reduce dependence on traditional energy generating facilities such as coal, natural gas, and oil-fired power plants.[15]

We find, based on the record in this proceeding, that the proposed BESS does not adversely impact any goal established by the EJ Act.

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[9] Application at 7-8; Staff Report at 4-6.

[10] Staff Report at 6.

[11] Application at 9; Application Appendix 1 at 12-13; Staff Report at 7.

[12] Application at 10; Application Appendix 1 at 12-13; Staff Report at 8.

[13] Application at 10; Application Appendix 1 at 13; Staff Report at 8.

[14] Application at 10-11; Application Appendix 1 at 13; Staff Report at 9.

[15] Application at 11; Staff Report at 9.

Public Interest

The Company states that the proposed BESS is not contrary to the public interest as it will provide economic benefits to Pittsylvania County.[16] Additionally, the Company states that the BESS will have no material adverse effect on the reliability of electric service provided by any regulated public utility and that Shockoe Solar will be responsible for any costs associated with upgrades to the electrical system that may be needed as a result of its interconnection.[17] Moreover, Shockoe Solar avers that the Project, including the BESS, will increase renewable energy generation and availability in the Commonwealth.[18] Further, Shockoe Solar has agreed to comply with all necessary federal, state, and local environmental permits as required to construct and operate the proposed BESS.[19]

We find that the construction and operation of the proposed BESS is not contrary to the public interest.

Environmental Impact

Pursuant to § 56-46.1 A of the Code, the Commission is required to consider the BESS'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 BESS 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 proposed BESS. This finding is supported by the DEQ Report, as nothing therein suggests that the BESS should not be constructed.

There are, however, recommendations included in the DEQ Report for the Commission's consideration.[20] In its Reply Comments, the Company states that it does not object to the summary of recommendations in the DEQ Report with one exception: the Company proposes to modify the recommendations from the DCR's Division of Natural Heritage, which requires, in addition to its recommendations for an invasive species management plan, that the Company "[r]esubmit a completed order form and [P]roject map for an update on . . . natural heritage information if the scope of the [P]roject changes and/or six months has [sic] passed before it is utilized."[21] The Company requests that it be required to resubmit Project information only if there are material changes to the scope of the BESS, or if twelve months from the date of the Commission's Final Order in this proceeding pass before construction commences on the BESS.[22] We find this proposed modification to be reasonable.[23]

We therefore find that as a condition of the Permit granted herein, Shockoe Solar should be required to comply with the recommendations in the DEQ Report and coordinate with DEQ to implement DEQ's recommendations, subject to the requested modification discussed herein. Finally, as a further condition of the Permit granted herein, the Company shall obtain all environmental permits and approvals that are necessary to construct and operate the proposed BESS.

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 Clean Energy Policy set forth in § 67-101.1, ..." The Commission finds that the evidence in this case demonstrates that the proposed BESS will have a positive impact on economic development in the Commonwealth.[24]

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[16] Application at 12.

[17] *Id*. at 7, 12; Application Appendix 1 at 14-15; Staff Report at 9-10.

[18] Application Appendix 1 at 20. *See also* Code § 67-101.1 (stating that the policy of the Commonwealth is, among other things, to "[d]evelop energy resources necessary to produce 30 percent of Virginia's electricity from renewable energy sources by 2030 and 100 percent of Virginia's electricity from carbon-free sources by 2040").

[19] Application at 12.

[20] DEQ Report at 6.

[21] *Id*. at 6, 14-15.

[22] Reply Comments at 2.

[23] The Commission has granted similar relief in the past, requiring a utility rebuilding a transmission line to consult with DCR for updates to the Biotics Data System only if the scope of the rebuild project materially changed or 12 months from the date of the Commission's final order were to pass before the rebuild project commenced construction. *See, e.g.*, *Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Landstown-Thrasher Line #231 230 kV Transmission Line Rebuild*, Case No. PUR-2018-00096, 2018 S.C.C. Ann. Rept. 461, 464, Final Order (Dec. 3, 2018); *Application of Virginia Electric and 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.*, Case No. PUR-2018-00075, 2018 S.C.C. Ann. Rept. 431, 434, Final Order (Nov. 1, 2018).

[24] *See* Application Appendix 1 at 7-8 (stating that the BESS contributes to the efficiency of the Project and helps the Project's economic benefits be realized, including the creation of approximately 180 full-time equivalent jobs during construction and approximately four full-time equivalent local jobs during the 35 years the Project is expected to operate, as well as providing significant property tax revenue).

Accordingly, IT IS ORDERED THAT:

(1) Subject to the conditions and requirements set forth in this Final Order, Shockoe Solar is granted approval and Permit No. ESP-SHKS-PIT-2021-A to construct and operate the proposed BESS.

(2) Shockoe Solar shall submit forthwith to the Commission's Division of Public Utility Regulation, to the attention of Mr. Mike Cizenski, one (1) map copy that shows the location of the BESS that is the subject of the above granted Permit.

(3) Within six (6) months from the date of this Final Order, the Company shall submit to the Director of the Division of Public Utility Regulation information regarding the estimated total cost of the BESS.

(4) This case is dismissed.

CASE NO PUR-2021-00043
JULY 13, 2021

APPLICATION OF
BENCHMARK UTILITY SERVICES LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On March 26, 2021, Benchmark Utility Services LLC ("Benchmark" 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").

On April 16, 2021, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed Benchmark 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 25, 2021, Benchmark filed proof of service and notice in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On June 16, 2021, 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 Benchmark subject to the following condition: Benchmark 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.[1] This requirement should be maintained until such time as the Commission determines it is no longer necessary.[2]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that it should grant a Certificate to Benchmark.

Accordingly, IT IS ORDERED THAT:

(1) Benchmark is hereby granted Certificate No. T-778 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 Benchmark 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) Benchmark 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.

[1] Staff Report at 3-4.

[2] *Id*. at 4.

CASE NO. PUR-2021-00045
OCTOBER 26, 2021

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a rate adjustment clause, designated Rider CCR, for the recovery of costs incurred to comply with § 10.1-1402.03 of the Code of Virginia, pursuant to Virginia Code § 56-585.1 A 5 e

ORDER APPROVING RATE ADJUSTMENT CLAUSE

On February 26, 2021, pursuant to § 56-585.1 A 5 e of the Code of Virginia ("Code"), Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") its petition requesting approval of a rate adjustment clause, designated Rider Coal Combustion Residuals ("Rider CCR"), for the recovery of costs incurred to comply with Virginia Senate Bill 1355 ("SB 1355"),[1] codified as Code § 10.1-1402.03 ("Petition").[2]

In its Petition, the Company seeks cost recovery for certain environmental projects involving coal combustion residual ("CCR") removal (collectively, "CCR Projects") located at the Company's Bremo Power Station ("Bremo"), Chesterfield Power Station, Possum Point Power Station ("Possum Point"), and Chesapeake Energy Center (collectively, "Power Stations"). According to the Company, the CCR Projects are required for the Company to comply with SB 1355.[3]

Prior to enactment of SB 1355, the Company initially planned to cap and close in place the CCR storage facilities at each Power Station, consistent with federal and state regulations.[4] With the passage of SB 1355 in 2019, however, the Company must remove all CCR from the current storage locations at the Power Stations and either beneficially reuse it or move it to a qualified landfill.[5] The Company states that, to comply with SB 1355, the Company is required to

(i) remove all CCR from the storage units at each Power Station in accordance with applicable standards established by the Virginia Solid Waste Management Regulations and either (a) beneficially reuse all such CCR in a recycling process for encapsulated beneficial use, or (b) dispose of the CCR in a permitted landfill as directed in facilities that meet federal Criteria for Municipal Solid Waste Landfills standards; (ii) beneficiate at least 6.8 million cubic yards of CCR from at least two of the Power Stations; (iii) develop a transportation plan in coordination with local governments impacted by the transport of CCR as directed; (iv) identify options for utilizing and prioritizing hiring of local workers, and advance the Commonwealth's workforce goals; and (v) compile reports detailing the Company's closure plan and progress as directed in the statute.[6]

Dominion seeks approval of a Rider CCR revenue requirement of $220.761 million for the rate year beginning December 1, 2021, and ending November 30, 2022 ("Rate Year").[7] This amount consists of a Projected Cost Recovery Factor, which includes amortization over the Rate Year of certain deferred costs (including financing costs) incurred prior to the beginning of the Rate Year, and the projected monthly cash expenditures attributable to the CCR Projects.[8]

The Company proposes to bill the Rider CCR rate on a cents per kilowatt-hour ("kWh") basis, which will apply to each Company rate schedule or special contract approved by the Commission pursuant to Code § 56-235.2.[9] Pursuant to Code § 10.1-1402.03, the Company has allocated costs of the CCR Projects to all Virginia customers as a non-bypassable charge, irrespective of the generation supplier of any such customer.[10]

On March 18, 2021, the Commission issued an Order for Notice and Hearing ("Procedural Order"), which, among other things, directed Dominion to provide notice of its Petition, provided interested persons the opportunity to comment or participate in the proceeding, directed Staff to investigate the Petition, scheduled an evidentiary hearing, and assigned a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

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[1] 2019 Va. Acts ch. 651.

[2] The Company filed supporting testimony and other documents with the Petition.

[3] Ex. 2 (Petition) at 4.

[4] *Id.* at 4-5.

[5] *Id.* at 5.

[6] *Id.*

[7] *Id.*; Ex. 35 (Robertson Rebuttal) at 2. The Company initially requested approval of a revenue requirement of $216.146 million; however, as described below, the Company has updated that amount consistent with the Commission Staff's ("Staff") recommended revenue requirement in the amount of $220.761 million. The Company and Staff, however, acknowledge that the revenue requirement approved for recovery in the Rate Year should be limited to the amount noticed to the public. *See* Ex. 21 (Welsh) at 2-3; Ex. 35 (Robertson Rebuttal) at 2.

[8] Ex. 2 (Petition) at 6. Rider CCR also includes an Actual Cost True-Up Factor; however, no true-up is included in this proceeding since this filing is the initial request for cost recovery for SB 1355-mandated costs. *Id.*

[9] *Id.*

[10] *Id.*

The following timely filed notices of participation: the Virginia Committee for Fair Utility Rates ("Committee") and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On June 10, 2021, the Company filed an unopposed Motion for Leave to File Supplemental Direct Testimony ("Motion") and the Supplemental Direct Testimony of Company witnesses Jared R. Robertson and Paul B. Haynes. By ruling dated June 14, 2021, the Hearing Examiner granted the Motion.

On June 17, 2021, the Committee filed testimony.[11] On June 22, 2021, Staff filed testimony summarizing the results of its investigation.[12] On July 7, 2021, Dominion filed rebuttal testimony.[13]

On July 27, 2021, the Hearing Examiner conducted a public evidentiary hearing by Microsoft Teams (pursuant to the Hearing Examiner's Ruling dated June 14, 2021) to hear testimony and accept evidence on the Company's Petition.[14] The Company, the Committee, Consumer Counsel, and Staff participated in the hearing. On August 16, 2021, the Company, the Committee, Consumer Counsel, and Staff filed post-hearing briefs.

On September 3, 2021, the Hearing Examiner entered the Report of Mary Beth Adams, Hearing Examiner ("Report"). In the Report, the Hearing Examiner made the following findings:

1. The Rider CCR revenue requirement of $216.146 million for the Rate Year is reasonable and should be approved;

2. The Company's proposed 12-month amortization period for deferred costs is reasonable;

3. The modified reporting requirements related to certain operational and financial milestones of the CCR Projects are reasonable and should be included with the Company's Rider CCR Annual Update filings;

4. If the Company determines that lower cost options related to beneficiation solutions are technically feasible and can be implemented subject to statutory requirements and executed Company contracts, the Company should reflect the associated savings in reduced project estimates;

5. The Company should include with its Rider CCR Annual Update filings the technological options it considered for each workstream for any significant contracts it awards, including the respective feasibility and costs analyses;

6. The Company's proposed Factor 3 Non-bypassable allocation methodology and its uniform charge per kWh are reasonable and equitable, and should be approved; and

7. Staff's Rail Option is reasonable, and the Company should be required to perform the Class 2 study that includes both Bremo and Possum Point.[15]

Comments on the Report were filed on September 24, 2021, by Dominion, the Committee, Consumer Counsel and Staff.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Report's findings and recommendations should be adopted except as discussed herein.

Hearing Examiner's Finding and Recommendation Nos. 1 through 5

We adopt the Hearing Examiner's Finding and Recommendation Nos. 1 through 5, with which no party took issue in comments to the Report.

Hearing Examiner's Finding No. 6

With regard to cost allocation, we adopt the Hearing Examiner's recommendation to approve the Company's proposal to allocate Rider CCR costs on an energy basis by using a Factor 3 Non-bypassable allocation methodology, and to impose a non-bypassable uniform charge per kWh. As noted by the Hearing Examiner, Company, Consumer Counsel and Staff,[16] these costs are not being incurred to enable the continued use of facilities for capacity and energy needs, as was the case with the costs for compliance with Federal CCR rules in Case No. PUR-2018-00195.[17] They are residual fuel costs from the Company's dispatch of the Power Stations to provide service to *past* customers.[18]

[11] The Committee filed the testimony of Stephen J. Baron.

[12] Staff filed the testimonies of Katya Kuleshova and Sean M. Welsh.

[13] The Company filed the rebuttal testimonies of Brandon E. Stites, Jared R. Robertson and Paul B. Haynes.

[14] The Commission's Procedural Order had scheduled a telephonic public witness hearing for July 27, 2021; however, no public witnesses registered to testify. *See* Tr. 6.

[15] Report at 34.

[16] *See, e.g., id*. at 24-27; Consumer Counsel Post-hearing Brief at 6; Company Post-hearing Brief at 9-10; Staff Post-hearing Brief at 27-29.

[17] *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).

[18] *See, e.g.,* Ex. 13 (Haynes Direct) at 4; Tr. 80-81, 93-95, 98-100.

Hearing Examiner's Finding No. 7

Staff asserts there could be opportunities to reduce the overall costs of compliance with SB 1355. Specifically, Staff believes the new Cell 2A/3B at the Curley Hollow Landfill at the Virginia City Hybrid Energy Center ("VCHEC"), planned to go into service in the Fall of 2021 with a capacity of 14.2 million cubic yards, will be large enough to receive the CCR from Bremo and Possum Point.[19] Accordingly, Staff recommends the Company perform a Class 2 study to evaluate the feasibility of constructing a spur from the existing rail line near VCHEC to the Curley Hollow Landfill and transporting the legacy CCR by rail from Bremo and Possum Point for placement into Cell 2A/3B of the Curley Hollow Landfill ("Staff's Rail Option").[20]

The Company disagrees with Staff's proposal and suggests, as an alternative, that the Company conduct a Class 5 study to evaluate Staff's Rail Option, but for the Possum Point facility only.[21] The Company asserts that, based on the type of analysis involved in a Class 2 study and the time and expense required to conduct such a study, "a Class 5 study would be sufficient to achieve the financial analysis proposed by Staff[.]"[22] In response, Staff states that a Class 5 study is only a high level "concept screening" analysis, "feasibility" is not evaluated beyond "concept screening," and the methodology includes "judgment" and "analogy."[23] Staff asserts that a Class 2 study would result in a more precise cost estimate and more reliable results.[24] Staff further states that if a Class 5 study demonstrates that Staff's Rail Option may be more economical than the Bremo and Possum Point projects as proposed by the Company, "a subsequent, more precise, study would be required in order to confirm the accuracy of the financial estimates."[25]

As an alternative to Staff's recommendation that the Company conduct a Class 2 study to evaluate Staff's Rail Option, Staff offered, in its post-hearing brief, the option that the Commission direct the Company to perform a Class 3 study, which is used for "budget, authorization, or control" and is estimated to cost up to $300,000 and take 4-6 months to complete.[26]

The Company subsequently offered the following additional options for the Commission's consideration, in the Company's Comments to the Report: (1) direct the Company to conduct a Class 2 study for Possum Point only, and a Class 5 study for Bremo; or (2) "direct a Class 3 (budget or authorization level) study or Class 4 (feasibility level) study for both facilities to the extent [the Commission] believes it appropriate to do so."[27]

We find that the Company, for both the Bremo and Possum Point facilities, shall conduct a Class 3 study of Staff's Rail Option. Further, the Company is directed to begin the Class 3 study as promptly as possible following issuance of this Order. The Company shall file the results of the Class 3 study with its next petition to update Rider CCR. To the extent the filing of the Company's next Rider CCR petition is delayed because of the study, the Company may ask the Commission to adjust the Rate Year being approved herein accordingly.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations set forth in the Hearing Examiner's Report are adopted, as modified herein.

(2) Rider CCR, as approved herein with a revenue requirement in the amount of $216.146 million, shall become effective for service rendered on and after December 1, 2021.

(3) The Company shall allocate Rider CCR costs on an energy basis by using a Factor 3 Non-bypassable allocation methodology, and shall impose a non-bypassable uniform charge per kWh.

(4) The Company forthwith shall file a revised Rider CCR 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: scc.virginia.gov/pages/Case-Information.

(5) The Company shall proceed with a Class 3 study of Staff's Rail option, for both the Bremo and Possum Point facilities, subject to the conditions set forth herein, as promptly as possible following issuance of this order. Dominion shall include the results of the Class 3 study with the Company's next Rider CCR filing.

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[19] *See, e.g.*, Staff Post-hearing Brief at 7-8; Ex. 22 (Kuleshova Direct) at 25-27; Tr. 157-62.

[20] *See, e.g.*, Staff Post-hearing Brief at 8-9, 11-13; Ex. 22 (Kuleshova Direct) at 25-27; Tr. 149-66. According to the Company, a Class 2 study "would provide a detailed financial estimate" and involve "a significant amount of engineering analysis." Ex. 32 (Stites Rebuttal) at 2. *See also* Ex. 23 (Cost Estimate Classification Matrix) (reflecting that the estimated cost and time to conduct a Class 2 study are $600,000 (upper limit) and 6-9 months, respectively).

[21] Ex. 32 (Stites Rebuttal) at 3.

[22] *Id.* at 2-3.

[23] *See, e.g.*, Staff Post-hearing Brief at 13-15.

[24] *Id.* at 15-16.

[25] *Id.* at 13.

[26] *Id.* at 16; Ex. 23 (Cost Estimate Classification Matrix).

[27] Company Comments at 12. According to the Company's Cost Estimate Classification Matrix, a Class 4 study is used for "study or feasibility" and is estimated to take 2-4 months to perform, with an upper cost estimate of $120,000. Ex. 23 (Cost Estimate Classification Matrix).

(6) The Company's future Rider CCR filings shall comply with the Hearing Examiner's recommended reporting requirements, as adopted herein, and shall also include the technological options the Company considered for each workstream for any significant contracts it awards, including the respective feasibility and costs analyses.

(7) This case is dismissed.

CASE NO. PUR-2021-00046
APRIL 23, 2021

JOINT PETITION OF
CLEAR RATE HOLDINGS, INC., CLEAR RATE COMMUNICATIONS, INC., and CLEAR RATE TELECOM, LLC,

For approval of the proposed change of indirect control of Clear Rate Telecom, LLC, pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On March 3, 2021, Clear Rate Holdings, Inc. ("CR Holdings"), Clear Rate Communications, Inc., and Clear Rate Telecom, LLC ("CR Telecom") (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 change of indirect control of CR Telecom to CR Holdings ("Transfer"). The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with Rule 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.[3]

CR Telecom 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.[4] As described in the Petition, the proposed Transfer will be accomplished in multiple steps, which will ultimately result in the transfer of indirect control of CR Telecom to CR Holdings.

The Petitioners assert that the proposed Transfer will occur at the parent company level only and will not involve any change of carrier for customers or any assignment of operating authority. The Petitioners further state that CR Telecom 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 CR Telecom 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 Petitioners' 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 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.

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[1] L Four, LLC, L4-CR Co-Invest, LLC, Barbara M. Henagan, Giny E. Mullins, and Thane Namy are also considered Petitioners in this proceeding and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] 5 VAC 5-20-10 *et seq*.

[4] *See Application of Clear Rate Telecom, L.L.C., For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services,* Case No. PUC-2010-00067, 2011 S.C.C. Ann. Rep. 235, Final Order (Feb. 17, 2011).

[5] 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, 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-2021-00048
DECEMBER 6, 2021

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

In 2008, Appalachian Power Company ("APCo" or "Company") sought and received approval from the State Corporation Commission ("Commission") to participate in a voluntary renewable energy portfolio standards ("RPS") program pursuant to § 56-585.2 E of the Code of Virginia ("Code").[1] In 2011, the Commission approved APCo's request for approval of a rate adjustment clause, designated RPS-RAC, to recover the incremental costs of participation in the voluntary RPS program pursuant to Code §§ 56-585.1 A 5 d and 56-585.2 E.[2]

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 repealed Code § 56-585.2, thereby ending the voluntary RPS program, and established a mandatory RPS program for APCo in new Code § 56-585.5.

On May 3, 2021, pursuant to Code §§ 56-585.1 A 5 d and 56-585.2 E, APCo filed a petition ("Petition") with the Commission for approval to revise the RPS-RAC to recover the residual, incremental costs related to the Company's participation in the voluntary RPS program.[3] In its Petition, the Company stated it has separately received Commission approval of a new non-bypassable rate adjustment clause to recover the costs of compliance associated with the VCEA's mandatory renewable portfolio standard,[4] and the revised RPS-RAC proposed in the current case is intended to recover only the residual costs of compliance with the voluntary RPS standard.[5]

On May 24, 2021, the Commission issued an Order for Notice and Hearing that, among other things, docketed the Petition; scheduled public witness and evidentiary hearings on the Petition; required APCo to publish notice of its Petition; gave interested persons the opportunity to comment on, or participate in, the case; 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 ("Steering Committee") and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel").

On August 27, 2021, Consumer Counsel filed a motion requesting the Commission to find that the Petition fails to state a valid statutory basis to support the requested rate relief, given the repeal of Code § 56-585.2 and the corresponding amendments to Code § 56-585.1 A 5 d, which occurred before the Petition was filed ("Motion").[6]

Due to the ongoing public health emergency related to the spread of the coronavirus, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on October 7, 2021.[7] The Company, the Steering Committee, Consumer Counsel, and Commission Staff participated at the hearing. During the hearing, APCo moved to amend its Petition ("Motion to Amend").[8] Through its Motion to Amend, the Company requested that the Commission consider the Petition under its broad ratemaking authority, including its authority under Code § 56-40, rather than pursuant to Code §§ 56-585.1 A 5 d and 56-585.2 E.[9]

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[1] *See Application of Appalachian Power Company, For approval to Participate in the Virginia Renewable Energy Portfolio Standard Program*, Case No. PUE-2008-00003, 2008 S.C.C. Ann. Rept. 466, Final Order (Aug. 11, 2008).

[2] *See 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. PUE-2011-00034, 2011 S.C.C. Ann. Rept. 471, Order Approving Rate Adjustment Clause (Nov. 3, 2011).

[3] On May 4, 2021, APCo filed supplemental information, including testimony, schedules and exhibits, which was inadvertently omitted from the May 3, 2021 filing.

[4] *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Allocating RPS costs to certain customers of Appalachian Power Company*, Case No. PUR-2020-00165, 2020 Ann. Rept. 610, Final Order (Dec. 21, 2020).

[5] *See* Ex. 4 (Keeton Direct) at 3-4. APCo's voluntary RPS program ended in 2020 due to the passage of the VCEA's mandatory RPS. *See id.*; Ex. 2 (Petition) at 1.

[6] Motion at 1-3.

[7] No public witnesses registered to testify for the public witness hearing, so the public witness hearing was thereby canceled. Tr. 4.

[8] *Id*. at 25.

[9] *Id*. No participant objected to the Motion to Amend. *Id*. at 25-26.

On October 27, 2021, the Report of Mary Beth Adams, Hearing Examiner ("Report") was issued. In her Report, the Hearing Examiner found and recommended as follows: (i) APCo's Motion to Amend should be granted; (ii) Consumer Counsel's Motion is moot; (iii) the Company should be permitted to put Schedule RPS-RAC into effect for service rendered on or after March 1, 2022; (iv) the revised revenue requirement of ($9,960,690) is reasonable and supported by the record; and (v) the Company should file any future RPS-RAC applications by September 30th of each year.[10]

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Hearing Examiner's Report and finds that a total revenue requirement for the RPS-RAC of ($9,960,690) for service rendered on or after March 1, 2022, should be approved.

Accordingly, IT IS ORDERED THAT:

(1) APCo's Motion to Amend is granted, and Consumer Counsel's Motion is denied as moot.

(2) Schedule RPS-RAC is approved herein with an updated revenue requirement in the amount of ($9,960,690).

(3) Pursuant to Code § 56-585.1 A 7, the Company may implement the RPS-RAC, as approved herein, for service rendered on and after 60 days from the date of this Final Order. Alternatively, as requested by the Company, APCo may implement the RPS-RAC, as approved herein, for service rendered on and after March 1, 2022.

(4) The Company forthwith shall file a revised Schedule RPS-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: scc.virginia.gov/pages/Case-Information.

(5) APCo shall file any future RPS-RAC applications by September 30th of each year.

(6) This case is dismissed.

[10] Report at 11-12. No participant filed comments opposing the Report.

CASE NO. PUR-2021-00050
MAY 26, 2021

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval of its 2021 annual update to Rate Schedule PT-1

FINAL ORDER

On March 1, 2021, pursuant to Ordering Paragraph (5) of the Final Order issued by the State Corporation Commission ("Commission") in Case No. PUR-2020-00036,[1] and in accordance with Rule 80 of the Commission's Rules of Practice and Procedure,[2] 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, 2021.

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 PT-1 effective rate period, 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]

[1] *Application of Virginia Natural Gas For approval of its 2020 annual update to Rate Schedule PT-l,* Case No. PUR-2020-00036, Doc. Con. Cen. No. 200540101, Final Order (May 20, 2020).

[2] 5 VAC 5-20-10 *et seq.*

[3] Application at 5.

[4] *Id.*

[5] *Id.*

[6] *Id.*

[7] *Id.*

In its Application, the Company proposes a revised PT-1 rate of $0.85544 per dekatherm ("Dth").[8] According to the Company, the largest driver for the increase in the PT-1 rate from $0.81640 per Dth to $0.85544 per Dth is the change in Projected Fixed O&M, including the true-up amount.[9] The Company states that a true-up of only $7,275 is needed in the 2021 rate for over-recovered costs during 2020 as compared to the true-up of $35,925 in the 2020 rate for over-recovered costs during 2019. The Company further states that since budgeted monthly O&M costs for 2021 are $69,153 compared to 2020 Fixed O&M costs of $72,119, with the respective true-ups, the Projected Fixed O&M for 2021 is $61,878 compared to $36,195 for 2020.[10]

On March 11, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") 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, 2021, 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.

On April 28, 2021, one comment noting resolution of a customer's concern was received.[11] No other comments, requests for hearing, or notices of participation were filed. On May 7, 2021, Staff filed its Report on the Application. In its Report, Staff noted that the Company's filing was based on the depreciation rates established in 2016 but that new depreciation rates, effective October 1, 2019, were stipulated to by the Company and Staff (pending Commission approval in the Company's 2020 Base Rate Case).[12] Accordingly, Staff recommended that recognition of the new depreciation rates in the PT-1 revenue requirement be effective as of the October 1, 2019 study date.[13] Staff noted that its recommendation was consistent with Commission policy and with regulatory treatment in VNG's other rate mechanisms.[14] Similarly, Staff recommended that VNG's 2016 established cost of capital be used as a placeholder in this PT-1 case, pending the outcome of the Company's 2020 Base Rate Case.[15]

With the foregoing recommendations, 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.[16] Subject to future adjustments for changes in depreciation rates and the cost of capital which may arise from the pending 2020 Base Rate Case, Staff recommended that the Commission approve the proposed PT-1 rate and that the proposed rate be applied to all customers in the PT-1 rate class.[17] On May 14, 2021, the Company filed its Comments on the Report, supporting Staff's conclusions and the recommendations in the Report.[18]

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the Application should be approved, including the proposed PT-1 rate, effective June 1, 2021, and that 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 with Staff's recommendations.

(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, 2022, the Company shall file with the Commission its annual adjustment to Rate Schedule PT-1.

(6) This case hereby is dismissed.

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[8] *Id.* at 6.

[9] *Id.*

[10] *Id.*

[11] The comment was not from one of the Customers defined herein.

[12] Report at 6; *see also 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*, Case No. PUR-2020-00095, Doc. Con. Cen. No. 210530006, Ex. 3 (Proposed Stipulation and Recommendation) (May 11, 2021) at 3. Case No. PUR-2020-00095 is referred to herein as the "2020 Base Rate Case."

[13] Report at 6.

[14] *Id.* at 7.

[15] *Id.* at 8.

[16] *Id.* at 9.

[17] *Id.*

[18] VNG's Comments at 2.

CASE NO. PUR-2021-00052
JUNE 2, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY and ATLANTIC COAST PIPELINE, LLC

For approval to enter into an Equipment Sale and Transfer Agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On March 10, 2021, Virginia Electric and Power Company ("DEV" or "Company") and Atlantic Coast Pipeline, LLC ("ACP") (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] requesting approval to enter into an equipment sale and transfer agreement ("Agreement") for the sale and transfer by ACP of certain telecommunications equipment ("Equipment") to DEV, for future use by the Company ("Transfer"). The Applicants also filed a Motion for Entry of a Protective Ruling on March 10, 2021, and filed a Motion for Entry of Additional Protective Treatment for Extraordinarily Sensitive Information on April 19, 2021 (collectively, "Motions"), in accordance with Rule 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.[2]

The Applicants represent that the Company has identified a need for the Equipment to be used for planned microwave radio system updates in Virginia that would need to occur in the next one to two years, and therefore the Company desires to purchase the Equipment from ACP.[3] The microwave radio system is used to transmit information from generation stations, monitor substations, support the internal intranet, and other business applications.[4] The Company states that its existing microwave radio system is obsolete and nearing the end of its useful life.[5]

As set forth in the Agreement, the purchase price of the Equipment proposed for sale to the Company is $2,078,405.[6] The Applicants represent that this purchase price is based on the actual cost of those assets, which was derived from the original purchase price of $5,525,332, less estimated depreciation and costs for necessary equipment modifications, hardware purchases, warehousing, and relocation costs for deployed equipment totaling approximately $3,457,661.[7] The offer also includes the addition of estimated costs for storing the Equipment for a short period of time after the sale and Transfer of the Equipment to the Company, totaling approximately $10,734.[8] The Company states that there is no return component included in the purchase price.[9]

The Applicants represent that the Agreement would promote the public interest by allowing the Company to use the Equipment to upgrade its obsolete microwave system, which is nearing the end of its useful life.[10] The Applicants further represent that the Transfer will be at actual cost, accounting for estimated depreciation and estimated costs for upgrades and relocation expenses.[11] Finally, the Applicants state that the purchase price of the Equipment is substantially below the market value of the Equipment, resulting in savings to the Company over purchasing the Equipment externally in the market.[12]

NOW THE COMMISSION, upon consideration of this matter, 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 Agreement for the Transfer of the Equipment is in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto. The Commission also finds that the Applicants' Motions are no longer necessary and, therefore, should be denied.[13]

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[1] Code § 56-76 *et seq*. ("Affiliates Act").

[2] 5 VAC 5-20-10 *et seq*.

[3] Application at 4.

[4] *Id.*

[5] *Id.*

[6] *Id.*

[7] *Id.* at 4-5.

[8] *Id.* at 5.

[9] *Id.* at Attachment A, page 5.

[10] *Id*. at 6-7.

[11] *Id.* at 7.

[12] *Id.*

[13] The Commission held the Applicants' Motions in abeyance and has not received a request for leave to review the confidential or extraordinarily sensitive information submitted in this proceeding. Accordingly, we deny the Motions as moot but direct the Clerk of the Commission to retain the confidential and extraordinarily sensitive information to which the Motions pertain under seal.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Applicants are hereby granted approval to enter into the Agreement for the Transfer of the Equipment effective as of the date of this Order Granting Approval, subject to the requirements set forth in the Appendix attached hereto.

(2) The Applicants' Motions are denied; however, we direct the Clerk of the Commission to retain the confidential and extraordinarily sensitive information to which the Motions pertain under seal.

(3) This case is dismissed.

APPENDIX

(1) The Commission's approval shall have no accounting or ratemaking implications.

(2) The Applicants shall file with the Commission a signed and executed copy of the Agreement within sixty (60) days of the date of the Order Granting Approval 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").

(3) The Applicants shall file with the Commission a Report of Action ("Report") within sixty (60) days after the consummation of the Transfer. The Report shall include: (1) the effective date of the Transfer; (2) DEV's actual accounting entries, including any tax-related entries, to record the Transfer; and (3) a schedule of the actual transferred Equipment by asset description, quantity, and dollar amount. The Transfer accounting entries shall be in accordance with the Uniform System of Accounts for electric utilities.

(4) The Transfer shall be included in DEV's next Annual Report of Affiliate Transactions submitted to the Commission's UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The Transfer information shall include the case number, description, Transfer amount, and Report filing date.

(5) The Commission's approval shall not preclude the Commission from exercising its authority under the Affiliates Act hereafter.

(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.

CASE NO. PUR-2021-00053
AUGUST 11, 2021

APPLICATION OF
BTR 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 April 15, 2021, BTR Fiber, LLC ("BTR" 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"). BTR also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia ("Code").

On April 30, 2021, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed BTR 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 investigate the Application and file a report ("Staff Report"). On June 22, 2021, the Company filed proof of notice and proof of service out of time.[1] No comments or requests for hearing on the Company's Application were filed.

On July 2, 2021, 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*.[2] Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to BTR subject to the following condition: BTR 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.[3] Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.[4]

[1] We note that notice and service were completed timely in compliance with the Scheduling Order, but we remind BTR to be diligent in complying with all requirements of our orders.

[2] *See* Staff Report at 4.

[3] *Id*.

[4] *Id*.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant Certificates to BTR. Having considered Code § 56-481.1, the Commission finds that BTR may price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

(1) BTR is hereby granted Certificate No. T-779 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) BTR is hereby granted Certificate No. TT-313A 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, BTR 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 BTR 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) BTR 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) This case is dismissed.

CASE NO. PUR-2021-00054
APRIL 5, 2021

APPLICATION OF
SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For a general increase in electric rates

ORDER FOR NOTICE AND HEARING

On March 16, 2021, pursuant to §§ 56-231.33, 56-231.34, 56-236, 56-238, and 56-585.3 of the Code of Virginia ("Code"), Shenandoah Valley Electric Cooperative ("SVEC" 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, SVEC states that a rate increase is needed, in part, because the Cooperative is planning significant increases in plant investment beginning in 2022 and continuing for several years thereafter.[1] Specifically, SVEC states that it plans to invest $48.9 million in plant investment per year from 2022 through 2024 compared to an actual average of $30.0 million from 2016 through 2020.[2]

SVEC requests a 2.43% increase in its overall jurisdictional sales revenue, which will generate an increase in total jurisdictional sales revenue of $5.3 million.[3] The Cooperative represents that this increase will allow it to pay expenses, service debt, fund capital additions, and meet the financial goals established by SVEC's Board of Directors.[4] SVEC states that the proposed increase would produce total rate year[5] jurisdictional margins of $13.4 million and a 2.35x Times Interest Earned Ratio ("TIER").[6] SVEC further states that the approximately $1.0 million additional revenue produced by a 2.35x TIER compared to a 2.25x TIER will help offset the cash flow demands of the increased level of capital investment.[7]

The Cooperative proposes to introduce a $0.10 per kilowatt per month demand charge to the distribution service portion of proposed Schedule A-12 and Schedule C-12.[8] SVEC states that recovering demand costs by applying demand charges is a more cost-based method than recovering demand costs through energy consumption charges.[9]

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[1] Application at 5.

[2] *Id.*

[3] *Id.* at 5, Sch. 15K. The proposed increase comprises a $6,066,200 million increase in distribution revenues, a $609,189 decrease in base power supply revenues and a $131,863 decrease in miscellaneous revenues. *Id.* at Sch. 3.

[4] *Id.* at 5.

[5] SVEC states that the rate year is calendar year 2022 ("Rate Year"). *Id.*

[6] Application at 5. The Cooperative clarifies that it is not requesting that the Commission set a TIER of 2.35x and adjust its proposed rates to that TIER. SVEC 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*. at 6.

[7] *Id.* at 5.

[8] *Id.* at 6; Direct Testimony of Jack D. Gaines at 26.

[9] Application at 6.

SVEC proposes to introduce seasonal pricing to the Power Supply Services rates in Schedule A-12, Schedule C-12, Schedule B-12, and Schedule LP-12.[10] SVEC further proposes to withdraw Schedule S-7 for seasonal residential service and transfer all affected customers to Schedule A-12.[11] The Cooperative also proposes to close Schedule HPS-2, HPS Light Service, with the intent to provide all new light service under Schedule LED-2, LED Light Service.[12]

The Cooperative states that similar to other distribution cooperatives served by Old Dominion Electric Cooperative ("ODEC"), SVEC proposes to introduce a new Schedule SSR-1 for community solar subscription service.[13] SVEC states that under Schedule SSR-1, qualifying consumers can purchase 50 kilowatt-hour ("kWh") blocks of solar energy at a flat three-year fixed rate of $5.38 per block as developed in Schedule 15G.[14] SVEC further states that the proposed Fixed Block Charge is based on the Cooperative's proposed residential supply service rate plus the Power Cost Adjustment plus a solar adder based on the loss adjusted difference between the solar resources and ODEC's standard energy rate, plus a 10% risk premium.[15] SVEC represents that the 10% risk premium is to protect all other SVEC consumers from cost shifts should there be increases in capacity costs from ODEC during the fixed rate term.[16]

The Cooperative seeks to allocate its proposed $5.3 million Rate Year revenue increase to the various rate classes in a manner that addresses parity deficiencies.[17] Accordingly, SVEC proposes to allocate the increase primarily to Schedule A-12, Schedule C-12, and Schedule PC-5, with smaller percentage allocations to Schedule B-12 and Schedule LP-12.[18]

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, 2022, as interim rates subject to refund, if necessary, as provided in Code § 56-238.[19] Under the Cooperative's proposed increase, a typical residential customer using 1,000 kWh of electricity each month would experience a monthly bill increase of $2.98, from $113.07 to $116.05.[20]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that SVEC 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.[21] The Commission has taken certain actions, and may take additional actions going forward, that could impact the procedures in this proceeding.[22] 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.

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[10] *Id.*

[11] *Id.* at 7.

[12] *Id.*

[13] *Id.*

[14] *Id.*

[15] *Id.*

[16] *Id.*

[17] *Id.* at 11.

[18] *Id.*

[19] *Id.* at 12.

[20] These figures assume a peak demand of 8.36 kilowatts and are based on annualized rates. Direct Testimony of Jack D. Gaines, Revised Sch. 6.

[21] *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. This and subsequent Executive Orders related to COVID-19 may be found at: https://www.governor.virginia.gov/executive-actions/.

[22] *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).

Also in light of the current COVID-19 public health crisis that has caused devastating economic effects that impact all utility customers, we will allow, but not require, SVEC, as requested, to implement its proposed rates for bills rendered on and after January 1, 2022, 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.[23]

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2021-00054.

(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"),[24] 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) SVEC may, but is not obligated to, implement its proposed rates for bills rendered on and after January 1, 2022, 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.[25]

(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 October 6, 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 SVEC, Eric M. Page, Esquire, ECKERT SEAMANS CHERIN & MELLOTT, LLC, 919 East Main Street, Suite 1300, Richmond, Virginia 23219, epage@eckertseamans.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(8) On or before June 4, 2021, SVEC shall cause the following notice to be published *Cooperative Living* magazine:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
SHENANDOAH VALLEY ELECTRIC COOPERATIVE
FOR A GENERAL INCREASE IN ELECTRIC RATES
CASE NO. PUR-2021-00054

On March 16, 2021, pursuant to §§ 56-231.33, 56-231.34, 56-236, 56-238, and 56-585.3 of the Code of Virginia, Shenandoah Valley Electric Cooperative ("SVEC" 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, SVEC states that a rate increase is needed, in part, because the Cooperative is planning significant increases in plant investment beginning in 2022 and continuing for several years thereafter. Specifically, SVEC states that it plans to invest $48.9 million in plant investment per year from 2022 through 2024 compared to an actual average of $30.0 million from 2016 through 2020. SVEC requests a 2.43% increase in its overall jurisdictional sales revenue, which will generate an increase in total jurisdictional sales revenue of $5.3 million comprised of a $6,066,200 million increase in distribution revenues, a $609,189 decrease in base power supply revenues and a $131,863 decrease in miscellaneous revenues. Under the Cooperative's proposed increase, a typical residential customer using 1,000 kilowatt-hours ("kWh") of electricity each month would experience a monthly bill increase of $2.98, from $113.07 to $116.05. These figures assume a peak demand of 8.36 kilowatts and are based on annualized rates.

[23] *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). The suspension was extended several times, until October 5, 2020. *See* Doc. Con. Cen. No. 200920069, Additional Order on Moratorium (Sept. 15, 2020).

[24] 5 VAC 5-20-10 *et seq.*

[25] 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* n.22.

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The Cooperative represents that an increase in jurisdictional sales revenues of $5.3 million will allow it to pay expenses, service debt, fund capital additions, and meet the financial goals established by SVEC's Board of Directors. SVEC states that the proposed increase would produce total calendar year 2022 (the "Rate Year") jurisdictional margins of $13.4 million and a 2.35x Times Interest Earned Ratio.

The Cooperative proposes to introduce a $0.10 per kilowatt per month demand charge to the distribution service portion of proposed Schedule A-12 (Residential Service) and Schedule C-12 (Church Service). SVEC states that recovering demand costs by applying demand charges is a more cost-based method than recovering demand costs through energy consumption charges.

SVEC proposes to introduce seasonal pricing to the Power Supply Services rates in Schedule A-12, Schedule C-12, Schedule B-12 (General Service), and Schedule LP-12 (Large Power Service). SVEC further proposes to withdraw Schedule S-7 (Seasonal Residential Service) and transfer all affected customers to Schedule A-12. The Cooperative also proposes to close Schedule HPS-2 (HPS Light Service) with the intent to provide all new light service under Schedule LED-2 (LED Light Service).

SVEC proposes to introduce a new Schedule SSR-1 for community solar subscription service. SVEC states that under Schedule SSR-1, qualifying consumers can purchase 50 kWh blocks of solar energy at a flat three-year fixed rate of $5.38 per block as developed in Schedule 15G.

The Cooperative seeks to allocate its proposed $5.3 million Rate Year revenue increase to the various rate classes in a manner that addresses parity deficiencies. Accordingly, SVEC proposes to allocate the increase primarily to Schedule A-12, Schedule C-12, and Schedule PC-5 (Coincident Peak – Load Control Schedule), with smaller percentage allocations to Schedule B-12 and Schedule LP-12.

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 and noticed herein, 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, states that SVEC may, but is not obligated to, place its proposed rates, charges, and terms and conditions of service into effect on an interim basis, subject to refund, for bills rendered on and after January 1, 2022.

The Commission's Order for Notice and Hearing scheduled a public hearing at 10 a.m. on October 6, 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 SVEC's Application may be obtained by submitting a written request to counsel for the Cooperative, Eric M. Page, Esquire, ECKERT SEAMANS CHERIN & MELLOTT, LLC, 919 East Main Street, Suite 1300, Richmond, Virginia 23219, epage@eckertseamans.com.

On or before September 29, 2021, any interested person may file comments on the Application 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-2021-00054.

On or before July 9, 2021, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at the address set forth above or at scc.virginia.gov/clk/efiling. 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-2021-00054.

On or before July 28, 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-2021-00054.

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.

SHENANDOAH VALLEY ELECTRIC COOPERATIVE

(9) On or before June 4, 2021, SVEC 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.[26]

(10) On or before July 6, 2021, SVEC 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 September 29, 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 or by filing such comments with the Clerk of the Commission at the address in Ordering Paragraph (10). All comments shall refer to Case No. PUR-2021-00054.

(12) On or before July 9, 2021, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at the address set forth above or at scc.virginia.gov/clk/efiling. 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-2021-00054.

(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 July 28, 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-2021-00054.

(15) On or before September 1, 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 September 15, 2021, SVEC 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.[27] 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.

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[26] See the Commission's April 1, 2020 Order in Case No. CLK-2020-00007. *See supra* n.22.

[27] 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-2021-00054 in the appropriate box.

CASE NO. PUR-2021-00056
JUNE 10, 2021

APPLICATION OF
DESTINATION ENERGY, LLC

For a license to conduct business as an aggregator of natural gas service

ORDER GRANTING LICENSE

On April 14, 2021, Destination Energy, LLC ("Destination" or "Company") completed the filing an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as an aggregator of natural gas service. Destination seeks authority to provide natural gas aggregation service to eligible commercial and industrial customers in the service territories of Columbia Gas of Virginia, Inc. ("CVA"), and Washington Gas Light Company ("WGL"). In its Application, Destination 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.[1]

On April 30, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon CVA and WGL on or before May 7, 2021, and to file proof of service on or before May 14, 2021. Destination timely filed proof of service.

The Procedural Order also directed any comments in this case to be filed with the Clerk of the Commission on or before May 21, 2021. No comments on the Application were filed.

The Procedural Order directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Staff Report") to be filed May 28, 2021. The Staff Report summarized Staff's investigation of Destination's proposal and evaluated its financial condition and technical fitness.[2] Based on its review of the Application, Staff recommended that Destination be granted a license to provide natural gas aggregation service to eligible commercial and industrial customers in the service territories of WGL and CVA.[3]

NOW THE COMMISSION, upon consideration of the Application, the case record, and the applicable law, finds that Destination's Application for a license to provide natural gas aggregation service should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Destination is hereby granted license No. A-121 to provide competitive aggregation service of natural gas to eligible commercial and industrial customers in the service territories of CVA and WGL. 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.

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[1] 20 VAC 5-312-10 *et seq*. ("Retail Access Rules").

[2] *See* Staff Report at 1-4.

[3] *Id*. at 5.

CASE NO. PUR-2021-00057
MAY 18, 2021

JOINT PETITION OF
CBRE CALEDON WR HOLDINGS LP, WANRACK HOLDINGS LLC, and WANRACK, LLC

For approval of the proposed change of indirect control of WANRack, LLC, pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On March 24, 2021, CBRE Caledon WR Holdings LP ("CBRE"), WANRack Holdings LLC, and WANRack, LLC ("WANRack") (collectively, "Petitioners"),[1] filed 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 change of indirect control of WANRack to CBRE ("Transfer"). The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with Rule 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.[3]

WANRack 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 in Case No. PUR-2018-00068.[4] As described in the Petition, the proposed Transfer will be accomplished pursuant to an Agreement and Plan of Merger, which will ultimately result in the transfer of indirect control of WANRack to CBRE.

The Petitioners assert that the proposed Transfer will occur at the parent company level only and will not involve any change of carrier for customers or any assignment of operating authority. The Petitioners further state that WANRack 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 Petitioners represent that WANRack 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 Petitioners' 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 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.

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[1] WANRack Intermediate Holdings, LLC; CBRE Caledon WR GP Inc.; Caledon Capital Investments Inc.; CCWR Holdings Inc.; CBRE Caledon Global Infrastructure Fund Holdings I, LP; CBRE Caledon Global Infrastructure Fund (Canada), LP; Caledon Neptune GP Inc.; CBRE Caledon Global Infrastructure GP Inc.; CBRE Caledon Capital Management Inc.; CBRE Caledon Holdings Inc.; CBRE Limited; Acquisition Company Finance Limited; CBRE Holdings Limited; Relam Amsterdam Holdings B.V.; CBRE Global Holdings; CBRE Global Acquisition Company; CBRE Luxembourg Holdings; CBRE Holdings, LLC; CBRE Holdco, Inc.; CBRE, Inc.; CB/TCC, LLC; CBRE Services, Inc.; and CBRE Group, Inc., are also considered Petitioners in this proceeding and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] 5 VAC 5-20-10 *et seq*.

[4] *Application of WANRack, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia,* Case No. PUR-2018-00068, 2018 S.C.C. Ann. Rept. 427, Final Order (Sept. 6, 2018).

[5] 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, 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-2021-00058
NOVEMBER 18, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a 2021 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

FINAL ORDER

On March 31, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Code § 56-585.1 A, for a triennial review of Dominion'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, and any revisions in rates or credits so ordered shall take effect not more than 60 days after the date of the order."

On April 16, 2021, 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 comments on the Application or to participate in this proceeding as a respondent.

On May 18, 2021, Dominion filed a Motion for Leave to File Supplemental Direct Testimony and Filing Schedules and to Modify the Procedural Schedule, which sought to correct and replace certain filing schedules and to file supplemental direct testimony explaining the corrections ("Corrected Filing"). On June 4, 2021, the Commission issued an Order Modifying Procedural Schedule and For Supplemental Notice that, among other things, accepted the Corrected Filing, modified the procedural schedule, and found that the filing of the Application was complete as of May 18, 2021.[1]

The following filed notices of intent to participate in this proceeding as a respondent: Apartment and Office Building Association of Metropolitan Washington ("AOBA"); Appalachian Voices; Calpine Energy Solutions, LLC ("Calpine"); Chaparral (Virginia) Inc. ("Chaparral"); Constellation NewEnergy, Inc. ("Constellation"); Costco Wholesale Corporation ("Costco"); Department of the Navy, on behalf of all Federal Executive Agencies ("Navy"); Direct Energy Business, LLC and Direct Energy Services, LLC (collectively, "Direct Energy"); Kroger Limited Partnership I and Harris Teeter, LLC (collectively, "Kroger"); Microsoft Corporation ("Microsoft"); PJM Power Providers Group ("P3"); Shell Energy North America (US), L.P. ("Shell"); Virginia Committee for Fair Utility Rates ("Committee"); Virginia Poverty Law Center ("VPLC"); Walmart Inc. ("Walmart"); and Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel").

On October 18, 2021, Dominion filed a Proposed Stipulation and Recommendation ("Stipulation"). The following participants joined in the Stipulation: Dominion; Commission Staff ("Staff"); Consumer Counsel; AOBA; Costco; Direct Energy; Navy; Kroger; Committee;[2] and Walmart (collectively, "Stipulating Participants").[3] The following participants did not join, but did not oppose, the Stipulation: Appalachian Voices; Calpine; Chaparral; Constellation; Microsoft; P3; and Shell.[4] The Stipulating Participants recommended that the Commission adopt the Stipulation and approve the Application as modified thereby.[5]

The hearing in this matter was convened as scheduled. On October 22, 2021, the Commission received testimony from public witnesses; the Commission also received written public comments in this proceeding. On October 25, 2021, the Commission held the evidentiary hearing, wherein the participants addressed the Stipulation and the Commission admitted evidence into the record. All of the parties and Staff participated in the hearing.[6]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

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[1] As a result, the eight-month statutory deadline began as of the date of the Corrected Filing, resulting in a Final Order being due on or before January 18, 2022. Order Modifying Procedural Schedule and For Supplemental Notice at 3 n.8.

[2] The Committee joined the Stipulation with the qualification that it takes no position as to Paragraph (7) of the Stipulation.

[3] Ex. 3 (Stipulation) at 13-16. On October 19, 2021, Dominion filed replacement pages to the Stipulation to reflect that the Navy joined and supported the Stipulation.

[4] *Id*. at 17-19.

[5] *Id*. at 2.

[6] The only participant that did not sign the Stipulation document in some fashion, VPLC, did not take a position on, and did not ask the Commission to reject, the Stipulation. Tr. 86, 164-168.

Through this Final Order, the Commission today approves the Stipulation.[7] In so doing, the Commission approves customer refunds totaling $330 million[8] and the statutory maximum annual rate reduction of $50 million.[9] The Company calculates that for a residential customer using 1,000 kilowatt hours ("kWh") per month, this rate reduction will result in a decrease of approximately $0.90 per month commencing within 60 days of this Final Order.[10] In addition, a residential customer using 1,000 kWh per month will receive refunds totaling approximately $67.00 over the 2022-2023 period.[11] The Commission addresses below the terms of the Stipulation as such apply to the requirements of this proceeding.

EARNED RETURN

The instant earnings review encompasses the four-year period of 2017-2020.[12] There is evidence and argument in this record on earned return that would support implementation under Code § 56-585.1 A 8 of the $255 million bill credits and $309 million customer credit reinvestment offsets set forth in the Stipulation.[13] There is additional evidence and argument in this record that would likewise support the going-forward "reduction to the utility's rates" pursuant to Code § 56-585.1 A 8 c, capped at $50 million.[14] In addition, the Commission notes that the Company's $75 million voluntary customer refund ("VCR") is not a going-forward rate reduction under Code § 56-585.1 A 8 c; it is a refund to customers that is separate from, and not violative of, Code § 56-585.1 A 8.[15]

FAIR RATE OF RETURN ON COMMON EQUITY

The Commission must approve an authorized rate of return on common equity ("ROE"). This ROE will be used for rate adjustment clauses under Code §§ 56-585.1 A 5 and A 6, and for Dominion's next triennial review.[16] There is evidence and argument in this record that would support the capital structure ratios, cost of debt, and 9.35% ROE set forth in the Stipulation.[17] There is additional evidence and argument in this record that would likewise support an ROE peer group floor below 9.35%.[18]

TARIFF ADJUSTMENTS

There is evidence and argument in this record that would support the specific tariff adjustments and clarifications contained in the Stipulation.[19] In addition, the Commission notes that the Stipulation implements a revenue reduction, with the rate design and revenue rebalancing provisions taking effect as of January 1, 2024.[20]

CONCLUSION

The Commission has thoroughly considered and evaluated the particular issues associated with, and specifically addressed by, the terms of the proposed Stipulation. The Commission finds that the Stipulation, taken as a whole, is in the public interest, comports with statutory requirements, and shall be adopted herein. Finally, consistent with the provisions of the Stipulation, the factual and legal findings attendant to this Final Order shall have no precedential effect.[21]

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[7] Consistent with the provisions of the Stipulation, the Commission does not rule on specific adjustments, except as specified in Paragraph (1) thereof. Ex. 3 (Stipulation) at 2. Likewise, the Commission does not rule on legal issues raised in the Company's legal memorandum dated October 1, 2021.

[8] This total includes $255 million in refunds under Code § 56-585.1 A 8 and $75 million in voluntary customer refunds.

[9] Code § 56-585.1 A 8 c.

[10] Tr. 115-116.

[11] Tr. 105-106.

[12] Code § 56-585.1 A 1.

[13] Ex. 3 (Stipulation) at 2-3.

[14] *Id*. at 3. In this manner, the Stipulation implements the rate provisions of Code § 56-585.1 A 8 c for purposes of the instant triennial review.

[15] As provided for in the Stipulation, no VCR amounts will be included in any future earnings test. *Id.*

[16] *See, e.g.,* Code §§ 56-585.1 A 2 and A 8 a.

[17] Ex. 3 (Stipulation) at 3.

[18] *Id*. at 3-4.

[19] *Id*. at 4-8.

[20] The Commission adopts the delayed implementation of tariff adjustments (set forth in Ex. 48 (Haynes Rebuttal)) where necessary to avoid statutory restrictions prohibiting more than one tariff adjustment within a twelve-month period. *See, e.g.,* Tr. 122-123, 126.

[21] Ex. 3 (Stipulation) at 11.

Accordingly, IT IS ORDERED THAT:

(1) The Stipulation is approved and adopted by the Commission.

(2) The Company's Application is approved as modified by the Stipulation as set forth herein.

(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 Public Utility Regulation and Utility Accounting and Finance, as necessary to comply with the Stipulation and this Final Order. The credits required herein shall begin to take effect within sixty (60) days after the date of 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) For approved tariff changes effective January 1, 2024, the Company shall 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 Public Utility Regulation and Utility Accounting and Finance, at least forty-five (45) days in advance of such effective date. 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.

(5) The Company shall bear all costs incurred in effecting the credits to customers' bills set forth in this Final Order.

(6) Within sixty (60) days of completing the credits to customers' bills ordered herein, the Company shall file with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance a report verifying that all credits have been completed.

(7) The Stipulation, and this Final Order approving the Company's Application as modified by the Stipulation, shall have no precedential effect.

(8) This case is dismissed.

CASE NO. PUR-2021-00059
MAY 14, 2021

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For approval of a special rate

ORDER FOR NOTICE AND HEARING

On April 14, 2021, Mecklenburg Electric Cooperative ("MEC" or "Cooperative"), filed an application ("Application") in both public and nonpublic versions with the State Corporation Commission ("Commission"), pursuant to § 56-235.2 of the Code of Virginia ("Code") and the Commission's Rules for Filing an Application to Provide Electric and Gas Service Under a Special Rate, Contract or Incentive.[1] In its Application, the Cooperative seeks approval of a special rate applicable to service provided to a new electric service customer ("Customer") with data center load located within the Cooperative's service territory.[2] The Cooperative requests that the Commission act on its Application on an expedited basis.

The Application states that MEC and the Customer have entered into an Energy Services Agreement ("ESA") to govern generation, transmission and distribution services.[3] In addition, as "[n]one of the Cooperative's current tariffs are designed for the magnitude of the new Customer's load," the Cooperative requests approval of a new tariff, designated "Schedule LP - Contract - RTO Large Power Contract Rate" ("Schedule RTO") for the new Customer.[4]

According to the Cooperative, the proposed special rate is necessary so that the Cooperative can adequately recoup the expenses it will incur to serve the new Customer. The new rate is designed to (i) recover MEC's projected cost related to serving the new Customer's load, (ii) protect the Cooperative's existing members from subsidizing the new load, and (iii) provide the Cooperative with a reasonable margin to continue to provide reliable electric service to all of its members.[5]

The Application states that the special rate consists of distribution delivery charges and electricity supply service ("ESS") charges. The ESS charges are designed to be a direct pass-through to the new Customer from the Cooperative's generation and transmission provider, Old Dominion Electric Cooperative. Therefore, the Cooperative states that any costs that MEC incurs related to purchasing the power to serve the new Customer's load will be passed on to the new Customer directly. These ESS charges include present costs as well as future costs such as true-ups or demand-related costs based on the new Customer's load in the prior year.[6]

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[1] 20 VAC 5-310. Specifically, see 20 VAC 5-310-10, *Guidelines for special rates, contracts, or incentives*.

[2] Application at 2.

[3] *Id*. at 7. The Cooperative filed the ESA under seal in an Extraordinarily Sensitive Supplement.

[4] *Id*. at 2, 5.

[5] *Id*. at 3.

[6] *Id*. at 3-4.

MEC states that distribution delivery charges are made up of three consumer delivery charges and a non-coincident demand charge. The three consumer delivery charges are based on (i) the three phases of the new Customer's load (each phase corresponds to the Customer's anticipated load as its data center ramps up);[7] and (ii) the anticipated construction timelines for the installation of facilities necessary to serve each phase of the load at MEC's existing Boydton Substation and new Coleman Creek Substation.[8]

MEC asserts that service to the new Customer under the special rate will not affect the Cooperative's ability to provide reliable electric service to its other members, as the special rate is designed to collect all costs, including power cost, that is attributable to the new Customer's accounts. MEC further asserts that the demand adder in the special rate is designed to cover any unanticipated costs and provide the Cooperative with a reasonable margin.[9]

The Cooperative further states that the special rate provided in the Agreement will not jeopardize the continuation of reliable electric service. According to the Cooperative, approval of the special rate will increase MEC's margins, allowing the Cooperative to continue to provide reliable electric service. The Cooperative anticipates that during the first year MEC serves the new Customer, MEC's gross revenues will increase by $4.7 million. When the new Customer's projects are at full capacity, MEC anticipates its gross revenues will increase by $120 million.[10]

Coincident with the filing of the Application, the Cooperative filed a Motion for Entry of a Protective Ruling and Additional Protective Treatment for Extraordinarily Sensitive Information ("Motion for Protective Ruling"). The Cooperative also requests that the Commission authorize the Cooperative to serve and bill the new Customer under Schedule RTO on an interim basis beginning April 1, 2021, until the Commission issues a decision on the Application ("Request for Interim Authority").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; MEC 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 participate as a respondent in this proceeding; and the Commission's Staff ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon.

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.[11] The Commission has taken certain actions, and may take additional actions going forward, which could impact the procedures in this proceeding.[12] 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.

We also find that a Hearing Examiner should be assigned to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Cooperative's Motion for Protective Ruling and filing a final report containing the Hearing Examiner's findings and recommendations.

Based on the particular, unique circumstances of this matter, the Commission will approve MEC's Request for Interim Authority and grant MEC interim authority to serve and bill the new Customer under Schedule RTO on an interim basis beginning April 1, 2021, until the Commission issues a decision on the Application. The Cooperative shall remain at risk for the differences, if any, between: (1) the special rate as operated under the interim approval granted herein pending the conclusion of this matter; and (2) any special rate that may be approved herein.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2021-00059.

(2) MEC's Request for Interim Authority is granted, as discussed herein.

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[7] The Cooperative anticipates that, during the first six months, the Customer's load will increase to approximately 10 megawatts ("MW"), and MEC will serve this load after installing new facilities at its existing Boydton Substation ("Initial Boydton Phase"). After the first six months, the load will drop to just under 1 MW before increasing to over 21 MW, with the Cooperative serving this load from the new Coleman Creek Substation. The first phase of construction of the new Coleman Creek Substation will be completed at this time ("First Coleman Creek Phase"). After 16 months, the load will be greater than 25 MW and then increase to 187 MW, with the Cooperative serving this load from its Coleman Creek Substation. At this time, the second phase of construction of the new Coleman Creek Substation will be completed ("Second Coleman Creek Phase"). *Id.* at 4.

[8] *Id.*

[9] *Id.* at 8.

[10] *Id.* at 9.

[11] *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. This and subsequent Executive Orders related to COVID-19 may be found at: https://www.governor.virginia.gov/executive-actions/.

[12] *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).

(3) All pleadings 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").[13] 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.[14]

(4) 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.

(5) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters that may arise during the course of this proceeding, including the Cooperative's Motion for Protective Ruling.

(6) Due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, the Commission hereby schedules a telephonic hearing for the receipt of testimony from public witnesses on the Cooperative's Application, as follows:

(a) A hearing for the receipt of testimony from public witnesses on the Application shall be convened telephonically at 10 a.m. on August 10, 2021, with no witness present in the Commission's courtroom.[15]

(b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.

(c) On or before August 5, 2021, 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 August 10, 2021, the Commission will telephone sequentially each person who has signed up to testify as provided above. This hearing will not be convened, and the parties will be notified of such, if no person signs up to testify as a public witness.

(e) This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

(7) A public evidentiary hearing shall be convened at 10 a.m. on August 11, 2021, either in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, or by electronic means, to receive testimony and evidence offered by the Cooperative, respondents, and the Staff on the Petition. Further details on this hearing will be provided by subsequent Commission Order or Hearing Examiner's Ruling.

(8) An electronic copy of the Cooperative'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.

(9) On or before June 15, 2021, the Cooperative shall cause the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout the Cooperative's service territory in Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
MECKLENBURG ELECTRIC COOPERATIVE, FOR
APPROVAL OF A SPECIAL RATE
CASE NO. PUR-2021-00059

On April 14, 2021, Mecklenburg Electric Cooperative ("MEC" or "Cooperative"), filed an application ("Application") in both public and nonpublic versions with the State Corporation Commission ("Commission"), pursuant to § 56 235.2 of the Code of Virginia ("Code") and the Commission's Rules for Filing an Application to Provide Electric and Gas Service Under a Special Rate, Contract or Incentive. In its Application, the Cooperative seeks approval of a special rate applicable to service provided to a new electric service customer ("Customer") with data center load located within the Cooperative's service territory. The Cooperative requests that the Commission act on its Application on an expedited basis.

The Application states that MEC and the Customer have entered into an Energy Services Agreement ("ESA") to govern generation, transmission and distribution services. In addition, as "[n]one of the Cooperative's current tariffs are designed for the magnitude of the new Customer's load," the Cooperative requests approval of a new tariff, designated "Schedule LP - Contract - RTO Large Power Contract Rate" ("Schedule RTO") for the new Customer.

[13] 5 VAC 5-20-10 *et seq*.

[14] As noted in the 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 of time due to the COVID-19 emergency. *See* n.12, *supra*.

[15] The Commission will convene counsel of record in this proceeding to attend the public witness hearing virtually.

According to the Cooperative, the proposed special rate is necessary so that the Cooperative can adequately recoup the expenses it will incur to serve the new Customer. The new rate is designed to (i) recover MEC's projected cost related to serving the new Customer's load, (ii) protect the Cooperative's existing members from subsidizing the new load, and (iii) provide the Cooperative with a reasonable margin to continue to provide reliable electric service to all of its members.

The Application states that the special rate consists of distribution delivery charges and electricity supply service ("ESS") charges. The ESS charges are designed to be a direct pass-through to the new Customer from the Cooperative's generation and transmission provider, Old Dominion Electric Cooperative. Therefore, the Cooperative states that any costs that MEC incurs related to purchasing the power to serve the new Customer's load will be passed on to the new Customer directly. These ESS charges include present costs as well as future costs such as true-ups or demand-related costs based on the new Customer's load in the prior year.

MEC states that distribution delivery charges are made up of three consumer delivery charges and a non-coincident demand charge. The three consumer delivery charges are based on (i) the three phases of the new Customer's load (each phase corresponds to the Customer's anticipated load as its data center ramps up); and (ii) the anticipated construction timelines for the installation of facilities necessary to serve each phase of the load at MEC's existing Boydton Substation and new Coleman Creek Substation.

MEC asserts that service to the new Customer under the special rate will not affect the Cooperative's ability to provide reliable electric service to its other members, as the special rate is designed to collect all costs, including power cost, that is attributable to the new Customer's accounts. MEC further asserts that the demand adder in the special rate is designed to cover any unanticipated costs and provide the Cooperative with a reasonable margin.

The Cooperative further states that the special rate provided in the Agreement will not jeopardize the continuation of reliable electric service. According to the Cooperative, approval of the special rate will increase MEC's margins, allowing the Cooperative to continue to provide reliable electric service. The Cooperative anticipates that during the first year MEC serves the new Customer, MEC's gross revenues will increase by $4.7 million. When the new Customer's projects are at full capacity, MEC anticipates its gross revenues will increase by $120 million.

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

The Commission entered an Order for Notice and Hearing in this proceeding that, among other things, scheduled public hearings on the Application. On August 10, 2021, at 10 a.m., the Commission will hold a telephonic hearing, with no witness present in the Commission's courtroom, for the purpose of receiving the testimony of public witnesses. On or before August 5, 2021, 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.

On August 11, 2021, at 10 a.m., either in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, or by electronic means, the Commission will convene a hearing to receive testimony and evidence related to the Application from the Cooperative, any respondents, and the Commission's Staff. Further details on this 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 Cooperative'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 August 3, 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 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-2021-00059.

On or before June 29, 2021, 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 the address above or by filing electronically at scc.virginia.gov/clk/efiling/. Such notice of participation shall include the email addresses of the filer or its counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Cooperative at the electronic address above. 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 must 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-2021-00059.

On or before June 29, 2021, each respondent may file with the Clerk of the Commission, at the address set forth above or by filing electronically at scc.virginia.gov/clk/efiling/, 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. The respondent simultaneously shall serve a copy of any such filing on the Staff, the Cooperative, and all other respondents. 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-2021-00059.

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.

MECKLENBURG ELECTRIC COOPERATIVE

(10) On or before June 15, 2021 the Cooperative 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 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.

(11) On or before July 6, 2021, the Cooperative shall file proof of the notice and service required by Ordering Paragraphs (9) and (10) above, 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/.

(12) On or before August 3, 2021, any interested person may file comments on the Petition by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments or by filing such comments with the Clerk of the Commission at the address in Ordering Paragraph (11). All comments shall refer to Case No. PUR-2021-00059.

(13) On or before June 29, 2021, 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 the address in Ordering Paragraph (11) or by filing electronically at scc.virginia.gov/clk/efiling/. Such notice of participation shall include the email addresses of the filer or its counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Cooperative at the electronic mail address in Ordering Paragraph (8). 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-2021-00059.

(14) Within three (3) business days of receipt of a notice of participation as a respondent, the Cooperative shall serve a copy of the public version of the Application on the respondent.

(15) On or before June 29, 2021, each respondent may file with the Clerk of the Commission, at the address set forth in Ordering Paragraph (11) or by filing electronically at scc.virginia.gov/clk/efiling/, 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. The respondent simultaneously shall serve a copy of any such filing on the Staff, the Cooperative, and all other respondents. 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-2021-00059.

(16) On or before July 13, 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.

(17) On or before July 27, 2021, MEC 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.

(18) 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.

(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 on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.[16] Except as modified herein, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq*.

(20) This matter is continued.

[16] The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number PUR-2021-00059 in the appropriate box.

CASE NO. PUR-2021-00059
DECEMBER 14, 2021

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For approval of a special rate

ORDER GRANTING APPROVAL

On April 14, 2021, Mecklenburg Electric Cooperative ("MEC" or "Cooperative"), filed an application ("Application") in both public and nonpublic versions with the State Corporation Commission ("Commission"), pursuant to § 56-235.2 of the Code of Virginia ("Code") and the Commission's Rules for Filing an Application to Provide Electric and Gas Service Under a Special Rate, Contract or Incentive.[1] In its Application, the Cooperative sought approval of a special rate applicable to service provided to a new electric service customer ("Customer") with data center load located within the Cooperative's service territory.[2] The Cooperative requested that the Commission act on its Application on an expedited basis.[3]

The Application stated that MEC and the Customer entered into an Energy Services Agreement ("ESA") to govern generation, transmission and distribution services.[4] In addition, as "[n]one of the Cooperative's current tariffs are designed for the magnitude of the new Customer's load," the Cooperative requested approval of a new tariff, designated "Schedule LP -Contract -RTO Large Power Contract Rate" ("Schedule RTO") for the new Customer.[5]

According to the Cooperative, the proposed special rate is necessary so that the Cooperative can adequately recoup the expenses it will incur to serve the new Customer. The new rate is designed to (i) recover MEC's projected cost related to serving the new Customer's load, (ii) protect the Cooperative's existing members from subsidizing the new load, and (iii) provide the Cooperative with a reasonable margin to continue to provide reliable electric service to all of its members.[6]

The Application stated that the special rate consists of distribution delivery charges and electricity supply service ("ESS") charges. The ESS charges were designed to be a direct pass-through to the new Customer from the Cooperative's generation and transmission provider, Old Dominion Electric Cooperative. Therefore, the Cooperative stated that any costs that MEC incurs related to purchasing the power to serve the new Customer's load would be passed on to the new Customer directly. These ESS charges include present costs as well as future costs such as true-ups or demand-related costs based on the new Customer's load in the prior year.[7]

MEC stated that distribution delivery charges are made up of three consumer delivery charges and a non-coincident demand charge. The three consumer delivery charges are based on (i) the three phases of the new Customer's load (each phase corresponding to the Customer's anticipated load as its data center ramps up); and (ii) the anticipated construction timelines for the installation of facilities necessary to serve each phase of the load at MEC's existing Boydton Substation and new Coleman Creek Substation.[8]

[1] 20 VAC 5-310. Specifically, *see* 20 VAC 5-310-10, *Guidelines for special rates, contracts, or incentives*.

[2] Ex. 2 (Application) at 2.

[3] *Id*. at 11.

[4] *Id*. at 7. The Cooperative filed the ESA under seal in an Extraordinarily Sensitive Supplement. *See* Ex. 3ES (Application, Extraordinarily Sensitive Version).

[5] Ex. 2 (Application) at 2, 5.

[6] *Id*. at 3.

[7] *Id*. at 3-4.

[8] *Id*.

MEC asserted that service to the new Customer under the special rate will not affect the Cooperative's ability to provide reliable electric service to its other members, as the special rate is designed to collect all costs, including power cost, that is attributable to the new Customer's accounts. MEC further asserted that the demand adder in the special rate was designed to cover any unanticipated costs and provide the Cooperative with a reasonable margin.[9]

The Cooperative stated that the special rate will not jeopardize the continuation of reliable electric service. According to the Cooperative, approval of the special rate will increase MEC's margins, allowing the Cooperative to continue to provide reliable electric service. The Cooperative anticipates that during the first year MEC serves the new Customer, MEC's gross revenues will increase by $4.7 million. When the new Customer's projects are at full capacity, MEC anticipates its gross revenues will increase by $120 million.[10]

On May 14, 2021, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, among other things, docketed the Application; directed MEC to provide notice of its Application; directed the Commission's Staff ("Staff") to investigate the Application and summarize the results of its investigation through testimony; and established a procedural schedule, including an evidentiary hearing on the Application. The Procedural Order also assigned a Hearing Examiner to conduct the proceedings in this matter and to issue a report containing findings and recommendations for the Commission to consider.

The Procedural Order also granted MEC interim authority to serve and bill the new Customer under Schedule RTO on an interim basis beginning April 1, 2021, until the Commission issues a decision on the Application.

No public comments or notices of intervention were filed in this case. Additionally, no member of the public signed up to testify as a public witness.

On July 13, 2021, Staff filed the direct testimony of its witnesses. Staff concluded that: (i) the special rate customer would produce positive margins in the near term and to a greater degree when the project is fully operational;[11] (ii) the proposed special rate would not unduly burden customers;[12] (iii) MEC should be required to continue to track all directly assignable revenues, expenses, and capital expenditures arising from the special rate and make such records available upon request;[13] (iv) it does not appear that Schedule RTO will jeopardize the continuation of reliable service;[14] (v) it does not appear that Schedule RTO will be contrary to the public interest or unreasonably prejudice any of MEC's current ratepayers;[15] and (vi) MEC should be required to assign and allocate costs, as applicable, separately to Schedule RTO in MEC's next class cost-of-service study filed with the Commission.[16] Staff also stated that while Staff does not oppose MEC's intention to adjust consumer delivery charges for the special rate as needed (including to substitute actual costs for the projected costs included in the Application), any such adjustment would need to be reviewed and approved by the Commission.[17]

On July 27, 2021, the Cooperative filed its rebuttal testimony. MEC stated that the Cooperative could adjust (increase or decrease) the consumer delivery charge without Commission approval pursuant to Code § 56-585.3 A 2, subject to the requirements of this statute.[18]

The hearing was convened as scheduled on August 11, 2021, using Microsoft Teams.[19] The Cooperative and Staff participated in the hearing.

At the hearing, counsel for MEC indicated that "it may not be practicable or reasonable" for the Board "to adjust all classes of its rates" pursuant to Code § 56-585.3 A 2 at the time MEC needs to adjust the consumer delivery charge to reflect actual plant.[20] Counsel for MEC also acknowledged that adjusting other customers' rates pursuant Code § 56-585.3 A 2 to implement the Rate Adjustments Provision of the ESA "may not and likely will not be warranted.[21]

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[9] *Id.* at 8.

[10] *Id.* at 9.

[11] Ex. 6 (Morgan) at 5.

[12] *Id.*

[13] *Id.* at 7.

[14] Ex. 8 (Lohmeyer) at 9 and Attachment TWL-1.

[15] *Id.* at 10 and Attachment TWL-1.

[16] *Id.* at 11.

[17] *Id.* at 8. At the hearing, Staff counsel acknowledged Code § 56-585.3 A 2 authorizes MEC's Board of Directors ("Board") to make certain changes to Schedule RTO, if approved, without Commission approval. Tr. at 22.

[18] Ex. 9 (Berge rebuttal) at 4-5.

[19] On July 16, 2021, a Hearing Examiner's Ruling directed that the hearing on the Application be convened virtually, with no party present in the Commission's courtroom.

[20] Tr. at 11-12.

[21] *Id.*

Rather than relying on Code § 56-585.3 A 2 to implement the Rate Adjustments Provision, counsel for MEC instead proposed a one-time adjustment to the Schedule RTO consumer delivery charge that would be subject to administrative review and approval by Staff.[22] The one-time adjustment would be limited to the inputs used to calculate the consumer delivery charge that are currently based on estimated plant.[23] Staff counsel indicated that Staff took no position on this proposal but that the Commission would need to direct any administrative review and approval not authorized by Code § 56-585.3 A 2.[24]

On October 31, 2018, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") was issued, which summarized the record and made certain findings and recommendations. The Hearing Examiner concluded that:

1. Approval of Schedule RTO would not jeopardize the continuation of reliable electric service;
2. Approval of Schedule RTO would protect the public interest;
3. Approval of Schedule RTO would not unreasonably prejudice or disadvantage any customer or class of customers, provided the costs of serving Schedule RTO are paid by the Data Center;
4. MEC should track all directly assignable revenues, expenses, and capital expenditures arising from the special rate and make such records available upon request;
5. MEC should assign and allocate costs, as applicable, separately to Schedule RTO in future class cost-of-service studies filed with the Commission;
6. Using a streamlined method to accurately and efficiently update the consumer delivery charge from estimated to actual plant costs is in the public interest and would help ensure other customer classes are not unreasonably prejudiced or disadvantaged by Schedule RTO; and
7. To adjust the consumer delivery charge from estimated to actual plant costs, the Commission should leave this docket open to receive and consider, at the appropriate time, a joint report from MEC and Staff: (i) indicating the results of an administrative review by Staff; and (ii) (a) if Staff is able to verify the actual plant costs, identifying the level of the updated consumer delivery rate based on such verified costs; or (ii) (b) if Staff is not able to verify the actual plant costs, identifying any disputed issues for Commission resolution. Alternatively, the Commission could approve the administrative review process proposed by MEC.[25]

On October 4, 2021, the Cooperative filed comments on the Report, in which it generally supported the findings and recommendations of the Hearing Examiner. MEC stated it "agrees with and supports the Hearing Examiner's alternative finding that 'the Commission could approve the administrative review process proposed by MEC.'"[26] On October 5, 2021, Staff filed comments on the Report, stating that Staff "has reviewed the Report and does not object to the findings and recommendations set forth in the Report."[27]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the recommendations contained in the Hearing Examiner's Report should be adopted. We agree with the Hearing Examiner that approval of Schedule RTO would not jeopardize the continuation of reliable electric service; would protect the public interest; and would not unreasonably prejudice or disadvantage any customer or class of customers, provided the costs of serving Schedule RTO are paid by the Data Center.

With respect to adjusting the consumer delivery charge from estimated to actual plant costs, based on the particular, unique circumstances of this matter, we agree with the Hearing Examiner that this docket should remain open to receive and consider, at the appropriate time, a joint report from MEC and Staff regarding the results of an administrative review by Staff of the costs and the resulting update to the consumer delivery rate. Upon receipt of the report recommended by the Hearing Examiner, the Commission will take such action as may be warranted.

Accordingly, IT IS ORDERED THAT:

(1) The Hearing Examiner's Report is adopted, and the Cooperative's Application is granted subject to the conditions recommended by Staff and summarized herein.

(2) The Cooperative forthwith shall file a revised Schedule RTO with the Clerk of the Commission and with the Commission's Division of Public Utility Regulation as necessary to comply with this Order, reflecting the date of this Order as the tariff effective date. 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.

(3) The interim authority granted by the Commission's May 14, 2021 Procedural Order is terminated as of the date of this Order.

(4) This matter is dismissed.

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[22] *Id*. at 12-16.

[23] *Id*. at 17.

[24] *Id*. at 22.

[25] Report at 12-13.

[26] MEC Comments at 3.

[27] Staff Comments at 1.

CASE NO. PUR-2021-00060
APRIL 6, 2021

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE

For approval to obtain financing

ORDER GRANTING AUTHORITY

On March 29, 2021, Southside Electric Cooperative ("SEC" 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.

SEC requests authority to borrow $3,582,367 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.

Accordingly, IT IS ORDERED THAT:

(1) SEC is hereby authorized to borrow $3,582,367 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 SEC filing information required for loan forgiveness with the PPP loan administrator, the Cooperative shall submit an 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, SEC should submit an 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 is dismissed.

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[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] https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program/first-draw-ppp-loan

CASE NO. PUR-2021-00062
JUNE 7, 2021

PETITION OF
ENSPIRE ENERGY, L.L.C. and VIRGINIA INDUSTRIAL GAS USERS' ASSOCIATION

For a declaratory judgment

FINAL ORDER

On March 26, 2020, pursuant to 5 VAC 5-20-100 B and C of the State Corporation Commission's ("Commission") Rules of Practice and Procedure ("Rules"),[1] Enspire Energy, L.L.C. and the Virginia Industrial Gas Users' Association (collectively "Petitioners") filed with the Commission a petition for declaratory judgment ("Petition") seeking a determination that: (i) Columbia Gas of Virginia, Inc. ("CVA" or "Company") "does not have authority under its tariff to call Balancing Service Restrictions ('BSRs') for non-operational reasons, such as the new daily balancing, i.e., scheduling, tariff provision of its upstream pipeline; and (ii) CVA's tariff does not allow the utility to impose a BSR that simultaneously restricts both the under-delivery and the over-delivery of gas."[2] The Petitioners requested that the Petition be considered in an expedited manner as CVA indicated that it intends to impose one-directional or "bi-directional" BSRs starting as soon as April 1, 2021.[3]

On March 31, 2021, CVA filed an Informational Notice indicating that the Company did not plan to call BSRs relating to TC Energy/Columbia Gas Transmission, LLC's ("TCO") upstream restrictions until May 1, 2021, at the soonest. CVA represented that the Informational Notice, dated March 29, 2021, was posted in Aviator[4] as well as on Columbia Suppliers' website.[5] Additionally, CVA represented that it contacted counsel for the Petitioners to make them aware of the Informational Notice, and therefore CVA did not believe the Petition needed to be addressed in an expedited manner.[6] On April 2, 2021, the Petitioners filed a Response to Defendant's Informational Notice, reiterating their request for expedited consideration of the Petition.[7]

On April 7, 2021, the Commission entered an Order that, among other things, docketed the case; established a procedural schedule; required CVA to file an answer or other responsive pleading to the Petition on or before April 16, 2021; permitted the Staff of the Commission ("Staff") to file an answer or other responsive pleading to the Petition on or before April 16, 2021; afforded the Petitioners an opportunity to file a reply on or before April 23, 2021; and assigned a Hearing Examiner to conduct all further proceedings in this matter.

On April 16, 2021, Staff filed its Comments on the Petition ("Staff Comments").

On April 16, 2021, CVA filed a Motion to Dismiss, Response, and Answer (collectively "CVA Response"). The Company requested the Commission deny the relief requested in the Petition and dismiss the Petition with prejudice.[8]

On April 22, 2021, CVA filed another Informational Notice indicating the Company did not plan to call a BSR relating to the TCO upstream balancing/scheduling restrictions and penalties that are the subject of the Petition until at least June 1, 2021.

On April 23, 2021, the Petitioners filed a Reply to Columbia Gas of Virginia, Inc.'s Motion to Dismiss and Response ("Reply"). The Reply also addressed the Staff Comments.[9] In their Reply, the Petitioners urged the Commission to declare that the disputed BSRs are not authorized by the terms of CVA's tariff.[10] Additionally, the Petitioners requested an opportunity for oral argument.[11]

On May 3, 2021, the Report of Michael D. Thomas, Senior Hearing Examiner ("Report") was filed. In the Report, the Senior Hearing Examiner found that the Petition failed to present a "justiciable controversy," as defined by the Supreme Court of Virginia.[12] Accordingly, the Hearing Examiner recommended that the Commission enter an Order dismissing the Petition without prejudice.[13]

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[1] 5 VAC 5-20-10 *et seq.*

[2] Petition at 1.

[3] *Id.* at 2.

[4] Aviator is the electronic bulletin board for the execution of energy transactions among gas suppliers, gas transportation customers, and CVA. *See* https://www.ldcaviator.com/Aviator/Welcome.aspx.

[5] *See* March 31, 2021 Cover Letter to Informational Notice.

[6] *See id.*

[7] Response to Defendant's Informational Notice at 1. The Petition as filed did not name CVA as "defendant" in the caption.

[8] *See, e.g.*, CVA Response at 1.

[9] *See generally*, Reply at 3-8.

[10] *See, e.g.*, *id.* at 1, 6.

[11] *Id.* at 8.

[12] Report at 1, 9. The Report also denied the Petitioners' request for oral argument on the basis that the expedited consideration requested by the Petitioners "may be accomplished on the thorough pleadings that have been filed in this case." Report at 9.

[13] *Id.*

On May 10, 2021, the Petitioners filed Comments on the Report ("Petitioners' Comments"). The Petitioners disagreed with the Report's conclusion that the Petition failed to present a justiciable controversy and urged the Commission to resolve the Petition on the merits.[14]

On May 10, 2021, CVA filed Comments on the Report ("CVA Comments") supporting the Report's recommendation.[15]

On May 21, 2021, CVA filed an Informational Notice indicating the Company did not plan to call a BSR relating to the TCO upstream balancing/scheduling restrictions and penalties that are the subject of the Petition until July 16, 2021, at the soonest.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Petition should be dismissed *without prejudice*. We agree with the Hearing Examiner's conclusion that the Petitioners have failed at this time to prove that an actual controversy exists between the parties.[16] In reaching this decision, we note that CVA has represented that the earliest it could call a BSR is July 16, 2021. Additionally, we note that this matter is being dismissed without prejudice, which allows the Petitioners to return to the Commission should an actual justiciable controversy arise in the future.

Accordingly, IT IS ORDERED THAT:

(1) The Hearing Examiner's Report is adopted.

(2) The Petition is hereby dismissed *without prejudice*.

(3) This case is dismissed.

[14] Petitioners' Comments at 1, 3-4.

[15] CVA Comments at 1, 3.

[16] Report at 9.

CASE NO. PUR-2021-00063
APRIL 8, 2021

JOINT PETITION OF
SHENANDOAH TELEPHONE COMPANY and SHENANDOAH CABLE TELEVISION, LLC

For approval of affiliate transactions under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING INTERIM AUTHORITY

On March 29, 2021, Shenandoah Telephone Company ("Shenandoah") and Shenandoah Cable Television, LLC ("Shenandoah Cable") (collectively, "Petitioners"), filed a motion for interim authority ("Motion") with the State Corporation Commission ("Commission"). The Petitioners request interim authority to the extent necessary to participate in affiliate arrangements. These arrangements include Shenandoah's use of building space in certain buildings to be owned by Shenandoah Cable and other arrangements contemplated under the current management services agreement ("MSA") between Shenandoah and its affiliates, most recently approved by the Commission in Case No. PUC-2015-00040,[1] pending the filing and approval of a full application under the Affiliates Act to revise the MSA.

On March 17, 2021, the Commission approved an asset transfer under the Affiliates Act, allowing Shenandoah to transfer certain assets ("Assets") to Shenandoah Cable ("Transfer").[2] These Assets included cable, fiber, equipment, land, and buildings. Upon final closing of the Transfer, the Petitioners represented that Shenandoah, in its provision of regulated services, will continue to require use of a portion of the floor space in the transferred buildings. In its Action Brief, Commission Staff ("Staff") questioned whether the current MSA would cover this transaction. The Petitioners represented that the current MSA would soon require revisions as a result of changes in their accounting process currently underway, and that they were working to finalize these revisions to submit for Commission approval. Additionally, the current MSA expires on October 6, 2021, five years from the date of its last approval.[3] Therefore, the Commission directed the Petitioners to file, prior to the closing of the asset transfer, a motion for interim authority pending the filing of an Affiliates Act application for a revised MSA.[4] The Petitioners represent that, under the Motion's proposed interim authority, they do not intend to charge Shenandoah any rents for use of the building space that will be owned by Shenandoah Cable, thereby eliminating any cost burden on Shenandoah associated with this affiliate arrangement.[5]

[1] *See Joint Application of Shenandoah Telephone Co., Shenandoah Telecommunications Co., et al. and NTELOS Holding Corp., NTELOS Inc., et al., For approval pursuant to the Affiliates Act, Va. Code § 56-76 et seq.*, Case No. PUC-2015-00040, 2016 S.C.C. Ann. Rept. 159, Order Granting Approval (Oct. 6, 2016).

[2] *See Joint Petition of Shenandoah Telephone Co. and Shenandoah Cable Television, LLC, For approval of affiliate transactions under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2020-00288, Order Granting Approval (March 17, 2021).

[3] *Id. See* footnote 1.

[4] *Id.* at 6.

[5] Motion at 3.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Petitioners' request for interim authority to continue to engage in affiliate transactions under the terms of the current MSA, pending a final order on a revised MSA, should be granted.[6]

Accordingly, IT IS ORDERED THAT:

(1) This case hereby is docketed and assigned Case No. PUR-2021-00063.

(2) The Petitioners hereby are granted interim authority to continue to engage in affiliate transactions under the terms of the current MSA until October 6, 2021, pending a final order of the Commission.

(3) This case is continued generally pending further order of the Commission.

[6] The approval granted herein terminates upon the entry of the Commission's next final order approving a revised MSA.

CASE NO. PUR-2021-00063
NOVEMBER 18, 2021

JOINT PETITION OF
SHENANDOAH TELEPHONE COMPANY and SHENANDOAH CABLE TELEVISION, LLC

For approval of affiliate transactions under Chapter 4 of Title 56 of the Code of Virginia

ORDER

On November 15, 2021, Shenandoah Telephone Company ("Shenandoah") and Shenandoah Cable Television, LLC ("Shenandoah Cable") (collectively, "Petitioners"), filed a motion ("Second Motion") with the State Corporation Commission ("Commission") to renew and extend its interim authority initially granted by the Commission on April 8, 2021 ("April 8 Order").[1]

The Petitioners filed their initial motion ("First Motion") for interim authority on March 29, 2021. That request addressed an issue raised by the Commission's March 17, 2021 Order Granting Approval in Case No. PUR-2020-00288.[2] In the PUR-2020-00288 Order, the Commission approved the Petitioners' request to transfer certain assets owned by Shenandoah, most of which were not used in its regulated operations, to its affiliate Shenandoah Cable at net book value ("Transfer"). Since Shenandoah used office space in two buildings being transferred to Shenandoah Cable, the Commission directed the Petitioners to file, prior to the Transfer's closing, a motion for interim authority for Shenandoah to continue to utilize the office space under the ShenTel Management Company ("ShenTel") master services agreement ("MSA"), by which ShenTel provided management, administrative, and other services to its affiliates, including Shenandoah. On April 8, 2021, the Commission issued the April 8 Order, which granted the First Motion's request for interim authority but limited the term of the interim authority to the expiration of the MSA's approval, which was October 6, 2021.[3]

On November 12, 2021, the Commission's Staff ("Staff") advised counsel for the Petitioners that both: (1) the interim authority for use of the office space, and (2) the five-year approval for the MSA, had expired.

On November 15, 2021, the Second Motion was filed. The Petitioners represent that they misread the language of the April 8 Order and did not intentionally seek to avoid Commission review or to violate Commission orders. The Petitioners also represent that their parent's sale of its wireless business and the associated staffing changes delayed the finalization of a revised MSA. The Petitioners further commit to filing for approval of the revised MSA within 15 days of the filing of the Second Motion.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Petitioners' request for interim authority to continue to engage in affiliate transactions, including the use of the Transfer office space, under the terms of the current MSA is granted. We will make this renewed interim authority contingent, however, on filing a complete petition for approval of a revised MSA within 15 days of the effective date of this order. Otherwise, the authority granted herein is revoked and we will consider further action in this matter at that time.

[1] *See Joint Petition of Shenandoah Telephone Company and Shenandoah Cable Television, LLC, For approval of affiliate transactions under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2021-00063, Order Granting Interim Authority (April 8, 2021) ("April 8 Order").

[2] *See Joint Petition of Shenandoah Telephone Co. and Shenandoah Cable Television, LLC, For approval of affiliate transactions under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2020-00288, Order Granting Approval (March 17, 2021) ("PUR-2020-00288 Order").

[3] *See Joint Application of Shenandoah Telephone Co., Shenandoah Telecommunications Co., et al. and NTELOS Holding Corp., NTELOS Inc., et al., For approval pursuant to the Affiliates Act, Va. Code § 56-76 et seq.*, Case No. PUC-2015-00040, 2016 S.C.C. Ann. Rept. 159, Order Granting Approval (Oct. 6,-2016).

Accordingly, IT IS ORDERED THAT:

(1) The Petitioners hereby are granted interim authority to continue to engage in affiliate transactions, including the use of the Transfer office space, under the terms of the current MSA contingent upon filing a complete petition for approval of a revised MSA within 15 days of the effective date of this order. Otherwise, the interim authority granted herein is revoked.

(2) This case is continued generally pending further order of the Commission.

CASE NO. PUR-2021-00064
SEPTEMBER 30, 2021

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

Ex Parte: In the matter of registering and retiring Virginia-eligible renewable energy certificates

ORDER REVISING BUSINESS RULES

On April 9, 2021, the State Corporation Commission ("Commission") established this docket and entered an Order for Comment ("Order") therein concerning the registration and retirement of Virginia-eligible renewable energy certificates ("RECs") in the PJM-EIS[1] Generation Attribute Tracking System ("GATS").[2] At that time, the Commission had recently updated PJM's GATS[3] Business Rules for Virginia RECs ("Business Rules") to reflect the categories of eligible generation sources for Virginia-qualified RECs in 2021-2024 ("GATS Update" or "Update").[4] The Update responded to the Virginia General Assembly's adoption of a mandatory RPS program for certain IOUs[5] in Code § 56-585.5 ("RPS Statute" or "Statute") enacted as part of the VCEA.[6]

During the 2021-2024 compliance period, the Statute permits the IOUs to use RECs from any renewable energy facility as defined in Code § 56-576[7] (provided that the facilities are located within the Commonwealth or within the PJM region), with the caveat that:

> at no time during this period or thereafter may any Phase I or Phase II Utility use RECs from (i) renewable thermal energy, (ii) renewable thermal energy equivalent, (iii) biomass-fired facilities that are outside the Commonwealth, or (iv) biomass-fired facilities operating in the Commonwealth as of January 1, 2020, that supply 10 percent or more of their annual net electrical generation to the electric grid or more than 15 percent of their annual total useful energy to any entity other than the manufacturing facility to which the generating source is interconnected.[8]

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[1] PJM Environmental Information Services, Inc. ("PJM-EIS"), is a subsidiary of PJM Interconnection, L.L.C. ("PJM"). PJM is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia. Two of Virginia's investor-owned utilities ("IOUs") are members of PJM: Virginia Electric and Power Company ("Dominion") and Appalachian Power Company ("APCo").

[2] GATS provides a mechanism to buy and sell RECs — each REC representing the renewable attributes associated with one megawatt-hour of electricity produced. Per PJM, GATS provides environmental and emissions attributes reporting and tracking services to its subscribers in support of renewable energy portfolio standards ("RPS") and other information disclosure requirements that may be implemented by government agencies. PJM-EIS owns and administers GATS.

[3] The Update was accomplished by correspondence dated April 5, 2021, from the Staff of the Commission ("Staff") to PJM-EIS, prepared and sent at the Commission's direction.

[4] The Business Rules were established administratively in 2013 by PJM in coordination with the Commission to facilitate the registration, transfer and retirement of Virginia-eligible RECs under Virginia's former voluntary renewable energy portfolio standard (established under § 56-585.2 of the Code of Virginia ("Code"), now repealed by the Virginia Clean Economy Act ("VCEA"), Chapters 1193 (HB 1526) and 1194 (SB 851) of the 2020 Virginia Acts of Assembly). The Business Rules are not regulatory rules of the Commission.

[5] The IOUs subject to the mandatory RPS program are "Phase I" and "Phase II" utilities (which refer to APCo and Dominion, respectively).

[6] Code § 56-585.5 C requires that "[t]o comply with the RPS Program, each Phase I and Phase II Utility shall procure and retire" RECs "from any renewable energy facility" as further defined in Code § 56-576 and within the RPS Statute itself. The RPS Statute establishes Virginia-eligible RECs for two separate periods: (i) RECs from renewable generation qualifying as "RPS eligible sources" in 2021-2024; and (ii) RECs from renewable generation qualifying as "RPS eligible sources" in 2025 and all years after. As also noted in the Order, the GATS Update addressed the 2021-2024 period, only; the Commission anticipates updating GATS for the period of 2025 and thereafter at a later time but well in advance of 2025. Order at 2.

[7] As defined in Code § 56-576:

> "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" also includes the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass. "Renewable energy" does not include waste heat from fossil-fired facilities or electricity generated from pumped storage but includes run-of-river generation from a combined pumped-storage and run-of-river facility.

[8] Code § 56-585.5 C.

During the 2025 compliance year and thereafter, the IOUs may only use RECs from the specific RPS eligible sources identified in Code § 56-585.5 C.[9]

Through its Order, the Commission permitted interested persons to file comments on the GATS Update on or before May 7, 2021.[10] The Commission timely received comments from: the Southern Environmental Law Center along with Appalachian Voices, the Piedmont Environmental Council, the Chesapeake Climate Action Network, the Virginia Conservation Network, Virginia Advanced Energy Economy, Chesapeake Solar & Storage Association (formerly MDV-SEIA), the Virginia League of Conservation Voters, Clean Virginia, Virginia Grassroots Coalition, Climate Action Alliance of the Valley, and the Virginia Chapter of the Sierra Club ("Environmental Respondents"); Maryland-DC-Virginia Solar Energy Industries Association ("MDV-SEIA"); Direct Energy Business, LLC and Direct Energy Services, LLC (collectively, "Direct Energy"); Virginia, Maryland, and Delaware Association of Electric Cooperatives; APCo, and Dominion. The Commission Staff submitted comments on May 28, 2021, summarizing and responding to comments submitted by interested persons.

The comments submitted focused principally on REC registration eligibility (during the period 2021-2024) for biomass, waste heat, falling water, and distributed generation.[11] Additionally, comments addressed REC price recordation, compliance year reporting, REC calculation for co-located renewable generation and storage resources and generator output metering.[12]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the revised Business Rules attached hereto as Attachment A should be approved effective for the 2021 compliance year, as discussed herein. In developing these revisions, we have reviewed the initial Update to these rules and have considered and weighed the comments presented in this matter in support of each participant's proposals or suggestions, including those provided by the Staff. The Commission expresses appreciation to all those who submitted written comments.

Biomass Eligibility

The Environmental Respondents assert that Code § 56-585.5 C limits the IOUs' use of RECs from biomass facilities to satisfy Virginia RPS requirements.[13] The Statute caps the total amount of RECs that can be sold by an RPS eligible source using biomass to the number of megawatt-hours produced by that facility in 2019.[14] Further, the Statute bars RPS eligible sources using biomass from selling RECs in a given year in excess of the actual megawatt-hours of electricity generated by such facility that year.[15]

[9] Code § 56-585.5 C provides, in pertinent part, that:

> From compliance year 2025 and all years after, each Phase I and Phase II Utility may only use RECs from RPS eligible sources for compliance with the RPS Program.
>
> In order to qualify as RPS eligible sources, such sources must be (a) electric-generating resources that generate electric energy derived from solar or wind located in the Commonwealth or off the Commonwealth's Atlantic shoreline or in federal waters and interconnected directly into the Commonwealth or physically located within the PJM region; (b) falling water resources located in the Commonwealth or physically located within the PJM region that were in operation as of January 1, 2020, that are owned by a Phase I or Phase II Utility or for which a Phase I or Phase II Utility has entered into a contract prior to January 1, 2020, to purchase the energy, capacity, and renewable attributes of such falling water resources; (c) non-utility-owned resources from falling water that (1) are less than 65 megawatts, (2) began commercial operation after December 31, 1979, or (3) added incremental generation representing greater than 50 percent of the original nameplate capacity after December 31, 1979, provided that such resources are located in the Commonwealth or are physically located within the PJM region; (d) waste-to-energy or landfill gas-fired generating resources located in the Commonwealth and in operation as of January 1, 2020, provided that such resources do not use waste heat from fossil fuel combustion or forest or woody biomass as fuel; or (e) biomass-fired facilities in operation in the Commonwealth and in operation as of January 1, 2020, that supply no more than 10 percent of their annual net electrical generation to the electric grid or no more than 15 percent of their annual total useful energy to any entity other than the manufacturing facility to which the generating source is interconnected. … Regardless of any future maintenance, expansion, or refurbishment activities, the total amount of RECs that may be sold by any RPS eligible source using biomass in any year shall be no more than the number of megawatt hours of electricity produced by that facility in 2019; however, in no year may any RPS eligible source using biomass sell RECs in excess of the actual megawatt-hours of electricity generated by such facility that year. In order to comply with the RPS Program, each Phase I and Phase II Utility may use and retire the environmental attributes associated with any existing owned or contracted solar, wind, or falling water electric generating resources in operation, or proposed for operation, in the Commonwealth or physically located within the PJM region, with such resource qualifying as a Commonwealth-located resource for purposes of this subsection, as of January 1, 2020, provided such renewable attributes are verified as RECs consistent with the PJM-EIS Generation Attribute Tracking System.

[10] The Order noted that comments from utilities and interested persons were to be directed to the sufficiency of the attached Update's conformity to the RPS Statute, only, and for the period 2021-2024, only. The Order further stated that the RPS Statute does not vest the Commission with discretion to modify eligible generation source categories. *See* Order at 4.

[11] *See, e.g.*, Environmental Respondents Comments at 1-5; Direct Energy Comments at 1-2; MDV-SEIA Comments at 1.

[12] *See, e.g.*, Dominion Comments at 3-7; APCo Comments at 1-2.

[13] Environmental Respondents Comments at 1-4.

[14] Code § 56-585.5 C provides, "Regardless of any future maintenance, expansion, or refurbishment activities, the total amount of RECs that may be sold by any RPS eligible source using biomass in any year shall be no more than the number of megawatt hours of electricity produced by that facility in 2019; however, in no year may any RPS eligible source using biomass sell RECs in excess of the actual megawatt-hours of electricity generated by such facility that year."

[15] *Id.*

To ensure that GATS only registers Virginia-eligible biomass RECs, the Environmental Respondents have proposed that the Commission (i) conduct an inventory of biomass-fired facilities to determine their eligibility under the Statute; and (ii) suspend any use of biomass RECs for Virginia RPS compliance "until it is clear that PJM has the requisite detail and capability to properly certify biomass RECs."[16] Relatedly, the Environmental Respondents have also recommended that the proposed Commission inventory of biomass-fired facilities "quantify the maximum number of RPS-compliant RECs that each facility can generate in a given year."[17] The Environmental Respondents assert that this quantification would help ensure that the number of megawatt-hours of electricity produced by that facility and the associated RECs that exceed the 2019 baseline are not improperly certified as RPS-compliant.[18]

The Staff has proposed another approach, suggesting that no biomass facility automatically be accepted and registered in GATS for Virginia RPS compliance. Instead, the Staff recommends that any potential registrants of biomass RECs for Virginia RPS compliance furnish an affidavit[19] to GATS attesting that the biomass facility producing the RECs meets the Statute's criteria (for biomass RECs) and simultaneously provide such an affidavit to the Staff.[20] The biomass facility's RECs could then be considered eligible for GATS registration unless otherwise directed by the Staff upon its review of the affidavit included with the proposed registration.[21]

The Commission will adopt the Staff's recommendations in this regard, and, at the Commission's direction, the Staff has prepared an affidavit form for use by PJM-EIS in registering Virginia-compliant biomass generation facilities in the GATS system. The form is attached to the Business Rules revisions we approve in this Order Revising Business Rules. The IOUs will certify, in their annual REC retirement reporting required by Business Rule 4, that any biomass RECs retired during any compliance year meet the requirements of the RPS Statute.

Waste Heat Eligibility

The VCEA amended the definition of "renewable energy" in Code § 56-576 to exclude waste heat from fossil-fired facilities,[22] thereby eliminating it as an RPS eligible source in the RPS Statute. The Environmental Respondents proposed that the Business Rules include a new fuel type code for waste heat derived from facilities that do not use fossil fuel to prevent PJM's inadvertent REC certification of waste heat from fossil-fired facilities.[23] The Staff has suggested in lieu of implementing a new fuel type code, that no waste heat facility be automatically accepted and registered in GATS for Virginia RPS compliance.[24] The Staff recommends that potential registrants of waste heat facility RECs for Virginia RPS compliance furnish an affidavit[25] to GATS attesting that the facility meets the Statute's criteria and simultaneously providing such an affidavit to the Staff. The facility would then be considered eligible for GATS registration unless otherwise directed by the Staff upon its review of the proposed registration. The Staff further stated its view that the existing fuel type code within GATS for waste heat is sufficient to reflect those facilities eligible for Virginia RPS compliance.[26]

The Commission will adopt the Staff's recommendations in this regard, and, at the Commission's direction, the Staff has prepared an affidavit form for use by PJM-EIS in registering Virginia-compliant waste heat facilities in the GATS system. The form is attached to the Business Rules revisions we approve in this Order Revising Business Rules. The IOUs will certify, in their annual REC retirement reporting required by Business Rule 4, that any waste heat RECs retired during any compliance year meet the requirements of the RPS Statute.

Falling Water Eligibility

Direct Energy asserts that RECs derived by run-of-river generation from a combined hydro pumped storage and run-of-river facility are RPS eligible under the VCEA's revisions to the definition of "renewable energy" in § 56-576 of the Code. Direct Energy states that the GATS Update does not sufficiently identify this combination's eligibility as an RPS eligible source under the Statute.[27] The Staff stated in its comments that the existing WAT fuel

[16] Environmental Respondents Comments at 4.

[17] *Id*.

[18] *Id.*

[19] Staff Comments at 4. Per the Staff, such affidavit could contain, at a minimum: (1) the name of the applicant and facility; (2) the location and fuel source of the facility; (3) the actual 2019 generation from the facility; and (4) a sworn statement signed by a legal officer of the applicant attesting to the facility's adherence to the legislative requirements of Code § 56-585.5 C. *Id.* at n.3.

[20] The Staff further noted in its comments that, according to information provided by PJM-EIS, monitoring and tracking a maximum limit on biomass RECs applicable to Virginia's RPS Program would be problematic and not workable for GATS. Under the Staff's recommendations, the affidavit furnished by a biomass facility would state the 2019 level of generation for the facility. The Staff also noted the responsibility of APCo and Dominion to adhere to the requirements of the RPS Statute to satisfy the utilities' respective RPS target levels. *Id.* at n.4.

[21] Staff Comments at 4.

[22] Environmental Respondents Comments at 4.

[23] *Id*. at 4-5.

[24] Staff Comments at 5.

[25] *Id*. Per the Staff, such an affidavit should contain at a minimum: (1) the name of the applicant and facility; (2) the location and fuel source of the facility; and (3) a sworn statement signed by a legal officer of the applicant attesting to the facility's adherence to the legislative requirements of Code § 56-585.5 C. *Id.*

[26] *Id*.

[27] Direct Energy Comments at 2.

type code in GATS is sufficient to reflect such run-of-river generation from a combined facility or a conventional facility.[28] The Staff advises that it has nonetheless consulted with PJM-EIS concerning this issue and now recommends changing the WAT fuel type code's description from "Hydro-Conventional" to simply "Hydro." As a result, the WAT fuel type would encompass both conventional hydro as well as run-of-river generation in combination with a pumped storage facility. The Commission agrees that this change should provide sufficient direction to GATS in registering Virginia-eligible RECs produced by run-of-river generation from these combined facilities. The table following Business Rule 1 has been revised to incorporate that revision.

Distributed Generation Carve-Out

Dominion and MDV-SEIA addressed a more specific delineation of distributed generation resources in the Business Rules, not only by fuel type but also by size.[29] The Statute directs Dominion to meet one percent of the RPS Program's requirements in any given compliance year with solar, wind, or anaerobic digestion resources of one megawatt ("MW") or less located in the Commonwealth.[30] Both Dominion and MDV-SEIA offered suggestions on how to accomplish this further delineation.[31] The Staff agreed that delineation could be helpful and stated that it would work with PJM-EIS to develop appropriate codes to add to the Business Rules.[32]

Following up, the Staff advises that it has consulted with PJM-EIS, who indicated that for small distributed facilities (< 1 MW), GATS can add the suffix "-D" after the appropriate "fueltype" to appear as "VA-#####-fueltype-D." Owners of resources seeking to qualify as small distributed resources (< 1 MW) must self-certify to GATS that such facilities meet the small-scale eligibility requirements of Code § 56-585.5 C and provide such supplemental or technical information as may be required by GATS. The Commission adopts this approach, now included in the revisions to Business Rule 2.

REC Prices

APCo and Dominion expressed concern about updated Business Rule 5's requirement to include and record prices for retired RECs.[33] APCo generally asserted that recording and publishing the price or value of a REC at the point of its retirement is not useful information and can be misleading.[34] Dominion noted that providing price data through GATS would be administratively burdensome due to the manual nature of the process involving the retirement of potentially millions of RECs each year.[35] The Staff agreed in its comments that using GATS as a source of REC prices could be problematic and cumbersome. The Staff further commented such information could be provided as part of the IOUs' annual RPS proceedings required by the Statute and suggested that the Commission eliminate updated Business Rule 5.[36] The Commission agrees that references to utility recordation of REC prices and values at retirement should be removed from the Business Rules. The Commission revises Business Rule 5 to reflect this change. Instead, the IOUs' REC prices will be available as part of the IOUs' annual RPS filings.

Compliance Years

Dominion suggested clarifying the wording of updated Business Rule 4 to reflect the mechanics of retiring RECs for RPS compliance.[37] As noted by the Staff, the IOUs expect to retire RECs all at one time on a calendar year basis, also referred to as the "compliance year."[38] The Staff also pointed out the potential for administrative lag associated with GATS registering RECs in January for generation that occurred in the prior December.[39] The Staff has recommended that the Commission direct Dominion and APCo to report their respective RPS-related REC retirements "to the Commission by April 30th for the prior calendar, or compliance year."[40] Such REC retirement reports, per the Staff, could be posted to the Commission's website.[41] We so direct the IOUs to provide their REC retirements in an annual REC retirement report submitted to the Director of the Commission's Division of Public Utility Regulation by April 30th of each year. The Commission agrees that clarifications are needed and has adopted the Staff's recommendations to Business Rule 4.

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[28] Staff Comments at 5.

[29] Dominion Comments at 2, 3; MDV-SEIA Comments at 1.

[30] Code § 56-585.5 C.

[31] Dominion Comments at 2, 3; MDV-SEIA Comments at 1.

[32] Staff Comments at 5-6.

[33] APCo Comments at 1-2; Dominion Comments at 5.

[34] APCo Comments at 2.

[35] Dominion Comments at 5.

[36] Staff Comments at 6.

[37] Dominion Comments at 3, 4.

[38] Staff Comments at 6.

[39] *Id*.

[40] *Id.*

[41] *Id*.

Energy Storage

Dominion's comments suggested a new business rule addressing what it characterized as an emerging trend to pair renewable energy resources with storage resources.[42] Dominion proposes that RECs from renewable energy resources be created based on the energy actually generated, even when paired with storage resources.[43] Per Dominion, this would help ensure that renewable energy-only resources and renewable energy sources paired with storage are able to create RECs equitably.[44] The Staff stated in its comments that it does not take a position on the proper treatment of RECs from paired facilities at this time.[45] The Staff suggested that this issue could be taken up as part of the Energy Storage Task Force's[46] activities.[47]

The Commission first notes that while this very technical issue does generally relate to REC registration, it is outside this proceeding's limited scope established in the Commission's Order; *i.e.*, the sufficiency of the Update's conformity to the RPS Statute.[48] The issue was not identified in the Order as one that would be considered in this docket or upon which comment would be received. Further, the Commission expects that this issue is one of broad interest, such that its consideration requires the technical and economic input of certain interested persons and stakeholders, who may not have participated in this docket. Consequently, while the Commission will not undertake its consideration at this time, the Commission expects to do so when practicable. However, language added to Business Rule 3, at the advisement of the Staff, provides for issues such as this to be addressed in GATS on an "exception basis" in the meantime.

Reporting Accuracy

Dominion suggested a new business rule to clarify that all generators that are eligible for Virginia RPS compliance, regardless of size, should be required to measure generator output with a revenue-grade meter.[49] The Staff noted in its comments that the GATS Operating Rules require a revenue-quality meter that meets the ANSI C-12 standard. The Staff does not believe a new rule is necessary but suggests the Commission may wish to clarify that it expects the same level of accuracy from all generators.[50] The Commission concurs. The Commission expects the same metering quality from all generators, as now reflected in revisions to Business Rule 5.

Low Income Qualifying Projects

Code § 56-585.5 C requires, if available, a certain amount of Dominion's RPS Program requirements to be satisfied by "low-income qualifying projects." Low-income qualifying projects are defined under Code § 56-585.5 A as "a project that provides a minimum of 50 percent of the respective electric output to low-income utility customers as that term is defined in § 56-576." As set forth in the Update, Business Rule 3 states: "Low-income qualifying projects are not currently available until such time as further determination is made as to what constitutes such projects." As such, Business Rule 3 currently does not enable low-income qualifying projects to be registered in GATS as a type of renewable generation source.[51]

The Commission, in its 2020 RPS Final Order, directed Dominion to use a reasonable stakeholder process to further address the questions related to low-income qualifying projects and such related issues as needed. The Commission also directed Dominion to report on its progress toward satisfying the low-income qualifying project requirements in the RPS Program in its 2021 RPS filing.[52] In its 2021 RPS filing, Dominion provided an update in response to the Commission's direction, indicating, among other things, that the stakeholder process is ongoing.[53] The identification of low-income projects and related questions are still being determined in the 2021 RPS docket.

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[42] Dominion Comments at 6-7.

[43] *Id.* Specifically, Dominion suggests that the Commission add the following rule to clarify the treatment of paired facilities: "'If generators that are eligible for RPS Program compliance in Virginia are paired with energy storage resources, the energy generation eligible to create RECs will be measured based on energy generated by the eligible generator, not based on energy discharged by the storage resource.'" *Id.* at 7.

[44] *Id.* at 6. According to Dominion, "[S]torage resources inherently experience round-trip efficiency losses, meaning that the energy discharged by the storage resource is less than the energy consumed during charging." *Id.*

[45] Staff Comments at 8.

[46] This task force was established pursuant to Chapter 863 (HB 1183) of the 2020 Acts of Assembly.

[47] Staff Comments at 8.

[48] *See supra* n.10.

[49] Dominion Comments at 7.

[50] Staff Comments at 8.

[51] Per Code § 56-585.5 C, "renewable generation sources for low-income qualifying projects" are identified as solar, wind, and anaerobic digestion resources.

[52] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 10-11 (Apr. 30, 2021).

[53] *See, e.g., Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2021-00146, Doc. Con. Cen. No. 210930080, 2021 RPS Plan at Attachment 8 (Sept. 15, 2021).

In its comments, MDV-SEIA recommended adding "-LMI" to the end of distributed energy certificates associated with low-income qualifying projects for purposes of GATS.[54] Given the open questions related to low-income qualifying projects before the Commission, we find such designation premature at this time. Notwithstanding, we adopt the following clarification to Business Rule 3: "Low-income qualifying projects as defined in § 56-585.5 A and addressed in § 56-585.5 C are not separately designated in GATS at this time." Such change clarifies that RECs associated with low-income qualifying projects could become available in the future for purposes of RPS compliance, but will not be identified separately in GATS at this time.

Finally, to the extent that a requested revision by any participant in this proceeding is not specifically addressed above, such omission herein does not preclude participants from recommending the same or similar changes in future proceedings.

Accordingly, IT IS ORDERED THAT:

(1) The Business Rules, as revised, are hereby approved with such revisions effective for compliance year 2021.

(2) A copy of this Order Revising Business Rules and the attached Business Rules forthwith shall be posted on the website of the Commission's Division of Public Utility Regulation.

(3) Within five (5) business days of the date of this Order Revising Business Rules, the Commission's Division of Public Utility Regulation shall electronically transmit copies of this Order Revising Business Rules to those persons and entities previously identified by the Staff at the commencement of this docket as potentially having an interest in this matter, and to all those who commented in this matter if not otherwise transmitted a copy of the Order Revising Business Rules by the Staff.

(4) This case is dismissed.

NOTE: A copy of the Attachment A, Appendix 1, and Appendix 2 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.

[54] MDV-SEIA Comments at 1.

CASE NO. PUR-2021-00065
APRIL 16, 2021

APPLICATION OF
LINGO COMMUNICATIONS OF VIRGINIA, INC.

For cancellation of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

ORDER CANCELLING CERTIFICATES

On March 29, 2021, a letter application was filed on behalf of Lingo Communications of Virginia, Inc. ("Lingo"), with the State Corporation Commission ("Commission") requesting cancellation of the certificates of public convenience and necessity issued to Lingo to provide local exchange ("Certificate No. T-703a") and interexchange ("Certificate No. TT-257B") telecommunications services in the Commonwealth of Virginia.[1] The filing states that as a result of the transfer approved in Case No. PUR-2020-00153, Lingo has ceased all operations in Virginia and Lingo's customers are now being served by Matrix Telecom of Virginia, LLC.[2]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate No. T-703a and Certificate No. TT-257B should be cancelled and that 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-2021-00065.

(2) Certificate No. T-703a, issued to Lingo to provide local exchange telecommunications services, is hereby cancelled.

(3) Certificate No. TT-257B, issued to Lingo to provide interexchange telecommunications services, is hereby cancelled.

(4) Any tariffs on file with the Commission associated with Certificate No. T-703a or Certificate No. TT-257B are hereby cancelled.

(5) This case is dismissed.

[1] *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, 2019 S.C.C. Ann. Rept. 341, Order Reissuing Certificates (Mar. 12, 2019) (reissuing certificates for both local exchange and interexchange telecommunications services).

[2] *See Petition of Lingo Communications of Virginia, Inc., and Matrix Telecom of Virginia, LLC, For approval of a transfer of customers from Lingo Communications of Virginia, Inc., to Matrix Telecom of Virginia, LLC, pursuant to Va. Code § 56-88 et seq.*, Case No. PUR-2020-00153, Doc. Con. Cen. No. 210210287, Order Granting Approval (Feb. 11, 2021).

CASE NO. PUR-2021-00068
APRIL 5, 2021

PETITION OF
THE POTOMAC EDISON COMPANY

For a declaratory judgment, and, if necessary, interim authority under Chapter 10.1 of Title 56 of the Code of Virginia

ORDER ON PETITION

On April 1, 2021, The Potomac Edison Company ("Company") filed its Petition seeking a declaratory judgment that a certain repair project for a small transmission facility in Shenandoah and Page Counties, Virginia, constituted "an ordinary extension or improvement," as that term appears in § 56-265.2 of the Code of Virginia and should therefore not require a Certificate of Public Convenience and Necessity ("CPCN") from the State Corporation Commission ("Commission"). Paragraph 9 of the Petition represented that the Company "sought advice from the Commission Staff on this issue and the Staff …[noted] that the project *could* constitute and ordinary extension or improvement" based on the facts presented to it.

On April 2, 2021, the Company filed a letter with the Clerk of the Commission noting certain discussions it had been engaging in with the National Park Service ("NPS"), on whose property a portion of the transmission facility lies, and that the NPS was imposing a condition that any repair work necessitating the use of helicopters be concluded prior to April 14, 2021, in order to provide protection for an endangered species, the Indiana bat, known to inhabit the environs of the repair site.

Also, on April 2, 2021, the Staff of the Commission (Staff") filed its Response to Petition ("Response"). In the Response, Staff offered its "opinion that the replacement of the damaged transmission poles with a like number of improved poles of near-identical size is an ordinary improvement, and should be allowed to proceed immediately," without the issuance of a CPCN by the Commission.

NOW THE COMMISSION, having considered the pleadings and applicable law, is of the opinion and finds that the Petition should be granted, conditioned as suggested in the Staff Response, upon the construction occurring precisely as represented in the Petition and as modified at the direction of the NPS as set forth in the Company's April 2 letter. Should the Company discover that further modifications to the plan, manner or time of construction is necessary, or encounter further concerns from the NPS or any additional federal agency, the declaration granted herein is withdrawn and the Company shall file its application for a CPCN, detailing the necessity and route of the proposed construction. Further, we find it advisable to direct the Company to submit to the Division of Public Utility Regulation, within six (6) months following the date of this Order, a report detailing the physical condition of its remaining transmission assets within the Commonwealth of Virginia.

Accordingly, IT IS ORDERED THAT:

(1) The Petition of The Potomac Edison Company that the repair project as described constitutes an ordinary extension in the normal course of business is approved as described herein.

(2) The Commission need not issue a certificate of public convenience and necessity for the repair project, so long as the construction can be effectuated exactly as represented.

(3) The Potomac Edison Company shall submit the report described herein to the Director of the Division of Public Utility Regulation not later than six (6) months from the date of this Order.

(4) This matter is dismissed.

CASE NO. PUR-2021-00069
APRIL 28, 2021

JOINT PETITION OF
PEOPLES MUTUAL TELEPHONE COMPANY, RIVERSTREET MANAGEMENT SERVICES, LLC, and
RIVERSTREET COMMUNICATIONS OF VIRGINIA, INC.

For approval to enter into financing arrangements under Chapters 3 and 4 of Title 56 of the Code of Virginia.

ORDER GRANTING AUTHORITY

On April 12, 2021, Peoples Mutual Telephone Company ("PMTC"), RiverStreet Management Services, LLC, and RiverStreet Communications of Virginia, Inc., (collectively, "Petitioners"), completed the filing of a Joint Petition ("Petition")[1] with the State Corporation Commission ("Commission") under Chapters 3[2] and 4[3] of Title 56 of the Code of Virginia ("Code") for approval to enter into financing arrangements ("New Financing Arrangements"). The New Financing Arrangements involve the requested authority for PMTC's guaranty, limited to the portion of the New Financing Arrangements that will support the letters of credit ("LOC") necessary to receive annual installments of federal grant funds awarded under the Rural Digital Opportunity Fund -- Phase One ("RDOF") and the Connect America Fund – Phase Two ("CAF II") programs. The RDOF and CAF II programs provide funding grants to support the expansion of broadband service into rural areas. The specific RDOF and CAF II grant installments noted in the Petition will be contingent upon the LOC provided under the New Financing Arrangements, and such grant funding will be used to expand broadband service in and around the service territory of PMTC.

On April 8, 2021, Petitioners also filed a Motion For Entry Of A Protective Order ("Motion") concerning information filed under seal in confidential Exhibits A and B to the Petition, as well as additional confidential information related to the Petition that could be requested.

The Petition notes that PMTC was granted similar authority in Case No. PUR-2019-00001, relating to initial financing arrangements to support Virginia CAF II construction and LOC to receive CAF II annual award installments.[4] Petitioners represent that the New Financing Arrangements will support the LOC prospectively required for both Virginia CAF II annual award installments, as previously authorized in Case No. PUR-2019-00001, and additional annual installments of Virginia RDOF grant funds subsequently awarded. Consequently, Petitioners, request reaffirmation and restatement of the authority in the CAF II Funding Order to the extent required with respect to the New Financing Arrangements.[5]

NOW THE COMMISSION, upon consideration of the Petition, having been advised by the Commission's Staff in Staff's Action Brief, and having considered the Petitioners' comments thereon, is of the opinion and finds that the Petitioners' requested authority is in the public interest and, therefore, the Petition should be approved for purposes of Chapters 3 and 4, subject to the requirements set forth in the Appendix attached hereto. The Commission also finds that the Petitioners' Motion is no longer necessary; therefore, the Motion for Protective Order should be denied.[6]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Chapters 3 and 4 of Code, authority is granted for PMTC to participate in the New Financing Arrangements for the purposes specified in the Petition, subject to the requirements set forth in the Appendix attached to this Order.

(2) The Petitioners' Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(3) This case hereby is dismissed.

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[1] The initial Petition was filed April 1, 2021, but lacked certain verified signatures.

[2] Code § 56-55 *et seq.* ("Chapter 3").

[3] Code § 56-76 *et seq.* ("Chapter 4").

[4] *See Joint Petition of Peoples Mutual Telephone Company, RiverStreet Management Services, LLC, and RiverStreet Communications of Virginia, Inc., For approval to enter into financing arrangements under Chapters 3 and 4 of Title 56 of the Code of Virginia,* Case No. PUR-2019-00001, 2019 S.C.C. Ann. Rept. 353, Order Granting Approval (Feb. 19, 2019) ("CAF II Funding Order")

[5] Petition at 8, n.4, and 10, par. 21.

[6] The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review any confidential information contained in attachments to the Petition, or responses provided to Staff inquiry. 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.

APPENDIX A

(1) The Commission's approval of PMTC's participation in the New Financing Arrangements as guarantor, and to pledge its equity and assets as security for the New Financing Arrangements, is limited to the aggregate LOC amount necessary to receive annual support payments awarded under the RDOF and CAF II Programs. Should the Petitioners wish to modify the purpose, terms, and conditions of PMTC's guaranty, separate Commission approval shall be required.

(2) The Petitioners' exercise of the authority granted in this case shall supersede and terminate the prior authority granted in Case No. PUR-2019-00001.

(3) The Commission's approval granted in this case shall have no accounting or ratemaking implications.

(4) The approval granted in this case shall not preclude the Commission from exercising its authority under 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 Petitioners shall file with the Commission signed and executed copies of the New Financing Arrangements, including the PMTC guaranty, within ninety (90) days of their execution, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director"). Each page of any information provided by Petitioners to be considered as confidential shall be so marked and submitted in a sealed envelope marked confidential.

(7) PMTC shall include all information associated with its involvement in the New Financing Arrangements and its associated guaranty 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 PMTC's guaranty was approved; (b) the names of all direct and indirect affiliated parties to the New Financing Arrangements; and (c) a cumulative schedule, in Excel electronic media format, with formulas attached, showing by calendar year (i) the broadband buildout capital expenditures by CAF II and RDOF program phase; (ii) the LOCs issued under the New Financing Arrangements by CAF II and RDOF program phase; and (iii) annual CAF II and RDOF support payments received.

(8) PMTC shall file and obtain separate Chapter 3 (Code § 56-55 *et seq*.) and/or Chapter 4 ("Code § 56-76 *et seq*.) approval(s) prior to entering into any new financing or affiliate arrangements related to the proposed New Financing Arrangements or broadband buildout.

CASE NO. PUR-2021-00070
APRIL 6, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION ENERGY SOUTH CAROLINA, INC.

For approval of Revised Services Agreement under Chapter 4 of Title 56 of the Code of Virginia

ORDER ON MOTION

On April 1, 2021, Virginia Electric and Power Company d/b/a Dominion Energy Virginia and Dominion Energy South Carolina, Inc. (collectively, the "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a Revised Services Agreement ("Proposed Agreement") under Chapter 4 of Title 56 of the Code of Virginia. The Applicants currently operate under a services agreement, approved by the Commission in Case No. PUR-2019-00093 ("Current Agreement"),[1] which expires on April 18, 2021. Therefore, the Applicants filed a concurrent motion for interim authority ("Motion") to operate under the Proposed Agreement beginning April 19, 2021, until such time as the Commission acts on the instant Application. The Applicants represent that the terms and conditions of the Proposed Agreement are largely the same as the Current Agreement.

NOW THE COMMISSION, upon consideration of this matter and being advised by its Staff, is of the opinion and finds that the Applicants' Motion to operate under the Proposed Agreement pending a final order by the Commission in this case should be granted.[2]

Accordingly, IT IS ORDERED THAT:

(1) This case hereby is docketed and assigned Case No. PUR-2021-00070.

(2) The Applicants hereby are granted interim authority to operate under the Proposed Agreement pending further order of the Commission in this case.

(3) This case is continued.

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[1] *See Application of Virginia Electric and Power Company and Dominion Energy South Carolina, Inc., For approval of a Revised Services Agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2019-00093, 2019 S.C.C. Ann. Rpt. 452, Order Granting Approval (Aug. 22, 2019).

[2] The approval granted herein terminates upon the entry of the Commission's final order on this Application.

CASE NO. PUR-2021-00071
SEPTEMBER 8, 2021

APPLICATION OF
RED TRUCK WIRELESS, LLC

For a certificate of public convenience and necessity to provide competitive local exchange telecommunications service in the Commonwealth of Virginia

FINAL ORDER

On April 6, 2021, Red Truck Wireless, LLC ("Red Truck" or "Company"), completed the filing of an application ("Application")[1] with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("Certificate") to provide local exchange telecommunications service throughout the Commonwealth of Virginia.

On May 6, 2021, the Commission issued an Order for Notice and Comment ("Scheduling Order")[2] that, among other things, directed Red Truck 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 June 7, 2021, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On August 5, 2021, 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*.[3] Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant a Certificate to Red Truck subject to the following condition: Red Truck 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.[4] Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.[5]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant a Certificate to Red Truck.

Accordingly, IT IS ORDERED THAT:

(1) Red Truck is hereby granted Certificate No. T-780, 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 Red Truck 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) Red Truck 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.

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[1] On April 28, 2021, Red Truck supplemented its Application.

[2] On May 13, 2021, the Commission issued an Amending Order to revise certain filing dates at Applicant's request.

[3] *See* Staff Report at 1-2, 4.

[4] *Id*. at 2-3, 4.

[5] *Id*. at 4.

CASE NO. PUR-2021-00072
APRIL 21, 2021

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For approval to obtain financing

ORDER GRANTING AUTHORITY

On April 9, 2021, Northern Neck Electric Cooperative ("NNEC" 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. NNEC has paid the requisite filing fee of $25.

NNEC is seeking authority to borrow up to $25 million from the Federal Financing Bank ("FFB"). The Cooperative states that the loan proceeds will be used to reimburse itself for distribution and transmission facilities constructed since July 1, 2020, and to finance future distribution and transmission facilities. The Application states that the term of the loan will be 35 years and the interest rates on loan borrowings will be equal to the Treasury's cost of money for similar debt instruments plus one-eighth of one percent. The Cooperative may draw down the loan over a period of four years.

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) NNEC is authorized to incur indebtedness of up to $25 million from FFB, 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 FFB, NNEC shall provide the Director of the Commission's Division of Utility Accounting and Finance a Report of Action, which shall include the amount of the advance and the associated interest rate.[2]

(3) The authority granted herein shall have no accounting or ratemaking implications.

(4) This case is dismissed.

[1] Code § 56-55 *et seq*.

[2] Due to the circumstances surrounding COVID, the Report of Action may be submitted via electronic mail to accounting@scc.virginia.gov.

CASE NO. PUR-2021-00074
SEPTEMBER 14, 2021

JOINT APPLICATION OF
C & P ISLE OF WIGHT WATER CO., and LIFE ESSENTIALS, INC.

For approval of a transfer of utility assets pursuant to the Utility Transfers Act, Va. Code § 56-88 *et seq*., and a transfer of a Certificate of Public Convenience and Necessity

FINAL ORDER

On May 21, 2021, C&P Isle of Wight Water Co. ("C&P") and Life Essentials, Inc. ("Life Essentials") (collectively, "Applicants"), filed with the State Corporation Commission ("Commission") a joint amended application ("Application"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[1] requesting approval of the transfer of utility assets from C&P to Life Essentials.[2] The Applicants also requested approval of the transfer of C&P's certificate of public convenience and necessity ("Certificate") to Life Essentials.[3]

[1] Code § 56-88 *et seq*.

[2] Application at 1. On April 14, 2021, C&P and Life Essentials, LLC filed their initial joint application, but on May 18, 2021, Life Essentials, LLC converted to C corporation status, becoming Life Essentials, Inc., in accordance with Code § 13.1-620 G. *See id*. at 4 n.1.

[3] *Id*. at 1. The Commission granted C&P its current certificate of public convenience and necessity in Case No. PUE-2011-00072. *See Petition of C&P Isle of Wight Water Company, For approval of the disposition of the water supply facilities serving the subdivisions known as Ashby, Carrollton Forest, Brewers Creek, Cedar Grove, Quail Meadows, Ballard Creek, Smithneck, Poplar Harbor, and Rushmere Shores to Isle of Wight County and approval to amend C&P Isle of Wight Water Co.'s certificate of public convenience and necessity*, Case No. PUE-2011-00072, 2011 S.C.C. Ann. Rept. 521, Order Granting Approval (Dec. 1, 2011).

According to the Application, Life Essentials plans to purchase, own, and thereafter operate certain systems for furnishing water associated with multiple parcels of real property located in Counties of Southampton, Virginia (Cypress Cove System, Cypress Woods System, Nottoway System, Scottswood System), and Surry, Virginia (Kings Landing System) (collectively, "Water Systems").[4] The Applicants represent that approval of the transfer of assets will neither jeopardize nor adversely impact the provision of adequate service to the public at just and reasonable rates.[5] Additionally, the Applicants propose no changes to current rates or terms of service and do not anticipate any needed upgrades for the current systems.[6]

On June 7, 2021, the Commission entered an Order for Notice and Comment in this matter that, among other things, docketed the proceeding; directed the Applicants to provide notice of the Application to the public; provided interested persons the opportunity to comment on the Application or request a hearing; and directed the Staff of the Commission ("Staff") to investigate the Application and to file a Staff Report ("Report") containing Staff's findings and recommendations.[7]

On August 17, 2021, Staff filed its Report summarizing the results of its investigation of the Application. In its Report, Staff concluded that, subject to the requirements in Appendix A to the Report, it is in the public interest for C&P to transfer its utility assets and its Certificate to Life Essentials and for Life Essentials to obtain a transfer of the same.[8] Specifically, Staff recommended that Life Essentials record an acquisition adjustment reflecting the difference between the net book value and the purchase price and that the Commission evaluate the recoverability of this acquisition adjustment one year following the close of the proposed transfer.[9] Staff stated that the Commission's approval of the utility asset and Certificate transfers delineated in its Report will allow the continued provision of water service to portions of Southampton County and Surry County, Virginia, that are currently supplied by C&P, and that by acquiring C&P's Certificate, Life Essentials would be authorized to operate as a public utility.[10]

The Applicants did not file any response to Staff's Report.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that, pursuant to Code §§ 56-265.2 and 56-265.3, it is in the public interest for the Commission to approve the transfer of C&P's Certificate to provide water services in Southampton County, Virginia, and Surry County, Virginia, to Life Essentials, subject to the provisions of this Order. We further find that the transfer of assets from C&P to Life Essentials will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should therefore be approved, subject to the requirements recommended by Staff in its Report and Appendix A to its Report.

The Commission further finds that Applicants should obtain all permits, certifications, and licenses to operate the Water Systems, including permits from the Virginia Department of Health and the Virginia Department of Environmental Quality.[11] Life Essentials, or specifically, Mr. Robert Weeks, should also obtain a Waterworks Operator License/Permit and continue working under Mr. David Pugh, an owner of C&P and a water works operator, for one year or until a Waterworks Operator License/Permit has been obtained by Life Essentials or Mr. Weeks, whichever occurs first.[12] At no time should there be a lapse in the qualified waterworks operator's permits or licenses to operate any of the transferred systems, and to the extent that any issues shall arise with this requirement, Life Essentials should advise the Commission immediately upon discovery of any such issues or defects.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-89 and 56-90, and subject to each of the requirements outlined in Staff's Report and Appendix A thereto, Applicants are hereby granted approval of the transfer of all C&P's assets required to provide water production and distribution service in the Counties of Southampton, Virginia (Cypress Cove System, Cypress Woods System, Nottoway System, Scottswood System) and Surry, Virginia (Kings Landing System) to Life Essentials.

(2) C&P's Certificate No. W-283(h) is hereby cancelled.

(3) Life Essentials is hereby granted Certificate No. W-283 (i) to furnish water service in Southampton County, Virginia, and Surry County, Virginia, subject to the provisions of this order and all applicable provisions of the Code.

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[4] Application at 4. In response to Staff discovery, the Applicants clarified that "[C&P] currently provides only water systems and does not provide sewer services. Thus, the [Acquired Assets] ... shall include only water systems." *See* Staff Report at 3 n.5 (citing Response to Staff Data Request 1-1). Accordingly, the Commission's review and approval in this case extends to only those water production and distribution service systems currently operated by C&P. To the extent that Life Essentials seeks to offer wastewater/sewer system services in the future, the Company shall petition the Commission for authority before offering such services.

[5] *See id.* at 10.

[6] *Id*. 10-12.

[7] No written public comments or requests for hearing were filed. The Applicants filed Proof of Service on July 8, 2021, and July 12, 2021.

[8] Report at 1, 17, 19.

[9] *Id.* at 1, 17-18.

[10] *Id.* at 1-2, 18.

[11] *See* Report at 7-8.

[12] *See id.* at 6, 8.

(4) Life Essentials shall obtain all permits, certifications, and licenses to operate the Water Systems, including permits from the Virginia Department of Health and the Virginia Department of Environmental Quality.[13] Life Essentials, or specifically, Mr. Robert Weeks, shall also obtain a Waterworks Operator License/Permit and continue working under Mr. David Pugh, an owner of C&P and a water works operator, for one year or until a Waterworks Operator License/Permit has been obtained by Life Essentials or Mr. Weeks, whichever occurs first.[14] At no time shall there be a lapse in the qualified waterworks operator's permits or licenses to operate any of the transferred systems, and to the extent that any issues shall arise with this requirement, Life Essentials shall advise the Commission immediately upon discovery of any such issues or defects.

(5) Within ninety (90) days of completing the transfer of assets, the Applicants shall file a Report of Action with the Commission. Included in the Report of Action shall be the date of the transfer, the actual total consideration (including the purchase price and a list of the assumed liabilities, if any), the net book value (including all items transferred, such as net plant, contributions in aid of construction, current assets acquired, liabilities assumed, etc.) as of the date of the transfer, and the actual accounting entries on Life Essentials' books to reflect the transfer. Such accounting entries shall be in accordance with the Uniform System of Accounts ("USOA"), which includes booking any difference between the purchase price and the net book value of the acquired assets as an acquisition adjustment to Account 114.

(6) C&P shall provide all utility records, including any source documentation supporting the original cost of the water, to Life Essentials at closing, and Life Essentials shall be directed to maintain all such records henceforth in accordance with the USOA.

(7) Upon closing of the proposed transfer, Life Essentials shall be allowed to continue charging the same rates for each Water System. Life Essentials shall file with the Commission a balance sheet, a 12-month income statement, a rate of return statement, and, if available, a federal tax return for each Water System within ninety (90) days following the first full year of its operation of the business ("Compliance Filing"). Upon receiving such Compliance Filing, Staff shall plan and conduct an investigation of the Water Systems' cost of service and the reasonableness of current rates. Staff shall then summarize its findings of such investigation in a report filed with the Commission.

(8) The Commission defers any ratemaking decision on any acquisition adjustment recorded as a result of this proposed transfer. Life Essentials shall be required to track and quantify all of the benefits (both qualitative and quantitative) customers are receiving under its ownership. Life Essentials shall also be required to provide full support and documentation of any requested acquisition adjustment it proposes to include in its cost of service. Life Essentials shall include such information with its Compliance Filing.

(9) This transfer of assets shall have no accounting or ratemaking implications.

(10) The Commission's asset and certification transfer approvals are contingent upon the closure of the Water System sale pursuant to the terms and conditions ("Terms") of the agreement reviewed by this Commission. No changes to the Terms shall be made before or at closing, without prior Commission approval.

(11) This case is dismissed.

[13] *See* Report at 7-8.

[14] *See id.* at 6, 8.

CASE NO. PUR-2021-00078
MAY 18, 2021

JOINT APPLICATION OF
WHOLESALE CARRIER SERVICES, INC., WHOLESALE CARRIER SERVICES OF VIRGINIA, INC., and
BCM ONE GROUP HOLDINGS, INC.

For approval of the proposed transfer of indirect control of Wholesale Carrier Services of Virginia, Inc., pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On April 23, 2021, Wholesale Carrier Services, Inc. ("WCS"), Wholesale Carrier Services of Virginia, Inc. ("WCS-VA"), and BCM One Group Holdings, Inc. ("BCM One Group Holdings") (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 the proposed transfer, which will ultimately result in the transfer of indirect control of WCS-VA to BCM One Group Holdings ("Transfer"). The Applicants also filed a Motion for Protective Order ("Motion") in accordance with Rule 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.[3]

[1] BCM One, Inc.; Thompson Street Capital Partners V, L.P.; Thompson Street Capital V GP, L.P.; Thompson Street Capital LLC; Christopher Barton; James A. Cooper; and Robert C. Dunn are also considered Applicants in this proceeding and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq.*

[3] 5 VAC 5-20-10 *et seq.*

WCS-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 in Case No. PUC-2007-00101.[4]

The Applicants assert that the proposed Transfer will be seamless to customers and will not involve any assignment of operating authority, assets, or customers. The Applicants further state that WCS-VA 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, and without any change in the geographic areas served. Lastly, information filed with the Application indicates that WCS-VA 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 should therefore 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.

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[4] *See Application of Wholesale Carrier Services of Virginia, Inc., For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services,* Case No. PUC-2007-00101, 2008 S.C.C. Ann. Rept. 266, Final Order (Apr. 17, 2008).

[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, 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-2021-00084
NOVEMBER 3, 2021

APPLICATION OF
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY

For an Annual Informational Filing

ORDER CLOSING PROCEEDING

On April 28, 2021, Appalachian Natural Gas Distribution Company ("ANGD" or "Company") filed its Annual Informational Filing ("AIF") with the Clerk of the State Corporation Commission ("Commission"). The Company's AIF consisted of financial and operating data for the twelve months ended December 31, 2020 ("2020 Test Year").

On September 1, 2021, the Staff of the Commission ("Staff") filed its Report ("Report") on the Company's AIF. The Report included both financial and accounting analysis. As part of its analysis, Staff reviewed the consolidated capital structure of Utility Pipeline, Ltd. ("UPL"), the parent company of ANGD.[1]

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[1] Staff noted that the consolidated capital structure of UPL was approved for ratemaking in the Company's last application for a general increase in rates. Report at 1. *See Application of Appalachian Natural Gas Distribution Company, For a general increase in rates*, Case No. PUR-2018-00015, 2019 S.C.C. Ann. Rept. 180, Final Order (Nov. 15, 2019) ("2018 Rate Case").

In its Report, Staff compared the changes in UPL's capitalizations ratios and cost of capital from the 2018 Rate Case to the 2020 Test Year.[2] Staff concluded that the fully adjusted returns on common equity ("ROE") for the Company's Appalachian service territory and Bluefield service territory are each above the 9.40% authorized ROE from the 2018 Rate Case.[3] However, Staff noted two uncertainties which could potentially impact ANGD's prospective earnings.[4] First, the President of UPL has assumed the role of President of ANGD, a position that was unfilled for most of the 2020 Test Year; such impact on cost allocations from UPL to ANGD is unknown at this time.[5] Second, since there has been a substantial change in capital structure,[6] Staff believes it would be prudent to further evaluate earnings impacts in future proceedings.[7]

Given the unknown impacts of the change in capital structure on prospective earnings, Staff recommended no action on the Company's rates at this time and will continue to monitor the Company's earnings levels.[8] Accordingly, Staff recommended that no further action on the Company's rates is necessary at this time.[9]

On September 14, 2021, Staff sent a letter to ANGD requesting that the Company file any written response to the Report by October 15, 2021.[10] As of the date of this Order, no response has been filed by the Company.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Staff's recommendations made in the Report are reasonable and shall be adopted, and that no action on the Company's rates shall be taken at this time.

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

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[2] Report at 3. Staff noted that the lower proportion of equity in UPL's 2020 ratemaking capital structure is a result of an application filed by the Company, along with UPL and associated affiliates, for authority to refinance existing debt and recapitalize UPL and its subsidiaries. *Id. See 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,* Case No. PUR-2020-00167, 2020 S.C.C. Ann. Rept. 612, Order Granting Authority (Dec. 29, 2020) ("2020 Financing Case").

[3] Report at 7.

[4] *Id.*

[5] *Id.*

[6] *See* 2018 Rate Case and 2020 Financing Case.

[7] Report at 7.

[8] *Id.*

[9] *Id.* at 7-8.

[10] Letter from Kelli Cole, Esquire, State Corporation Commission, dated September 14, 2021, to John D. Jessee, Vice President, Appalachian Natural Gas Distribution Company, filed in Case No. PUR-2021-00084.

CASE NO. PUR-2021-00086
JULY 27, 2021

APPLICATION OF
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY

For approval to implement SAVE rates for each customer class for Year 3 of its SAVE Plan

ORDER GRANTING APPROVAL

On April 29, 2021, Appalachian Natural Gas Distribution Company ("ANGD" or "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 Plan (SAVE) 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 ("2019 SAVE Order").[1] ANGD's Application seeks approval to implement SAVE rates for each customer class for Year 3 of its SAVE Plan ("Year 3 Rates"). ANGD requests that the proposed Year 3 Rates for each customer class become effective August 1, 2021.[2]

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[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, 2019 S.C.C. Ann. Rept. 361, Order (July 16, 2019).

[2] Application at 4.

In its Application, the Company states that in its 2019 SAVE Order, the Commission directed ANGD to file its request for Year 3 Rates by May 1, 2021, for the rate year beginning August 1, 2021, and ending July 31, 2022.[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]

According to the documents and workpapers submitted by the Company in support of the revenue requirement for the Year 3 Rates, the revenue requirement and Year 3 Rates are designed to recover the costs, as defined by § 56-603 of the Code, of eligible infrastructure replacement projects that will occur in Year 3.[5] The Year 3 projects are outlined in Schedule 17 to the Commission Staff's ("Staff") Report filed in Case No. PUR-2019-00011 and include replacement of approximately 6,000 feet of vintage plastic main in the Tazewell area, specifically on Calvin Street, Virginia Avenue, Tazewell Avenue, Doak Street, Square Street, Crescent Street, Tolbert Street, Keister Street, Meadow Street, Schenley Avenue, Franklin Street, and Fairview Bypass.[6] The total 2021 SAVE factor revenue requirement presented by the Company is $204,872.[7] According to the Application, residential customers will receive a charge of $6.52 per month, an increase of $1.69 or 3.08%, on the average residential monthly bill compared to the $4.83 current SAVE charge.[8]

On May 13, 2021, 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 Staff to investigate the Application and file a report ("Staff Report") containing its findings and recommendations.

On June 25, 2021, Staff filed its Staff Report wherein it reported that, after review and analysis, Staff recommended a revenue requirement of $194,846 ($10,025 less than requested by the Company), and provided its reasons and analysis therefor.[9] Staff supports the Company's proposal to use the 8.423% overall cost of capital and the 9.4% cost of equity approved in PUR-2018-00015[10] and is not opposed to the Company's proposed class allocation of the 2021 SAVE rider revenue requirement.[11]

ANGD filed no response in rebuttal to the Staff Report. On July 22, 2021, ANGD filed a letter stating that that the Company does not object to the recommendations in the Staff Report.

On June 25, 2021, ANGD filed a Motion to Modify Procedural Schedule ("Motion"), requesting modification to certain due dates prescribed by the Commission due to Company oversight in timely completing the newspaper publication and service requirements contained in the Procedural Order.[12] The Commission granted the Motion by Order dated June 28, 2021 ("June 28 Order").

On June 28 and 30, 2021, ANGD served and published notice of this case. 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 3 Rates are approved as recommended by Staff in its Staff Report, *to wit*:

(1) The Commission finds that the Year 3 revenue requirement as revised by Staff is $194,846;[13] and

(2) The Commission further approves the recommended use of the overall cost of capital and cost of equity last approved for ANGD in Case No. PUR-2018-00015,[14] and the class allocation proposed by the Company in its Application.[15]

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[3] *Id.* at 2; *see also* 2019 SAVE Order at 362.

[4] Application at 2; *see also* 2019 SAVE Order at 362.

[5] Application at 2.

[6] *Id.* at 2 and Ex. JDJ - Schedule 18; *see also 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 Commission adopted the recommendations in the Staff Report in the 2019 SAVE Order, 2019 S.C.C. Ann. Rept. at 362.

[7] Application at Ex. JDJ – Schedules 1 and 17.

[8] *Id.* at Ex. JDJ – Schedule 17.

[9] Staff Report at 2-5. Staff made corrections related to uncollectible expense and depreciation expense.

[10] *Id*. at 6.

[11] *Id*. at 7-8.

[12] Motion at 1-2.

[13] Staff Report at 2, 9.

[14] *Id.* at 6.

[15] *Id*. at 7-8, 9.

The Commission also finds that the rate assessed to each applicable rate schedule should be calculated by dividing the allocated SAVE rider revenue requirement for each rate class by the class's projected billing units for the 2021 rate year, as proposed by the Company in its Application.[16]

In approving this increase, the Commission notes its awareness of the ongoing COVID-19 public health concern, 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 reflecting the Commission's findings above shall become effective beginning August 1, 2021, and shall remain in effect until July 31, 2022.

(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.

[16] *See* Application at Ex. JDJ – Schedule 17. This is the same methodology that was approved by the Commission in the Company's prior SAVE Rider proceeding, Case No. PUR-2020-00078. *See* Staff Report at 6-7; *Application of Appalachian Natural Gas Distribution Company, For approval to implement SAVE rates for each customer class for Year 2 of its SAVE Plan*, Case No. PUR-2020-00078, Doc. Con. Cen. No. 200730251, Order Granting Approval (July 29, 2020).

CASE NO. PUR-2021-00088
JUNE 10, 2021

APPLICATION OF
TALK AMERICA SERVICES, LLC

For cancellation of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

ORDER CANCELLING CERTIFICATES

On May 4 2021, a letter application was filed with the State Corporation Commission ("Commission") on behalf of Talk America Services, LLC ("Company") requesting cancellation of the certificates of public convenience and necessity issued to the Company to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia.[1] The filing states that the Company has no telecommunications customers in Virginia. On May 18, 2021, another filing was made requesting the return of the Company's $50,000 surety bond on file with the Commission.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate No. T-737 and Certificate No. TT-284A should be cancelled, that any tariffs on file associated with the certificates should be cancelled, and that the Company's surety bond should be released.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed as Case No. PUR-2021-00088.

(2) Certificate No. T-737, issued to Talk America Services, LLC to provide local exchange telecommunications services, is hereby cancelled.

(3) Certificate No. TT-284A, issued to Talk America Services, LLC to provide interexchange telecommunications services, is hereby cancelled.

(4) Any tariffs on file with the Commission associated with Certificate No. T-737 and Certificate No. TT-284A are hereby cancelled.

(5) The bond associated with Certificate No. T-737 is hereby released and shall be returned by the Commission's Division of Public Utility Regulation as requested.

(6) This case is dismissed.

[1] *See Application of Talk America Services, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia*, Case No. PUC-2014-00049, 2014 S.C.C. Ann. Rept. 236, Final Order (Mar. 12, 2019) (granting Certificate Nos. T-737 and TT-284A).

CASE NO. PUR-2021-00089
DECEMBER 10, 2021

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

Ex Parte: In the matter of establishing rules and regulations pursuant to § 56-585.5 G of the Code of Virginia related to accelerated renewable energy buyers

ORDER ADOPTING REGULATIONS

On May 12, 2021, the State Corporation Commission ("Commission") issued an Order Establishing Proceeding ("Initial Order") docketing this matter for the purpose of determining whether rules and regulations are necessary to implement the provisions of Code § 56-585.5 G and, if so, the appropriate rules and regulations that should be adopted. Enacted as part of the Virginia Clean Economy Act by the 2020 Virginia General Assembly,[1] Code § 56-585.5 G permits certain customers of Appalachian Power Company ("APCo") and Virginia Electric and Power Company ("Dominion") to be certified as accelerated renewable energy buyers ("ARBs"). Among other things, the Initial Order directed APCo and Dominion to submit comments and permitted any other interested person or entity to submit comments regarding specific issues identified therein. The Commission further permitted commenters to propose specific regulations.

The following entities filed comments in response to the Initial Order: Dominion and APCo, jointly ("Joint Commenters"); the Virginia Office of the Attorney General, Division of Consumer Counsel; Walmart Inc. ("Walmart"); the Data Center Coalition ("DCC"); and the Advanced Energy Buyers Group ("AEBG"). The Joint Commenters included draft proposed regulations with their comments. On July 7, 2021, the Commission issued an Order for Additional Comment permitting additional comments in response to comments previously filed in this matter on or before July 29, 2021. Additional comments were filed by the Joint Commenters, Walmart, DCC, and AEBG.

On August 25, 2021, the Commission issued an Order for Notice and Comment ("Procedural Order") in this docket. Draft proposed Regulations Governing Accelerated Renewable Energy Buyers ("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 5, 2021, which could include proposals and hearing requests. The Procedural Order further required Staff to file, on or before November 19, 2021, 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, Walmart, DCC, and AEBG. No requests for hearing were received. On November 19, 2021, Staff filed a Staff Report including certain revisions to the Proposed Rules proposed by Staff after reviewing the comments provided.

NOW THE COMMISSION, upon consideration of the foregoing, finds that we should adopt the Rules appended hereto as Attachment A effective February 1, 2022. As an initial matter, the Commission expresses appreciation to those who have submitted written comments for our consideration. We have carefully considered the comments and proposals filed in this matter. As experience is gained and lessons are learned, these Rules may be updated and revised. In this regard, we further note that the Rules, as adopted herein, permit requests for waiver for good cause shown.[2]

The Rules we adopt herein contain certain modifications to those that were first proposed by Staff and published in the *Virginia Register of Regulations* on September 27, 2021. 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.

20 VAC 5-319-20 Definitions.

The Commission agrees the Rules should incorporate the 2021 amendments to Code § 56-585.5 G and finds Staff's proposal to modify the definition of "Bundled contract" reasonable to reflect these amendments.[3]

The Commission further finds the Joint Commenters' proposal to change the definition of "REC-only contract," as further modified by Staff, is reasonable.[4] Under the Rules, a REC-only contract is now defined as "a contract for purchase of unbundled RECs from RPS eligible resources as that term is described in § 56-585.5 C of the Code of Virginia."

20 VAC 5-319-40 Commission certification process.

Each of the commenting entities offered suggested changes to the Proposed Rules related to the provision and exchange of sensitive commercial information.[5] As adopted, the Rules strike a reasonable balance in the provision and exchange of such information. As an initial matter, we note that the Rules permit all market sensitive information to be redacted from contracts other than what is necessary to verify the information required in Schedule 2 of the ARB Certification Form, regardless of whether a potential ARB proceeds through the Commission certification process or the utility certification process.

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[1] Senate Bill 851, 2020 Va. Acts ch. 1194, and identical House Bill 1526, 2020 Va. Acts ch. 1193 (effective July 1, 2020).

[2] 20 VAC 5-319-70.

[3] *See* Nov. 5, 2021 DCC Comments ("DCC Comments") at 5-6; Nov. 5, 2021 Joint Commenters Comments ("Joint Comments") at 7; Nov. 5, 2021 AEBG Comments ("AEBG Comments") at 2; Staff Report at 9; 2021 Va. Acts (Special Session I) ch. 140.

[4] Joint Comments at 7; Staff Report at 10.

[5] Joint Comments at 2-5; AEBG Comments at 2-3; Nov. 5, 2021 Walmart Comments ("Walmart Comments") at 1-2; DCC Comments at 2-4.

The Joint Commenters request that Rule 40 A 2 be amended to require potential ARBs to provide copies of redacted contracts to the utility upon request as part of the Commission certification process.[6] Joint Commenters are concerned the utility will not be able to provide complete commentary on whether the customer qualifies as an ARB.[7] AEBG, on the other hand, supports the Rule as drafted, stating "it is very important to renewable energy buyers that information about private contracts be kept confidential."[8] The Commission will not require a potential ARB utilizing the Commission certification process to provide copies of redacted contracts to the applicable utility upon request. In so deciding, we recognize that certification through the Commission is a statutorily required alternative to directly certifying with the utility under Code § 56-585.5 G, and thus want to provide an avenue for potential ARBs that may not be comfortable sharing contractual information directly with the utility. We further agree with Staff that a Form Agreement to Adhere to Confidential Treatment pursuant to 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure[9] is not appropriate in this context, which is outside of a formal docketed proceeding.[10]

Finally with respect to Rule 40 and the ARB Certification Form, we will clarify in the Rules that, in lieu of resubmitting executed contract or excerpts from contracts on an annual basis, previously-certified ARBs may be recertified by providing an attestation from a corporate officer affirming that there have been no material changes to the relevant contract during the previous year.[11]

Accelerated Renewable Energy Buyers Certification Form

The Commission does not adopt the Joint Commenters' proposal to include a table with the Annual RPS Program Requirement in the ARB Certification Form, as that table is already included in Code § 56-585.5 and need not be repeated.[12]

We further agree with Joint Commenters and DCC that language should be added permitting potential ARBs to provide "a copy of the first and last page of all executed contracts along with the relevant provisions," as an alternative to providing "a copy of all executed contracts."[13]

To address the comments of Walmart and AEBG, we further find that the ARB Certification Form should be modified to clarify that an ARB include information on "the actual production from the resources sold to the ARB in megawatt-hours in the prior calendar year in the case of a bundled contract or the number of RECs sold to the ARB in the case of a REC-only contract."[14]

Accordingly, IT IS ORDERED THAT:

(1) The Regulations Governing Accelerated Renewable Energy Buyers, 20 VAC 5-319-10 *et seq*., as shown in Attachment A to this Order, are hereby adopted and are effective as of February 1, 2022.

(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) Within five (5) business days of the date of this Order, APCo and Dominion shall transmit to each customer eligible to be certified as an ARB, by separate first class mailing, by electronic mail, or by bill insert, a copy of this Order including Attachment A.

(5) Within ten (10) business days of the date of this Order, APCo and Dominion shall file an affidavit of compliance with the requirement in Ordering Paragraph (4) with the Clerk of the Commission by filing electronically at scc.virginia.gov/clerk/efiling/. The affidavit shall not include the names or other identifying information of the notified customers, but each utility shall maintain a record of such information.

(6) This docket is dismissed.

NOTE: A copy of Attachment A entitled "Regulations Governing Accelerated Renewable Energy Buyers" 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.

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[6] Joint Comments at 2-5.

[7] *Id.* at 3.

[8] AEBG Comments at 2-3.

[9] 5 VAC 5-20-10 *et seq.*

[10] Staff Report at 11.

[11] AEBG Comments at 1-2.

[12] Joint Comments at 5; Staff Report at 12.

[13] *See* Joint Comments at 4-5; DCC Comments at 2-3.

[14] Walmart Comments at 2; AEBG Comments at 3-4.

CASE NO. PUR-2021-00091
JUNE 2, 2021

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

ORDER GRANTING APPROVAL

On May 10, 2021, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV" or the "Company") 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 authority to participate in a $6 billion, five-year syndicated revolving credit facility ("Proposed Core Credit Facility") with its parent, Dominion Energy, Inc. ("Dominion" or "DEI"). The facility is used to provide letters of credit and liquidity to support commercial paper programs and other short-term type securities. The Company paid the requisite fee of $250.

DEV requests authority for the Proposed Core Credit Facility to replace its currently authorized $6 billion, five-year syndicated revolving credit facility ("Existing Core Credit Facility").[3] The Proposed Core Credit Facility will be available for borrowings by the Company, DEI, DESC, and Questar (individually, "Borrower", and collectively, "Borrowers") with sublimits of $1.75 billion, $3.5 billion, $500 million, and $250 million, respectively.

The Company estimates that there will be approximately $12.3 million of upfront costs and fees associated with the Proposed Core Credit Facility. The fees will be split among the Borrowers based on each Borrower's sublimit; therefore, approximately 29% of the upfront costs and fees will be allocated to the Company.

Other fees, including annual facility fees and letter of credit fees, will be based on the Company's senior unsecured long-term credit ratings by S&P Global Inc., Moody's Investors Service, Inc., and Fitch Ratings Ltd., payable in arrears at the end of each calendar quarter.

Each loan under the Proposed Core Credit Facility will bear interest at one of the following rates, at the Borrower's election: (1) the higher of (i) the per annum rate of interest established from time to time by JPMorgan Chase at its principal office in New York, New York as its prime rate; (ii) the Federal Reserve Bank of New York overnight rate plus 0.5%; and (iii) the Eurodollar Rate for a one-month interest period plus 1.0%, provided that if any such rate shall be less than zero, such rate shall be deemed to be zero; or (2) the rate (adjusted for statutory reserve requirements for eurocurrency liabilities) per annum appearing on the Reuters Screen LIBOR01 page or LIBOR02 page (which rate is administered by ICE Benchmark Association) or any successor page provided that if any such rate shall be less than zero, such rate shall be deemed zero plus the applicable margin included in the loan application.

If at any time the Company is in default in the payment of any amount of principal under this facility, the Company will be required to pay an additional 200 basis points in interest above the rate otherwise applicable on the defaulted amount. The Company's Application also states that if another Borrower were to default, DEV would still have access to its portion of the Proposed Core Credit Facility. The term of the facility will be five years, with the Borrowers having the option to extend the facility for two one-year periods.

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 is in the public interest.

Accordingly, IT IS ORDERED THAT:

(1) DEV is authorized to implement the Proposed Core Credit Facility subject to certain conditions outlined in the Appendix attached to this Order Granting Approval.

(2) This case is continued.

APPENDIX

1. Separate Commission approval shall be required for any changes in the terms and conditions of the Proposed Core Credit Facility.

2. The Commission's approval shall have no accounting or ratemaking implications.

3. 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.

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.

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[1] Code § 56-55 *et seq.*

[2] Code § 56-76 *et seq.*

[3] By Order dated September 23, 2010, the Commission initially authorized DEV to establish and participate in a $3 billion syndicated revolving credit and competitive loan facility together with DEI. *See Application of Virginia Electric and Power Company, For authority to establish a credit facility,* Case No. PUE-2010-00106, 2010 S.C.C. Ann. Rept. 613, Order Granting Authority (Sept. 23, 2010). Since that time, the facility has been amended and/or extended pursuant to Commission Orders dated September 21, 2011, September 17, 2012, May 16, 2014, March 23, 2016, November 4, 2016, March 15, 2018, December 21, 2018, February 1, 2019, and September 9, 2020. The facility now includes Dominion Energy South Carolina Inc. ("DESC") (formerly known as South Carolina Electric & Gas Company), and Questar Gas Company ("Questar").

5. The Company shall file with the Commission a signed and executed copy of the Proposed Core Credit Facility within ninety (90) days of the effective date of this Order Granting Approval, subject to administrative extension by the Director of the Commission's Division of Utility Accounting and Finance.

6. The Company shall notify the Commission within ten (10) days of any reallocation of the sublimits authorized herein.

7. On or before January 31 of each year the Proposed Core Credit Facility is active, the Company shall file a report detailing the use of the Proposed Core Credit Facility for the previous year including the date, amount, and applicable interest rate of each loan under the Proposed Core Credit Facility.

8. This matter remains under the continued review, audit, and appropriate directive of the Commission.

9. The authority granted in this case supersedes the authority granted in Case No. PUR-2019-00003.[4] Within thirty (30) days of the execution of the Proposed Core Credit Facility, the Company shall file Final Reports of Action in that docket detailing any use under the Existing Core Credit Facility including the date, amount, and applicable interest rate of each loan under the Existing Core Credit Facility.

[4] *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*, Case No. PUR-2019-00003, 2019 S.C.C. Ann. Rept. 355, Order Granting Approval (Feb. 1, 2019), *amended by* Doc. Con. Cen. No. 200910157, Order Granting Amended Approval (Sept. 9, 2020).

CASE NO. PUR-2021-00094
JUNE 4, 2021

APPLICATION OF
ATMOS ENERGY CORPORATION

For an Order Authorizing the Implementation of a Universal Shelf Registration for Senior Debt Securities and Common Stock

ORDER GRANTING AUTHORITY

On May 10, 2021, 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 implement with the Securities and Exchange Commission ("SEC") a new $5 billion universal shelf registration ("Shelf Registration") to issue senior debt securities and common stock. The Shelf Registration would be effective for three years from the date of registration with the SEC. Atmos also requests authority to enter into financial derivative transactions in connection with any security issuances associated with the Shelf Registration. Finally, the Company requests that the remaining shelf authority granted in Case No. PUR-2019-00202[2] be terminated upon the approval of the Application. Atmos paid the requisite fee of $250.

The requested authority is intended to provide financing for the refunding of debt as market conditions permit; for the purchase, acquisition and/or construction of additional properties and facilities, as well as improvements to the Company's existing utility plant; and for general corporate purposes.[3] Interest rates and debt maturities will be determined based upon market conditions at the time of issuance. With approximately $200 million of capacity remaining in the existing shelf registration, Atmos states that additional capacity is necessary to finance upcoming capital expenditures. Further, Atmos asserts that the financial derivative transactions will allow the Company to manage long-term interest costs.

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. We further find that the authority granted in Case No. PUR-2019-00202 shall terminate on the effective date of the registration of the Shelf Registration and shall be superseded by the authority granted herein.

Accordingly, IT IS ORDERED THAT:

(1) Atmos is authorized to implement the universal shelf registration and enter into financial derivative transactions as described in the Application subject to the requirements set forth in the Appendix attached hereto.

(2) This case is continued.

[1] Code § 56-55 *et seq.*

[2] *Application of Atmos Energy Corporation, For authority to implement a universal shelf registration for senior debt securities and common stock*, Case No. PUR-2019-00202, Doc. Con. Cen. No. 200140073, Order Granting Authority (Jan. 29, 2020).

[3] Application at 2.

APPENDIX

1) Atmos is authorized to issue senior debt securities and/or common stock up to a maximum of $5 billion from the effective date of the Shelf Registration with the SEC and ending three years from such effective date under the terms and conditions and for the purposes set forth in the Application.

2) Atmos is authorized to enter into financial derivative transactions from the effective date of the Shelf Registration under the terms and conditions and for the purposes set forth in the Application.

3) Atmos shall notify the Commission's Division of Utility Accounting and Finance within ten (10) days of the effective date of the Shelf Registration.

4) Atmos shall submit a report of action regarding the issuance of any securities pursuant to this Order Granting Authority directly to the Commission's Division of Utility Accounting and Finance within ten (10) days after the filing of its 10-K or 10-Q with the SEC, 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 regarding the execution of financial derivative transactions made pursuant to this Order Granting Authority directly to the Commission's Division of Utility Accounting and Finance within ten (10) days after the filing of its 10-K or 10-Q with the SEC, including: the date, type of transaction, notional amount of the securities hedged, interest rate or index selected, and anticipated maturity date of the financial derivative transactions.

6) On or before February 28, 2022, February 28, 2023, and February 29, 2024, Atmos shall file with the Commission a detailed report of action with respect to all securities issued and financial derivative 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 after the expiration of the Shelf Registration approved in this Order Granting Authority, including all information required in Paragraph (6) above, a detailed account of all actual expenses and fees paid to date for each type of 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-2021-00095
JUNE 28, 2021

JOINT APPLICATION OF
GTCR ONVOY HOLDINGS LLC, ONVOY, LLC, BROADVOX-CLEC, LLC, NEUTRAL TANDEM-VIRGINIA, LLC, and SINCH US HOLDING INC.

For approval of the proposed change of indirect control of Onvoy, LLC, Broadvox-CLEC, LLC, and Neutral Tandem-Virginia, LLC to Sinch US Holding Inc., pursuant to Va. Code § 56-88 *et seq*.

ORDER GRANTING APPROVAL

On May 10, 2021, GTCR Onvoy Holdings LLC ("GTCR Onvoy Holdings "); Onvoy, LLC ("Onvoy"), Broadvox-CLEC, LLC ("BV-CLEC"), and Neutral Tandem-Virginia, LLC ("Neutral Tandem");[1] and Sinch US Holding Inc. ("Sinch US") (collectively, "Applicants"),[2] filed a joint 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 approval of the proposed change of indirect control of the Licensees to Sinch US ("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.[4]

[1] Onvoy, BV-CLEC, and Neutral Tandem collectively are referred to hereinafter as "Licensees".

[2] Inteliquent, Inc. ("Inteliquent"), Intermediate Holdings, Onvoy Holdings, GTCR Fund X/A LP, GTCR Partners X/A&C LP, GTCR Investment X LLC, Sinch Holding AB, and Sinch AB (publ) are also considered Applicants in this proceeding and have provided the statutorily required verifications.

[3] Code § 56-88 *et seq*.

[4] 5 VAC 5-20-10 *et seq.*

Onvoy is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to its certificates of public convenience and necessity ("CPCNs") issued by the Commission.[5] BV-CLEC is a direct, wholly owned subsidiary of Onvoy and is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to its CPCNs issued by the Commission.[6] Finally, Neutral Tandem is a direct, wholly owned subsidiary of Inteliquent, which is a direct, wholly owned subsidiary of Onvoy. Neutral Tandem is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to its CPCNs issued by the Commission.[7]

The Licensees are currently indirect, wholly owned subsidiaries of GTCR Onvoy Holdings. The Applicants assert that the proposed Transfer will be transparent to Virginia customers, and that the only immediate change will be that Sinch US will be the new indirect owner of Licensees. The Applicants further state that Licensees 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, the Applicants represent 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.

Approval of the Transfer is also being sought by the Applicants from the Federal Communications Commission ("FCC") in Docket No. ISP-PDR-20210401-00006. On May 20, 2021, 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. As noted by the Staff of the Commission ("Staff") in its action brief, in 2020, a similar review was conducted of a transfer of control involving a Virginia certificated competitive local exchange carrier and a foreign-owned company. In that case, Case No. PUR-2020-00209, and in prior cases, the Commission conditioned its approval of such transfer of control upon the transaction receiving the approval of the FCC.[8]

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Staff through its action brief, 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.[9]

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.

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[5] *See Application of Onvoy, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia*, Case No. PUC-2014-00056, 2015 S.C.C. Ann. Rept. 149, Final Order (Jan. 28, 2015).

[6] *See Application of Broadvox-CLEC, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services*, Case No. PUC-2009-00025, Doc. Con. Cen. No. 160930051, Final Order (Sept. 8, 2009).

[7] *See Application of Neutral Tandem-Virginia, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services*, Case No. PUC-2005-00163, 2006 S.C.C. Ann. Rept. 221, Final Order (June 22, 2006).

[8] *See , e.g., Joint Petition 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.*, Case No. PUR-2020-00209; Doc. Con. Cen. No. 201220040, Order Granting Approval (Dec. 10, 2020); *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).

[9] 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, 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-2021-00097
JUNE 29, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia

ORDER ESTABLISHING 2021-2022 FUEL FACTOR

On May 13, 2021, 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 an increase in its fuel factor from 1.7021 cents per kilowatt-hour ("¢/kWh") to 2.0448¢/kWh, effective for usage on and after July 1, 2021.

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 1.9443¢/kWh is designed to recover the Company's estimated Virginia jurisdictional fuel expenses, including purchased power expenses, of approximately $1.39 billion for the period July 1, 2021, through June 30, 2022. The Company's proposed Prior Period factor for Fuel Charge Rider A of 0.1005¢/kWh is designed to collect approximately $71.6 million, which represents the net of two projected June 30, 2021 fuel balances.[1]

In total, Dominion's proposed fuel factor represents a 0.3427¢/kWh increase from the fuel factor rate presently in effect of 1.7021¢/kWh, which was approved in Case No. PUR-2020-00031.[2] According to the Company, this proposal would result in an annual fuel revenue increase of approximately $244.1 million between July 1, 2021, and June 30, 2022.[3] The total proposed fuel factor would increase the average weighted monthly bill of a residential customer using 1,000 kWh of electricity by $3.43, or approximately 2.9%.[4]

In response to the Commission's directive in the 2020 Fuel Factor Order, Dominion also provided testimony addressing how the Company monetizes the unused portion of its natural gas pipeline capacity portfolio on days when the system is not constrained.[5]

On May 26, 2021, the Commission issued its Order Establishing 2021-2022 Fuel Factor Proceeding that, among other things, established a procedural schedule for this matter; appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission; required the Company to provide public notice of its Application; and scheduled an evidentiary hearing.

The following parties filed notices of participation: Virginia Committee for Fair Utility Rates ("Committee")[6] and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). The Commission's Staff ("Staff") filed the direct testimony of Earnest J. White, Principal Utilities Policy Specialist in the Commission's Division of Public Utility Regulation, on June 15, 2021 ("Staff Testimony"). As described in Staff Testimony, Staff investigated the Company's Application and concluded that the Company's proposed fuel factor appears reasonable. On June 17, 2021, Dominion filed a rebuttal letter in lieu of rebuttal testimony stating that Dominion supports the conclusions and recommendations of Staff.[7] Also on June 17, 2021, the Company filed a Motion for Interim Authority to Implement the Proposed Fuel Factor ("Motion for Interim Authority"). In its Motion for Interim Authority, the Company requested authority to implement the proposed fuel factor of 2.0448¢/kWh on an interim basis on July 1, 2021, to the extent the Commission does not issue an order establishing the 2021-2022 fuel factor prior to July 1, 2021. The Commission did not receive written comments from any interested person regarding the Application.

On June 23, 2021, a Hearing Examiner appointed by the Commission convened a public evidentiary hearing. Due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom. No public witness appeared to testify at the hearing. Dominion, Consumer Counsel, and Staff participated at the hearing. The Hearing Examiner received evidence from Dominion and Staff on the Application and offered an opportunity for responses to the Motion for Interim Authority.

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[1] Ex. 2 (Application) at 2. The first balance is the projected June 30, 2021 under-recovery balance of approximately $76.9 million associated with recovery of the July 1, 2020, through June 30, 2021 current period expense. The second balance is the projected June 30, 2021 over-recovery balance of approximately $5.3 million associated with recovery of the remaining June 30, 2020 prior period expense. *Id.*

[2] *Id.*; *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-2020-00031, Doc. Con. Cen. No. 200650120, Order Establishing 2020-2021 Fuel Factor (June 30, 2020) ("2020 Fuel Factor Order").

[3] Ex. 2 (Application) at 2.

[4] Ex. 10 (Direct Testimony of Timothy P. Stuller) at 4-5.

[5] *See, e.g.*, Exs. 6 (Direct Testimony of Dale E. Hinson) and 6C (Confidential Direct Testimony of Dale E. Hinson) at 4-5.

[6] The Committee did not participate at the hearing.

[7] Ex. 12 (Letter in Lieu of Rebuttal Testimony). This filing made a clarification concerning one number in Staff Testimony. *See id*. at 1-2.

On June 24, 2021, the Report of Mary Beth Adams, Hearing Examiner ("Report") was issued. In her Report, the Hearing Examiner summarized the record in this proceeding, including the direct testimony of Company witnesses and Staff. The Hearing Examiner found that the issue before the Commission is whether the Company's proposed revised fuel factor of 2.0448¢/kWh, consisting of a Current Period factor of 1.9443¢/kWh and a Prior Period factor of 0.1005¢/kWh, is reasonable.[8] The Hearing Examiner further found that the Company's proposed fuel factor is unopposed. As stated in the Report:

> Based on the record in the case, I find a revised total fuel factor of 2.0448¢/kWh meets the requirements of § 56-249.6 of the Code. In addition, I recommend that the Company be required to 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.[9]

The Company filed comments to the Report stating that it agrees with the findings and recommendations of the Hearing Examiner. No other party filed comments to the Report.

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Hearing Examiner's Report and finds that a revised total fuel factor of 2.0448¢/kWh, consisting of a Current Period factor of 1.9443¢/kWh and a Prior Period factor of 0.1005¢/kWh is hereby approved for usage on and after July 1, 2021. The Commission also finds that the Motion for Interim Authority should be denied as moot.[10] The Commission further 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. 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.[11]

In approving this request for an increased fuel factor, 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 fuel factor shall be 2.0448¢/kWh, for usage on and after July 1, 2021.

(2) The Motion for Interim Authority is denied as moot.

(3) The Company shall comply with the directives set forth in this Order.

(4) This case is continued generally.

[8] Report at 11.

[9] *Id.* at 11-12.

[10] No party or Staff objected to the Motion for Interim Authority. *See id.* at 11.

[11] In the 2020 Fuel Factor Order, based on concerns expressed by the Committee and Consumer Counsel concerning the potential volatility of fuel factor recovery in the then-current economic climate, this Commission required Staff to file reports approximately every 60 days setting forth Dominion's expected fuel factor recovery position and actual fuel recovery position, the reason for any variance, and a recommendation of whether Dominion should file an interim fuel case. *See* 2020 Fuel Factor Order at 5. Though both Consumer Counsel and the Committee participated in the current case, neither they, nor Staff, have raised the issue of volatility of fuel factor recovery herein. Accordingly, we will not require 60-day reporting by Staff on this issue. We note that Staff Testimony affirmed that Dominion's forecasts of commodity prices are acceptable for purposes of this fuel factor proceeding even while acknowledging that forecasts may be more speculative than usual, and valid results may vary more than usual, during this time of economic recovery from a global pandemic. In this regard, Staff noted that the annual fuel factor true-up minimizes the risk of deviation in estimated and actual commodity prices. *See* Exs. 11 (Direct Testimony of Earnest J. White) and 11C (Confidential Direct Testimony of Earnest J. White) at 14-15.

CASE NO. PUR-2021-00101
SEPTEMBER 27, 2021

APPLICATION OF
LTS TELECOM SERVICES (EAST) LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications service in the Commonwealth of Virginia

FINAL ORDER

On May 14, 2021, LTS Telecom Services (East) LLC ("LTS East" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("Certificate") to provide local exchange telecommunications service throughout the Commonwealth of Virginia. The Company 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.[1]

[1] 5 VAC 5-20-10 *et seq.*

On June 11, 2021, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed LTS East 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 July 23, 2021, LTS East filed proof of service and notice in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On September 15, 2021, 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 LTS East subject to the following condition: LTS East 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.[2] This requirement should be maintained until such time as the Commission determines it is no longer necessary.[3]

On September 15, 2021, LTS East filed a letter ("Letter") in response to the Staff Report. In its Letter, the Company stated that it had no objections to the Staff Report and requested that the Commission grant a Certificate as recommended by Staff.[4]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that it should grant a Certificate to LTS East. The Commission also finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.[5]

Accordingly, IT IS ORDERED THAT:

(1) LTS East is hereby granted Certificate No. T-782 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 LTS East 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) LTS East 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) 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.

(5) This case is dismissed.

[2] Staff Report at 4.

[3] *Id*.

[4] Letter at 1.

[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-2021-00102
AUGUST 16, 2021

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 21, 2021, Virginia Electric and Power Company ("Dominion" or "Company"), pursuant to § 56-585.1 A 4 ("Subsection A 4") of the Code of Virginia ("Code"), filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a revised increment/decrement rate adjustment clause designated as Rider T1.[1]

Subsection A 4 states as follows:

> 4. 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 [FERC] and administered by the regional transmission entity of which the utility is a member . . . .

[1] On June 7, 2021, the Company filed adjustments to the Direct Testimony Schedules of Paul B. Haynes.

Subsection A 4 also provides for the Commission's approval of a yearly, updated rate adjustment clause ensuring the Company's recovery of transmission-related costs on a "timely and current basis." Subsection A 4 directs that the rate design for the recovery of transmission-related costs shall use "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, 2021, through August 31, 2022 ("Rate Year"), to be recovered through a combination of base rates and a revised increment/decrement Rider T1.[2] Rider T1 is designed to recover the increment/decrement between the revenues produced from the Subsection A 4 transmission component of base rates and the new revenue requirement developed from the Company's total transmission costs for the Rate Year.[3] The Company seeks a rate effective date for usage on or after September 1, 2021, for billing purposes.[4]

In Dominion's previous Rider T1 proceeding, the Commission approved the use of the Company's single coincident peak ("1-CP") methodology for allocating costs in the 2020-2021 rate year but directed the Company to present a plan in its 2021 Rider T1 filing that reflects movement, commencing in 2021, toward the 12 coincident peak ("12-CP") methodology for allocating costs in Rider T1.[5] In its Application, the Company presented a plan to transition from the 1-CP methodology to the 12-CP methodology over three years, beginning in the Rate Year by moving one-third of the way between the two allocation factors.[6]

The Company also proposed changes in rate design for Rider T1 in this proceeding. Specifically, Dominion proposed: (i) a change to the billing determinants used in Schedule 10 to recover transmission costs; and (ii) a standby transmission charge for Residential Schedule 1S.[7] The Company proposed to change the transmission-related billing determinants in Schedule 10 from "All kW of ES Contract Demand" to "All kW of ES Peak Demand" to be more consistent with Schedules GS-3 and GS-4.[8] The Company further proposed a transmission-related standby charge of $1.32 per kilowatt ("kW") of demand for the base portion of transmission cost recovery in Schedule 1S and $0.939 per kW for the Rider T1 portion of transmission cost recovery for residential eligible customer-generators with an installed capacity of more than 15 kW that are served under Rate Schedule 1S.[9]

The total proposed revenue requirement to be recovered over the Rate Year is $874,050,131, with $493,010,271 to be collected through the Subsection A 4 component of base rates and $381,039,860 to be collected through Rider T1.[10] This total revenue requirement represents a decrease of $190,416,120, 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.[11] Implementation of the proposed Rider T1 on September 1, 2021, would decrease the average weighted monthly bill of a residential customer using 1,000 kilowatt-hours per month by $3.69.[12]

On June 7, 2021, 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") and the Virginia Committee for Fair Utility Rates ("Committee") filed timely notices of participation in this proceeding.

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[2] Ex. 2 (Application) at 1, 6.

[3] *Id.*

[4] *Id.* at 7.

[5] *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*, Case No. PUR-2020-00084, Doc. Con. Cen. No. 200720126, Final Order (July 17, 2020) ("2020 Rider T1 Order").

[6] Ex. 2 (Application) at 6-7.

[7] Ex. 5 (Haynes Direct) at 8.

[8] *Id.*

[9] *Id.* at 9.

[10] Ex. 2 (Application) at 6.

[11] Ex. 3 (Wilkinson Direct) at 2-3.

[12] Ex. 5 (Haynes Direct) at 14, Attached Schedule 6 Adjusted.

On June 24, 2021, 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 found Dominion's proposal to increase the weight of the 12-CP allocation methodology by one-third each year over three years to be reasonable.[13] Staff represented that it is not opposed to the Company's proposed change to the transmission-related demand billing determinant for Schedule 10 and is not opposed to the proposed base rate standby charges for transmission-related costs for Schedule 1S.[14] Staff noted that the Company stated that the tariff language for Rider T1 is incorrect and proposed to change a footnote applicable to Schedules 1, 1G, and 1S; Staff could not support this proposed tariff change.[15]

On July 1, 2021, Dominion filed the rebuttal testimony of Paul B. Haynes, which, among other things, explained the basis for the proposed change in the footnote for Schedules 1, 1G, and 1S.[16]

On July 8, 2021, a public evidentiary hearing was convened virtually. Dominion, Consumer Counsel, the Committee, and Staff participated in the hearing. No public witnesses appeared to testify.

At the hearing, Staff agreed with the Company's Subsection A 4 total revenue requirement and with the Company's proposed Rate Year recovery amounts.[17] Staff also indicated that based on review of Dominion's rebuttal testimony, it is not opposed to any of the Company's proposed rate design and tariff changes, including the proposed change in the footnote applicable to Schedules 1, 1G, and 1S standby charges.[18] The Committee did not oppose Dominion's proposed transition from a 1-CP to a 12-CP allocation methodology, but highlighted that GS-4 customers will see an immediate increase of Rider T1 rates under the Company's proposal.[19] Consumer Counsel supported Dominion's proposed three-year transition from a 1-CP to a 12-CP allocation methodology, stating that it is consistent with the Commission's directive in its 2020 Rider T1 Order.[20] Consumer Counsel did not take a position on other issues in this case.[21]

On July 14, 2021, the Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner ("Report") was filed. In the Report, the Chief Hearing Examiner summarized the record and made the following findings and recommendations:[22]

- The Commission should approve the Company's requested total Subsection A 4 revenue requirement of $874,050,131, of which $381,039,860 is to be collected through Rider T1 during the Rate Year; and
- The Commission should approve Dominion's proposed cost allocation, rate design, and tariff revisions.

[13] Ex. 7 (Boehnlein) at 10.

[14] *Id.* at 12.

[15] *Id.* at 13-14. The footnote at issue presently reads: "Such installations will pay the Rider T1 energy charge or the Rider T1 demand charge, whichever is less." Dominion proposes to change the language to read: "Such installations will pay the Rider T1 energy charge or the Rider T1 demand charge, whichever is greater." Staff noted that the footnote has stated "whichever is less" since the Commission's order in the Company's 2012 Subsection A 4 case. *See 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*, Case No. PUE-2012-00052, 2012 S.C.C. Ann. Rept. 458, Final Order (Aug. 2, 2012).

[16] Ex. 10 (Haynes Rebuttal) at 7. The rebuttal testimony affirmed that the change from "whichever is less" to "whichever is greater" related to application of the standby demand charge is consistent with its intent and approval in Case No. PUE-2011-00088. *See Application of Virginia Electric and Power Company, For approval of a standby charge and methodology and revisions to its tariff and terms and conditions of service pursuant to § 56-594 F of the Code of Virginia*, Case No. PUE-2011-00088, 2011 S.C.C. Ann. Rept. 530, Final Order (Nov. 23, 2011).

[17] Tr. 22.

[18] *Id*. at 22-23.

[19] *Id*. at 15-18; Ex. Nos. 8 and 9.

[20] Tr. 19-21.

[21] *Id*. at 21.

[22] Report at 18.

On July 21, 2021, Staff filed a letter stating that Staff does not object to the findings set forth in the Report. On July 20 and 21, 2021, Consumer Counsel and Dominion, respectively, filed comments on the Report. Consumer Counsel noted its concurrence with the Report's recommendation that the Company's proposed three-year transition to a 12-CP allocation methodology be approved and commence with the Rate Year at issue in this proceeding.[23] Consumer Counsel did not object to the Report's other findings and recommendations.[24] Dominion requested that the Commission issue an order adopting the findings and recommendations in the Report.[25] Dominion also clarified its intent with respect to the its proposed change in the transmission-related billing determinants for Schedule 10.[26] The Company asserted its understanding that while the actual billing determinant must be reviewed and approved in this proceeding, the ability to update this tariff may be limited to a triennial review proceeding.[27] The Company noted that it proposed the tariff change in both this case and the Company's pending triennial review proceeding, Case No. PUR-2021-00058 ("Triennial Review Proceeding").[28] Dominion therefore requested to implement a change in the Schedule 10 billing determinant with the effective date of any approval granted by the Commission in the Triennial Review Proceeding.[29]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows. We agree with the Chief Hearing Examiner that the record in this case supports a revenue requirement of $874,050,131, of which $381,039,860 is to be collected through Rider T1 during the Rate Year. The Commission further approves Dominion's proposed cost allocation and rate design revisions.[30] In approving the Company's rate design proposal, we agree with the Chief Hearing Examiner that the Company's proposed change to the billing determinants in Schedule 10 are supported by the record in this case. We note, however, that whether any tariff revision proposed by the Company in the Triennial Review Proceeding is approved will be determined by the Commission based on the record in that proceeding,[31] and we will not prejudge the outcome of that case here.

Pursuant to the language of Subsection A 4, the costs that are the subject of this Application are "deemed reasonable and prudent," including the Company's return on investment, which is set by FERC; the Commission is without discretion to add to or subtract from these costs. Accordingly, we apply the law as given to us; this is what we have done herein.

Accordingly, IT IS ORDERED THAT:

(1) The Chief Hearing Examiner's findings and recommendations are adopted as set forth herein.

(2) Rider T1, as approved herein, shall become effective for service rendered on and after September 1, 2021.

(3) 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.

(4) This matter is dismissed

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[23] Consumer Counsel Comments at 2.

[24] *Id.*

[25] Dominion Comments at 2.

[26] *Id.*

[27] *Id.*

[28] *Id. See also Application of Virginia Electric and Power Company, For a 2021 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-2021-00058, Doc. Con. Cen. No. 210340128, Application (Mar. 31, 2021).

[29] *Id.* at 2-3.

[30] In approving the Company's proposal, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. Though rates applicable to some customers, such as the residential class, will decrease due to the Commission's approval of the Company's requests in this proceeding, the Commission notes that certain customers, such as those in the GS-4 class, may experience rate increases. 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.

[31] *See* § 56-585.1:1 A of the Code.

CASE NO. PUR-2021-00103
JUNE 22, 2021

APPLICATION OF
PRINCE GEORGE ELECTRIC COOPERATIVE

For approval of a letter of credit agreement on behalf of an affiliated entity pursuant to Chapter 3 and Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On May 21, 2021, Prince George Electric Cooperative ("PGEC" or "Cooperative") completed an application ("Application")[1] with the State Corporation Commission ("Commission") pursuant to Chapters 3 and 4 of Title 56 of the Code of Virginia ("Code"),[2] requesting authority to allow PGEC to enter into a letter of credit agreement ("Agreement") on behalf of its wholly owned subsidiary, PGEC Enterprises, LLC d/b/a RURALBAND ("RURALBAND").[3]

The Application states that RURALBAND has been awarded a portion of $45,320,113.40 in financial support through a winning bid in the Federal Communications Commission's Rural Digital Opportunity Fund ("RDOF") Phase I Auction to be used for broadband internet service offerings in Virginia. PGEC represents that all winning bidders of RDOF awards are required to have an irrevocable letter of credit ("LOC") in the amount designated under the RDOF program for the benefit of the Universal Service Administrative Company before grant funds can be received. This LOC requirement provides a means of security for return of the grant funding if recipients do not comply with the broadband buildout milestone terms of the grant. The Application states that the proposed Agreement is necessary for PGEC to secure, and for RURALBAND to obtain, the annual installments of awarded RDOF grant funds on behalf of RURALBAND. PGEC further states that RURALBAND will bear all costs associated with securing and maintaining the LOC requirements under the Agreement in order to obtain annual installments of awarded RDOF grant funds.

The Application notes that the authority requested is similar to that previously granted by the Commission for PGEC to issue LOCs on behalf of RURALBAND as required to obtain annual installments of broadband development funds awarded through the Connect America Fund Phase II Auction.[4] The management and support services associated with the administration of the requested authority will be provided pursuant to broader affiliate agreement authority approved in Case No. PUE-2016-00108.[5]

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 authority requested is in the public interest and shall be approved subject to the requirements set forth in the Appendix attached hereto. The Commission is also of the opinion and finds that PGEC'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) PGEC is hereby authorized to enter into an Agreement to secure LOCs on behalf of RURALBAND as needed for RURALBAND to obtain annual installments of awarded RDOF grant funds, under the terms and conditions and for the purposes described in the Application, subject to the requirements set forth in the Appendix to this Order.

(2) The Motion is denied.

(3) This case is dismissed.

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[1] The Application was filed on May 20, 2021, and was completed with submission of the required filing fee on May 21, 2021.

[2] Code § 56-55 *et seq.* and § 56-76 *et seq.*, respectively.

[3] Concurrent with the Application filed on May 20, 2021, PGEC also filed a Motion for Entry of Protective Order ("Motion") along with confidential exhibits to the Application.

[4] *See Application of Prince George Electric Cooperative, For authority to enter into a Letter of Credit Agreement on behalf of an Affiliated Entity under Chapters 3 and 4 of Title 56 of the Code of Virginia*, Case No. PUR-2018-00189, 2018 S.C.C. Ann. Rept. 548, Order Granting Authority (Dec. 21, 2018).

[5] *See Application of Prince George Electric Cooperative and PGEC Enterprises, LLC, For approval of affiliate agreements*, Case No. PUE-2016-00108, 2016 S.C.C. Ann. Rept. 460, Order Granting Approval (Dec. 8, 2016).

APPENDIX

1. The Commission's approval of the Agreement is limited to six (6) years from the date that it is executed pursuant to the authority granted in the Order. Should PGEC wish to continue the Agreement after the date, separate Commission approval shall be required.

2. The Commission's approval of the Agreement is limited to the terms and conditions specifically identified in the Application to obtain annual RDOF award installments. If the Cooperative wishes to modify the terms and conditions, separate Commission approval shall be required.

3. The approval granted in this case shall have no accounting or ratemaking implications.

4. The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.

5. The Commission reserves the right to examine the books and records of any affiliate associated with the approval granted in this case, whether or not such affiliate is regulated by the Commission.

6. PGEC and RURALBAND shall submit an executed copy of the approved Agreement within ninety (90) days of its execution with the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

7. PGEC shall include all transactions and costs associated with the 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 the following:

a. The case number in which the Agreement was approved;

b. The name of all direct and indirect affiliated parties to the Agreement; and

c. A calendar year annual schedule showing the Agreement transactions by month, FERC account, and the amount of annual basis point and the associated basis point fees on LOCs under the Agreement.

CASE NO. PUR-2021-00106
JULY 6, 2021

PETITION OF
APPALACHIAN POWER COMPANY

For authority to transfer utility assets pursuant to Chapter 5 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On June 10, 2021, Appalachian Power Company ("APCo") filed a petition with the State Corporation Commission ("Commission") to request authority pursuant to Chapter 5[1] of Title 56 of the Code of Virginia ("Code") to transfer from Altavista Solar, LLC ("Altavista")[2] to APCo the interconnection facilities ("Interconnection Facilities") connecting the Altavista solar generating facility ("Solar Facility") to APCo's transmission system, at *de minimus* cost ("Transfer").

Altavista is an indirect wholly owned subsidiary of Algonquin Power & Utilities Corp. ("APUC"), a diversified electric power generation and utility infrastructure company headquartered in Oakville, Ontario. APUC is publicly traded on the New York Stock Exchange and Toronto Stock Exchange under the symbol AQN.

The Altavista Solar Facility is a solar generating facility[3] located in Lynch Station, Campbell County, Virginia,[4] which was approved by the Virginia Department of Environmental Quality on August 18, 2019, pursuant to its Small Renewable Energy Projects (Solar) Permit by Rule procedures set out in 9 VAC 15-60-10 *et seq*.[5]

Pursuant to an Interconnection Construction Service Agreement ("ICSA") and an Interconnection Service Agreement executed by APCo, Altavista, and PJM Interconnection, L.L.C. ("PJM"), Altavista exercised an "Option to Build" clause that allowed Altavista to design, procure, construct and install, at its cost, the Interconnection Facilities that are required to connect the Solar Facility to APCo's transmission system. The Interconnection Facilities consist of:

- A 138 kilovolt transmission line connecting the transmission substation to an existing APCo pole;
- The transmission substation and its components, fixtures, supplies and other tangible personal property, including conductors, shield wire, and communication cable beyond the fence to the point of change of ownership with the Solar Facility;
- The real property upon which the access road and transmission substation are built; and
- The easement for the transmission line. [6]

[1] Code § 56-88 *et seq*. ("Utility Transfers Act").

[2] As the party disposing of the utility asset, Altavista is considered a co-petitioner and has provided the statutorily required verified signatures.

[3] The Solar Facility has a maximum output of 80 megawatts. *See* Application Attachment D, Interconnection Service Agreement at 10, Specifications for Interconnection Service Agreement.

[4] *See* APCo's Response to Commission Staff ("Staff") Data Request No. 1-1, Attachment 2, which is attached to Staff's action brief filed concurrently with this Order.

[5] *See* Application at 2.

[6] *See* Application at 3; APCo's Response to Staff Data Request No. 1-2, Attachment 1, which is attached to Staff's action brief filed concurrently with this Order.

On June 9, 2020, Altavista transferred operational control of the Interconnection Facilities to APCo pursuant to a Transfer of Operational Control Agreement.

Altavista is required by the ICSA to transfer the Interconnection Facilities, subsequent to their construction and being placed in service, at no cost to APCo, the transmission line owner. APCo represents that PJM's Open Access Transmission Tariff requires an electric generator to bear the burden of paying all costs of the transmission facilities necessary to accommodate its interconnection with the transmission network.[7]

The original cost and the current net book value of the Interconnection Facilities is approximately $5,236,107.[8] Altavista plans to transfer the Interconnection Facilities to APCo for $10 consideration.[9]

APCo represents that the proposed Transfer will have no impact on its jurisdictional cost of service or rate base.[10] The Transfer requires only Commission approval, but APCo represents that it will also file a notice of the Transfer with the Federal Energy Regulatory Commission after closing.[11]

NOW THE COMMISSION, upon consideration of this matter and having been advised by Staff through its action brief, is of the opinion and finds that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by the proposed Transfer. Therefore, we will authorize the Transfer subject to the requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

(1) The Transfer is authorized subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

[7] *See* APCo's Response to Staff Data Request No. 1-4, which is attached to Staff's action brief filed concurrently with this Order. APCo represents that it does not know why Altavista did not choose to have APCo build the Interconnection Facilities. APCo notes that generators frequently choose the "Option to Build" because they believe that they can construct the Interconnection Facilities more quickly or at a lower cost. For APCo, the benefit of Altavista's decision is that APCo does not have to provide advance financing or deploy internal resources to procure, develop, and construct the facilities. *See* APCo's Response to Staff Data Request No. 1-3, which is attached to Staff's action brief filed concurrently with this Order.

[8] *See* Application Attachment A at 1, Transaction Summary – Utility Transfers Act, Response 3(c) and (d).

[9] APCo plans to record the Transfer by debiting A/C 101 (Electric Utility Plant) for $10 and crediting A/C 131 (Cash) for $10. *See* Application Attachment A at 2, Transaction Summary – Utility Transfers Act, Response 3(g).

[10] *See* APCo's Response to Staff Data Request No. 1-5, which is attached to Staff's action brief filed concurrently with this Order.

[11] *See* Application Attachment B at 93, Asset Transfer Agreement, Schedule 5.3.

APPENDIX

(1) The Commission's approval shall have no accounting or ratemaking implications.

(2) APCo shall file a Report of Action ("Report") within 30 days after closing of the Transfer. The Report shall include: (a) the case number in which the Transfer was approved; (b) the Transfer description, (c) the date of the Transfer; and (d) the journal entries for the Transfer (as they are recorded in APCo's books).

CASE NO. PUR-2021-00109
JULY 8, 2021

APPLICATION OF
WAVE ENERGY LLC

Application for a license as a competitive service provider of natural gas

ORDER GRANTING LICENSE

On May 26, 2021, Wave Energy LLC ("Wave" or "Company") filed an application with the State Corporation Commission ("Commission") for a license to act as a competitive service provider of natural gas supply service ("Application"). Wave seeks authority to provide natural gas supply service to eligible commercial and residential customers in the service territories of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc ("CVA").[1] Wave 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, 20 VAC 5-312-10 *et seq*. ("Retail Access Rules").

[1] Retail choice for natural gas service presently exists only in the service territories of WGL and CVA. 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.

On June 7, 2021, 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 June 14, 2021, upon WGL and CVA. On June 8, 2021, Wave filed proof of service.

The Commission, through its Procedural Order, directed that any comments on the Application be filed with the Clerk of the Commission on or before June 22, 2021. No comments were filed in the case.

The Procedural Order also directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report"). On June 29, 2021, Staff filed its Report, which summarized Wave's proposal and evaluated its financial condition and technical fitness.[2] Based on its review of the Application, Staff made a contingent recommendation that Wave be granted a license to conduct business as a competitive service provider of natural gas supply service to eligible commercial and residential customers in the service territories of WGL and CVA.[3] Specifically, Staff recommended that:

(1) The Commission's grant of a license to Wave should be 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.[4]

(2) Wave should 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]

(3) Wave should undergo periodic review of the level of financial security that is commensurate with Wave's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction in the future.[6]

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Wave's Application for a license to provide competitive natural gas supply service should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Wave hereby is granted license No. G-57 to provide competitive natural gas supply service to eligible commercial and residential customers in the service territories of WGL and CVA. 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.

(2) Wave 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) Wave 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) Staff shall conduct a periodic review of the level of financial security that is commensurate with Wave'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.

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[2] The Procedural Order directed Staff to file its Report on or before June 28, 2021. Due to oversight, Staff filed its Report on the morning of June 29, 2021. No objection was filed concerning the delayed filing of the Report, and the Commission accepts the Report into the record of this case.

[3] Report at 4.

[4] *Id.*

[5] *Id.*

[6] *Id.*

CASE NO. PUR-2021-00112
DECEMBER 8, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider GV, Greensville County Power Station, for the rate years commencing April 1, 2022 and April 1, 2023

FINAL ORDER

On June 8, 2021, 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 GV ("Application"). Through its Application, the Company seeks to recover costs associated with the Greensville County Power Station, a natural gas-fired combined-cycle electric generating facility in Greensville County, Virginia, and 500 kilovolt transmission lines, a new switching station, and associated transmission interconnection facilities in Brunswick and Greensville Counties, Virginia (the "Project").[1]

In this proceeding, Dominion has asked the Commission to approve a biennial update procedure for Rider GV with two consecutive rate years.[2] The proposed rate years for this proceeding are April 1, 2022, through March 31, 2023 ("Rate Year 1"), and April 1, 2023, through March 31, 2024 ("Rate Year 2").[3] The two components of the proposed total revenue requirement for Rate Year 1 are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.[4] For Rate Year 1, the Company is requesting a Projected Cost Recovery Factor revenue requirement of $130,771,000[5] and an Actual Cost True-Up Factor revenue requirement of $11,710,000.[6] Thus, the Company is requesting a total revenue requirement of $142,481,000 for service rendered during Rate Year 1.[7] The total revenue requirement for Rate Year 2 is comprised of a Projected Cost Recovery Factor only.[8] For Rate Year 2, Dominion seeks approval of a total revenue requirement of $127,166,000.[9] This Application is one of six filings Dominion made on or about June 8, 2021, for recovery of funds related to capital projects. If the revenue requirements in these filings are approved as proposed, the cumulative impact would be a monthly increase of approximately $0.41 for a residential customer using 1,000 kilowatt hours per month for the period April 1, 2022, through March 31, 2023.

On June 29, 2021, 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. No notices of participation were filed.

Commission Staff ("Staff") filed testimony on October 15, 2021. On October 29, 2021, in lieu of rebuttal testimony, Dominion filed a letter in which it represented that it agrees with the revenue requirement updates presented in Staff's testimony.[10] The Commission received one written comment from an interested person regarding the Application.

The Senior Hearing Examiner convened a hearing as scheduled on November 10, 2021, by virtual means due to the ongoing public health issues related to the spread of the coronavirus or COVID-19.[11] The Company, Staff, and the Office of the Attorney General's Division of Consumer Counsel participated in the hearing.

On November 15, 2021, the Senior Hearing Examiner issued the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report"). In her Report, the Senior Hearing Examiner recommended that the Commission approve an updated Rider GV RAC with (i) a revenue requirement of $142,477,000 for Rate Year 1, consisting of a Projected Cost Recovery Factor of $130,769,000 and an Actual Cost True-Up Factor of $11,708,000; and (ii) a revenue requirement of $127,166,000 for Rate Year 2, consisting of a Projected Cost Recovery Factor only.[12]

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[1] Ex. 2 (Application) at 1.

[2] *Id.* at 6; Ex. 4 (Lecky) at 3.

[3] Ex. 2 (Application) at 6; Ex. 4 (Lecky) at 4.

[4] Ex. 2 (Application) at 6; Ex. 4 (Lecky) at 4.

[5] Ex. 2 (Application) at 6; Ex. 4 (Lecky) at 5 and 11.

[6] Ex. 2 (Application) at 7; Ex. 4 (Lecky) at 9 and 11.

[7] Ex. 2 (Application) at 7; Ex. 4 (Lecky) at 11.

[8] Ex. 2 (Application) at 6; Ex. 4 (Lecky) at 4.

[9] Ex. 2 (Application) at 6; Ex. 4 (Lecky) at 5 and 11. For billing purposes, Dominion requests a rate effective date for usage on and after April 1, 2022, or the first day of the month that is at least 15 days following the date of any Commission order approving Rider GV, if such date is later than April 1, 2022, for Rate Year 1. For Rate Year 2, the Company requests a rate effective date for usage on and after April 1, 2023. *See* Ex. 2 (Application) at 8; Ex. 5 (Lawson) at 1.

[10] *See* Ex. 9 (October 29, 2021 Dominion Letter) at 2.

[11] No public witnesses registered to testify for the public witness hearing, so that portion of the hearing was canceled by the Senior Hearing Examiner. Tr. 6.

[12] Report at 8.

On November 29, 2021, Staff filed a letter in support of the Senior Hearing Examiner's findings and recommendations and requested the Commission's adoption of same.[13] Also on this date, Dominion filed its comments in support of the Report and requested that the Commission issue a final order approving the Rider GV updates recommended therein.[14]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Dominion's Rider GV revenue requirement of (i) $142,477,000 for Rate Year 1, consisting of a Projected Cost Recovery Factor of $130,769,000 and an Actual Cost True-Up Factor of $11,708,000, and (ii) $127,166,000 for Rate Year 2, consisting of a Projected Cost Recovery Factor only, are approved. In approving this request for an increase in Rider GV, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have 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) Rider GV is approved herein with a revenue requirement for Rate Year 1 in the amount of $142,477,000, consisting of a Projected Cost Recovery Factor of $130,769,000 and an Actual Cost True-Up Factor of $11,708,000.

(2) Pursuant to Code § 56-585.1 A 7, the Company may implement the Rider GV RAC, 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 the Rider GV RAC, as approved herein, for service rendered on and after April 1, 2022.

(3) Rider GV, as approved herein with a revenue requirement in the amount of $127,166,000, shall become effective for service rendered on and after April 1, 2023, for Rate Year 2.

(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: scc.virginia.gov/pages/Case-Information.

(5) On or before June 30, 2023, the Company shall file an application to revise Rider GV effective April 1, 2024.

(6) This case is dismissed.

[13] Staff's Comments at 1.

[14] Dominion's Comments at 2. Dominion also noted in its Comments that it "understands that the recommended revenue requirements are limited to the amount included in the Company's [A]pplication and contained in the public notice, with any excess to be included in a future true-up factor." *Id.*

CASE NO. PUR-2021-00117
JULY 23, 2021

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval of service agreements between Columbia Gas of Virginia, Inc. and Columbia Gas of Ohio, Inc., Columbia Gas of Pennsylvania, Inc., Columbia Gas of Kentucky, Inc., and Columbia Gas of Maryland, Inc., pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On May 28, 2021, Columbia Gas of Virginia, Inc. ("CVA" or "Company"), filed an application ("Application") with the State Corporation Commission ("Commission") for renewed approval of its current service agreements ("Current Service Agreements") with Columbia Gas of Ohio, Inc. ("COH"), Columbia Gas of Kentucky, Inc. ("CKY"), and Columbia Gas of Maryland, Inc. ("CMD"), and for approval of a new and slightly revised service agreement ("Service Agreement") with Columbia Gas of Pennsylvania, Inc. ("CPA"), pursuant to Chapter 4[1] of Title 56 of the Code of Virginia ("Code"). Pursuant to the current and proposed Service Agreements, CVA may exchange services involving the sharing of knowledge and expertise of subject matter experts and the provision of operations and technical support with COH, CKY, CMD, and CPA (the "Columbia LDCs"). The Commission previously approved the Current Service Agreements in Case No. PUE-2016-00075.[2]

The updated Service Agreement between CVA and CPA also requires approval from the Pennsylvania Public Utilities Commission ("PPUC"). CVA and CPA filed their application with the PPUC on May 28, 2021.

[1] Code § 56-76 *et seq* ("Affiliates Act").

[2] *See Application of Columbia Gas of Virginia, Inc. - For approval of service agreements between CGV and COM, CPA, CKY, CMD, and NIPSCO affiliates*, Case No. PUE-2016-00075, 2016 S.C.C. Ann. Rept. 437-438, Order Granting Approval (Sep. 23, 2016). The companion agreement with Northern Indiana Public Service Company has already been extended through August 2023 in Case No. PUR-2018-00114 and is therefore not included in this Application. Additionally, the agreement with Columbia Gas of Massachusetts ("CMA") is not included in this Application because CMA has been sold off by NiSource. The CMA agreement stated that it would be "terminated immediately upon the parties ceasing to be affiliates."

Under the Current Service Agreements, CVA exchanges certain administrative and support services with each of the Columbia LDCs on an as-needed basis. The Current Service Agreements include the following categories ("Service Categories"): (1) Accounting and Financial Services; (2) Communications and Customer Education Services; (3) Conservation and Energy Efficiency Services; (4) Customer Billing, Collection, and Contact Services; (5) Employee Services; (6) Engineering and Construction Services; (7) Facility Services; (8) Land/Surveying Services; (9) Operations Support Services; (10) Purchasing, Storage and Disposition Services; (11) Rates and Regulatory Services, and (12) Transportation Services.[3] These same categories are maintained in each of the four proposed Service Agreements.

Aside from a new five-year term, there are no revisions to the proposed Service Agreements with COH, CKY, and CMD. The CPA Service Agreement contains "minor modifications" to one of the recitals and to Sections 2.1 and 3.1 "to address regulatory considerations in Pennsylvania."[4] CVA states that this additional language "formally recites certain regulatory facts upon which the agreement has been and continues to be based."

CVA states that the Service Agreements are in the public interest because they allow for the sharing of specialized expertise and experience at cost between CVA and the Columbia LDCs.

CVA further represents that there will be no change in its risk exposure as a result of the Service Agreements. The Company employs a number of strategies to manage tort risk, including "transferring the risk to another party (insurance), avoiding the risk, reducing the negative effect or probability of the risk or accepting some or all of the potential or actual consequences of a particular risk."[5] Compliance with industry standards, additional infrastructure investment, and implementation of a new Safety Management System are some examples of how the Company intends to improve safety and avoid risk.

Each of the Service Agreements may be terminated with 30 days' written notice by either of the parties. Accordingly, CVA will not be trapped in a long-term captive relationship with any of its affiliates. Additionally, Section 1.1 of the Service Agreements states that the parties may exchange services "for such periods and in such manner as from time to time requested and that the providing party concludes it is able to perform;" therefore, CVA represents that none of the parties will be required to provide any services if doing so would leave them short-staffed or otherwise strained.[6]

Section 2.1 of the Service Agreements states that "the requesting party shall compensate and pay to the providing party the actual costs" of the services. Cost consists of employee labor and "includes overheads such as vacation, non-productive time, benefits, insurance and payroll taxes pertaining to capital and expense work."[7] The exchange of services at cost appears appropriate, since each of the parties is a regulated utility. There will be no profit or equity component to any of the billings.[8]

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff ("Staff") through Staff's action brief and having considered the Company's comments thereon, is of the opinion and finds that the proposed Service Agreements are in the public interest based on CVA's representations and the facts and circumstances of this case. We approve the proposed Service Agreements as presented, subject to the requirements listed in the Appendix attached to this order.[9]

Accordingly, IT IS ORDERED THAT:

(1) The Service Agreements are approved subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

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[3] Application at 4.

[4] Application at 1.

[5] Response to Staff Data Request I-4.

[6] Exhibit A to the Application, at 2.

[7] Response to Staff Data Request I-2.

[8] Previously, CPA charged CVA a rate of return on leasehold improvement assets; however, a July 2, 2021 email from the Company reflected that this has not been the case since at least 2017.

[9] Staff, in its action brief, notes that in seven of the 12 approved Service Categories certain services have never been exchanged amongst the Columbia LCDs under the Current Service Agreements. In any future application for renewal of the approval granted herein, the Staff is directed to monitor the service(s) that remain unutilized and report its findings to the Commission.

APPENDIX

1) The duration of Commission approval for the Service Agreements shall be limited to five (5) years, effective October 1, 2021. Should CVA wish to continue the Service Agreements after that period, separate Commission approval shall be required.

2) The Commission's approval of the Agreements shall be limited to the services ("Services") specifically listed in the Service Agreements. If CVA wishes to add a service that is not specifically identified in the Service Agreements, separate Commission approval shall be required.

3) Separate Affiliates Act approval shall be required for any affiliate to provide services to CVA under the Service Agreements through the engagement of an affiliated third party.

4) Any affiliate employee that performs construction- or maintenance-related service—or any other service that falls under the purview of the Commission's Pipeline Safety Standards to CVA—must do so in accordance with any and all applicable Commission Pipeline Safety Standards, including, but not limited to, standards concerning training and qualification for the service provided.

5) Separate Commission approval shall be required for any changes in the terms and conditions of the Service Agreements, including changes in Services provided, allocation methodologies, and successors and assigns.

6) The approval granted in this case shall not have any accounting or ratemaking implications.

7) All Services provided to or received from the Columbia LDCs shall be priced at fully distributed cost.

8) 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.

9) The Commission shall reserve 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.

10) All transactions associated with the Service Agreements shall be included in CVA'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, and shall include the following information:

a) The most recent case number under which the Service Agreements were approved;
b) The name and type of activity performed by each affiliate under the Service Agreements; and
c) A schedule, in Excel electronic spreadsheet format with formulas intact, listing the prior calendar year's transactions by month, type of Service, FERC account, and dollar amount.

11) CVA shall file with the Commission a signed and executed copy of each of the four Service Agreements within sixty (60) days of the latter of approval by the Commission or approval by the PPUC, subject to administrative extension by the UAF Director.

CASE NO. PUR-2021-00120
AUGUST 25, 2021

APPLICATION OF
ROANOKE GAS COMPANY

For approval to implement a 2022 SAVE Projected Factor Rate and True-Up Factor Rate

ORDER APPROVING SAVE RIDER

On May 28, 2021, Roanoke Gas Company ("Roanoke Gas" or "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 Plan (SAVE) 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 cases. Roanoke Gas's Application seeks approval to implement a 2022 SAVE Projected Factor Rate and a True-Up Factor Rate (collectively, "2022 SAVE Rider") to be effective October 1, 2021, through September 30, 2022 ("2022 SAVE Year"). The Company represents that it is not proposing any amendments or modifications to its SAVE Plan through this Application.[2]

With its Application, the Company submitted a summary of the results of the 2020 actual investment and revenue for the SAVE-qualifying projects completed for the period of October 1, 2019, through September 30, 2020.[3] The Company states that a True-Up Factor revenue requirement and associated rates have been calculated to true-up any difference in the revenues collected through the 2020 SAVE Rider and the actual costs of implementing the 2020 SAVE projects pursuant to § 56-604 E of the Code.[4] Also with its Application, the Company submitted documents and workpapers supporting the 2022 Projected Factor revenue requirement and rates.[5] According to the documents and workpapers submitted by the Company, the 2022 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 2022 SAVE Year.[6]

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[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).

[2] Application at 3.

[3] *Id.*

[4] *Id.*

[5] *Id.*

[6] *Id.*

The Company calculates the 2022 Projected Factor revenue requirement to be $3,450,289[7] and the 2022 True-Up Factor revenue requirement to be $228,399,[8] for a combined 2022 SAVE Plan revenue requirement of $3,678,689.[9] As proposed, the 2022 SAVE Rider for residential customers will be $4.33 per month,[10] an increase of $1.68 over the current rate of $2.65 for such customers.[11]

On June 17, 2021, 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. There were no comments or requests for a hearing filed in this proceeding.

On July 22, 2021, 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 2022 SAVE Rider revenue requirement of $3,676,881, which comprises a 2022 True-Up Factor of $237,077 and a 2022 Projected Factor of $3,439,804.[12] Staff's recommended 2022 SAVE Rider revenue requirement is $1,808 below that proposed by the Company.[13]

Staff calculated a 2022 SAVE Rider revenue requirement that is different from the Company's proposal for three main reasons, though Staff notes that these differences largely offset each other.[14] In conducting its review of the Application, Staff reconciled its calculations with those of the Company for: (1) deferred taxes on the Company's SAVE over/under-recovery balance; (2) effective property tax rate for SAVE investment; and (3) cost of removal and plant retirement data from the Company's most recent depreciation study.[15]

Staff noted that the Company's investment of close to $60 million to date since the 2012 inception of its SAVE Plan is within the Company's authorized spend amounts.[16] Staff also evaluated the Company's proposed investment for the 2022 Projected Factor to ensure that it is within the limits established by the Commission.[17] Staff stated that the Company is authorized to spend a base amount of $7,899,413, along with an annual variance of 20%.[18] Staff further stated that this base amount, along with the annual variance, yields a maximum investment to include in the 2022 Projected Factor of $9,479,296.[19] Therefore, Staff noted that the Company's projected 2022 jurisdictional level of investment totaling $8,956,196 is within the 20% variance authorized by the Commission.[20]

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[7] *Id*. at Schedules 1 and 10.

[8] *Id*. at Schedules 1 and 2.

[9] *Id.* at Schedule 1.

[10] *Id*. at Schedule 17.

[11] *See Application of Roanoke Gas Company, For modification of its SAVE Plan and Rider and to implement a 2021 SAVE Projected Factor Rate and True-Up Factor Rate*, Case No. PUR-2020-00090, Doc. Con. Cen. No. 200920127, Letter Enclosing Tariff Page and Workpapers Supporting the Rates (Sept. 18, 2020).

[12] Staff Report at 3.

[13] *Id.* at 2.

[14] *Id.*

[15] *Id.* at 3-6.

[16] *Id*. at 6. Staff noted that the Company's projected and authorized spend are presented on a jurisdictional basis. *Id.*

[17] *Id.*

[18] *Id.* at 6-7.

[19] *Id.* at 7.

[20] *Id.*

Staff supported the Company's use of the 7.30% overall cost of capital and the 9.44% cost of equity for purposes of the 2022 True-Up Factor and 2022 Projected Factor.[21] Staff found that the rate class allocation factors proposed by the Company are the same as those approved by the Commission in the Company's most recent SAVE Case, and Staff does not oppose their implementation in the recovery of the 2022 SAVE Rider revenue requirement.[22] Staff reviewed the average monthly bill analysis, including the proposed 2022 SAVE Rider, for the Company's customers by class.[23] A residential customer would have an average monthly bill of $61.04, including the proposed 2022 SAVE Rider charge of $4.33.[24] This impact represents an approximate 2.8% increase in the average residential customer's monthly bill, which was $59.36 for the Company's customers in the previous rate year.[25]

Staff also requested information from the Company concerning how it considers the environmental justice ramifications of siting and planning SAVE infrastructure work and projects.[26] The Company responded that:

> The Company's SAVE projects do not involve new site selection or development. The Company's SAVE projects are prioritized based on the relative risk of the facilities. For example, mains and services replacements rely mainly on leak survey data to prioritize projects. The demographic makeup and income level of the communities in which those facilities exist is not a variable factored into the Company's replacement decisions. Because of this prioritization process all communities, regardless of demographics and income level are treated fairly.[27]

In conclusion, Staff recommended approval of a 2022 SAVE Rider revenue requirement of $3,676,881, which comprises a 2022 True-Up Factor of $237,077 and a 2022 Projected Factor of $3,439,804.[28] Staff also recommended that the Company's future SAVE filings incorporate current average plant retirement data, as well as cost of removal data from its most current depreciation study.[29] Staff further recommended that, should the Commission approve a 2022 SAVE Rider revenue requirement that differs from the revenue requirement proposed by the Company, the 2022 SAVE Rider should be adjusted proportionately.[30]

On July 29, 2021, Roanoke Gas filed its Response to Staff Report ("Response"). In its Response, the Company stated that it does not oppose Staff's recommended 2022 SAVE Rider revenue requirement or recommendations to use updated retirement and cost of removal factors.[31] The Company further stated that, while it does not oppose specifically the amount calculated by Staff as a reasonable annual spending limit for 2022, it noted that Staff's method of calculating this annual spending amount omits recognition of any spending related to three categories of investment that the Commission has previously approved as part of the Company's SAVE Plan.[32] The Company stated that, while it will not oppose the specific amount of $9,479,296 as a maximum amount that the Company could invest in the 2022 SAVE Year, it requested that the Commission make clear that the method used to derive this spending limit will not govern in all future years of the Company's SAVE Plan.[33]

The Company expressed concern that Staff supported its calculations of the Company's annual spending limit by referring to the Commission's 2020 SAVE Order, which imposed a total spending cap.[34] The Company, however, asserted that the Commission's total spending cap only applied to the 2021 SAVE year.[35] The Company further asserted that the Staff's recommended annual spending limit does not take into account the Commission-approved SAVE spending limits for certain categories of SAVE-related spending.[36] The Company contended that the Commission has approved both cumulative and

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[21] *Id.* at 7-8. Staff noted that the 7.30% overall cost of capital and the 9.44% cost of equity were last approved for the Company in its 2018 Rate Case. *See Application of Roanoke Gas Company, For a general increase in rates*, Case No. PUR-2018-00013, 2020 S.C.C. Ann. Rept. 213, Final Order (Jan. 24, 2020).

[22] Staff Report at 9.

[23] *Id.* at 11. *See* Application, Schedule 17, Page 1 of 4.

[24] Staff Report at 11.

[25] *Id. See also id.* at Appendix C, Company Response to Staff Interrogatory No. 1-2.

[26] *Id.* at 12.

[27] *Id. See also id.* at Appendix C, Company Response to Staff Informal Data Request No. 2-11.

[28] *Id.* at 13.

[29] *Id.*

[30] *Id.*

[31] Response at 1.

[32] *Id.* at 2.

[33] *Id.* The Company asserts that if this method continues to be utilized, it would implicitly reverse the Commission's prior orders approving amendments to the Company's SAVE Plan to include spending on the projects that the Staff's calculation excludes. *Id.*

[34] *Id.* at 3. *See 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*, Case No. PUR-2020-00090, 2020 S.C.C. Ann. Rept. 515, Order Approving SAVE Modification and Rider (Sept. 11, 2020) ("2020 SAVE Order").

[35] Response at 3.

[36] *Id.* at 4.

annual spending limits for the category f distribution projects, but has approved only cumulative spending limits for measurement and regulation stations ("M&R"), 1/2" steel coated tubing service, and regulator station categories.[37] The Company argued that Staff's inclusion of M&R, 1/2" steel coated tubing service, and regulator station categories in the annual spending limit previously established for the distribution projects category could unreasonably limit the amount the Company can spend on its annual SAVE program in future years.[38]

The Company also noted that a calculation in Appendix A of the Staff Report omits a cost previously authorized by the Commission in the 2020 SAVE Order.[39]

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that Roanoke Gas's 2022 SAVE Rider is approved as recommended by Staff in its Staff Report, *to wit*:

(1) The Commission finds that the 2022 SAVE Rider revenue requirement as revised by Staff is $3,676,881, which comprises a 2022 True-Up Factor of $237,077 and a 2022 Projected Factor of $3,439,804; and

(2) The Commission further approves the recommended use of the overall cost of capital and cost of equity last approved for Roanoke Gas in Case No. PUR-2018-00013 and the class allocation proposed by the Company in its Application.

(3) The Company's future SAVE filings shall incorporate current average plant retirement data, as well as cost of removal data from its most current depreciation study.

The Commission further finds, consistent with its findings in the 2020 SAVE Order, that Roanoke Gas is authorized to spend $7,899,413 in the 2022 SAVE Year. Based on the 20% annual spending variance, the Company would have the ability to spend a maximum investment to include in the 2022 Projected Factor of $9,479,296, which shall include spending on all approved categories of investment. To the extent that the Company believes the 20% annual spending limit variance currently authorized is not enough to cover spending in future years, the Company should highlight such concern in future SAVE Plan filings.

In approving this increase, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have 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 reflecting the Commission's findings above shall become effective beginning October 1, 2021, and shall remain in effect until September 30, 2022.

(2) 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 2022 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.

(3) This matter is dismissed.

[37] *Id.* at 5.

[38] *Id.*

[39] *Id.* at 6. This omission from Appendix A of the Staff Report does not impact Staff's recommended revenue requirement, the spending caps discussed above, nor the Commission's decision on such items in this proceeding.

CASE NO. PUR-2021-00121
AUGUST 23, 2021

APPLICATION OF
ATMOS ENERGY CORPORATION

For approval of a 2021 SAVE Rider Projected Factor

ORDER APPROVING SAVE RIDER

On June 1, 2021, 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") in addition to an Infrastructure Replacement Reconciliation Rate ("True-up Factor") under the Company's Commission-approved Steps to Advance Virginia's Energy Plan ("SAVE Plan"). The Company filed this Application in accordance with the Commission's August 21, 2020 Order Approving SAVE Rider in Case No. PUR-2020-00107.[1]

[1] *Application of Atmos Energy Corporation, For approval of a 2020 SAVE Rider and Projected Factor*, Case No. PUR-2020-00107, 2020 S.C.C. Ann. Rept. 538, Order Approving SAVE Rider (Aug. 21, 2020). *See also, 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*, PUR-2019-00054, 2019 S.C.C. Ann. Rept. 411, Order Approving SAVE Plan and Rider (Sept. 24, 2019) ("2019 SAVE Order").

The Company's total proposed SAVE Plan investment for fiscal year 2022 is approximately $4,149,889.[2] Based on the Company's proposed SAVE Plan investment for fiscal year 2022, Atmos requests a Projected Factor revenue requirement of $738,222, effective with the first billing cycle in October 2021.[3]

On June 17, 2021, 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 22, 2021, Atmos filed proof of notice and service.[4] The Commission received no comments, notices of participation, or requests for hearing in this proceeding.

On August 2, 2021, Staff filed its Report. In its Report, Staff recommended that the Commission approve a 2021 SAVE Rider for Atmos, effective for customer bills rendered on or after October 1, 2021, based on a True-Up Factor revenue requirement of ($27,507) and a Projected Factor revenue requirement of $742,458, resulting in a total 2021 SAVE Rider revenue requirement of $714,952.[5] Staff's recommended revenue requirement calculation is lower than the Company's, due in part to Staff's adjustments to eliminate double-averaging of Accumulated Deferred Income Taxes ("ADIT") in rate base and to correct a computation error to Atmos's Net Operating Loss Carryforward.[6]

In its Report, Staff also found that the class allocation factors proposed by Atmos are consistent with the allocation methodology previously approved by the Commission.[7] Regarding rate design, Staff noted that the Commission also previously approved the SAVE Rider to be charged to customer bills as a fixed monthly charge.[8] Staff therefore recommended that the Company's proposed allocation methodology 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 proportionately.[9]

On August 9, 2021, Atmos filed its Response, wherein the Company stated that, although it does not agree with all of Staff's adjustments, Atmos does not object to Staff's True-Up Factor revenue requirement for purposes of resolving this proceeding.[10] Atmos also agreed with Staff that the Internal Revenue Service normalization rules require that ADIT be pro-rated in the Company's SAVE filings.[11] Atmos submitted that its Projected Factor revenue requirement more appropriately reflects certain of the issues addressed in Staff's recommendations, but noted, regardless of which revenue requirement is used, any difference in methodology will be resolved in the true-up.[12]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Staff's recommended total SAVE Rider revenue requirement of $714,952, should be approved. In granting this approval, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have 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 this case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein. Staff's recommended $714,952 revenue requirement is less than the Company's recommended revenue requirement of $733,039. We recognize the differences in methodology between the Company and Staff. We further recognize, as did Atmos,[13] that all amounts will be subject to true-up or correction in subsequent filings. These differences in methodology may be revisited in Atmos's next SAVE Rider proceeding.

Accordingly, IT IS ORDERED THAT:

(1) Atmos's 2021 SAVE Rider revenue requirement of $714,952, consisting of a True-Up Factor revenue requirement of ($27,507) and a Projected Factor revenue requirement of $742,458, is hereby approved. Rates consistent with this Order shall become effective with the first billing cycle in October 2021 and remain in effect until September 30, 2022.

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[2] Application at Schedule 12b.

[3] *Id.* at 3, Schedule 1.

[4] The dates for completing notice and service and for filing proof of notice and service were extended by the Commission's July 14, 2021 Order granting the Company's July 8, 2021 Motion for Additional Time to Complete Notice and for Expedited Treatment.

[5] Staff Report at 15.

[6] *Id.* at 7-9.

[7] *Id.* at 12-13.

[8] *Id.* at 13; 2019 SAVE Order, 2019 S.C.C. Ann. Rept. at 412.

[9] Staff Report at 14-15.

[10] Response at 2.

[11] *Id.* at 2.

[12] *Id.* at 2-3.

[13] Response at 2.

(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 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 of the Commission shall retain such filing for public inspection both in person and on the Commission's website: scc.virginia.gov/pages/Case-Information.

(3) This matter is dismissed.

CASE NO. PUR-2021-00122
JULY 28, 2021

JOINT APPLICATION OF
METRONET HOLDINGS, LLC and METRO FIBERNET, LLC

For approval of proposed changes in indirect ownership and control of Metro FiberNet, LLC, pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On June 24, 2021, MetroNet Holdings, LLC ("Holdings"), and Metro FiberNet, LLC ("MFN") (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 the proposed transfer of indirect control of MFN ("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.[3]

MFN is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity issued by the Commission in Case No. PUR-2020-00285.[4] As described in the Application, the proposed Transfer will be accomplished pursuant to an Agreement and Plan of Merger, which will ultimately result in the transfer of indirect control of MFN to the Cinelli Investors, the New Oak Hill Investors, and KKR Knox Aggregator LLC.[5]

The Applicants assert that the proposed Transfer will occur at the parent company level only and will not involve any change in the direct ownership of MFN by Holdings. The Applicants further state that MFN 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 MFN 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.[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) 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.

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[1] John P. Cinelli; Albert E. Cinelli; OH Metro Holdings, LLC; Oak Hill Capital Partners III, L.P.; OHCP GenPar III, L.P.; OHCP Principal Investors III, L.P.; OHCP MGP Partners III, L.P.; OHCP MGP III, LTD.; Metro Buyer Blocker Parent Corp.; OHCP MGP V, Ltd.; KKR & Co. Inc.; KKR Group Holdings Corp.; KKR Group Partnership L.P.; KKR Financial Holdings LLC; KKR Infrastructure III Holdings AIV Limited; KKR Infrastructure III AIV S.à r.l.; KKR Associates Infrastructure III AIV SCSp; KKR Global Infrastructure Investors III (Knox) Direct L.P.; KKR Knox Aggregator LLC; KKR Knox Aggregator (Electing) L.P.; and KKR Knox Aggregator (Direct) L.P., are also considered Applicants in this proceeding and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] 5 VAC 5-20-10 *et seq*.

[4] *Application of Metro Fibernet, LLC, For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia*, Case No. PUR-2020-00285, Doc. Con. Cen. No. 210550088, Final Order (May 25, 2021).

[5] *See* Application at 2-8 for a description of the Cinelli Investors, the New Oak Hill Investors, and KKR Knox Aggregator LLC, and their post-Transfer indirect ownership and control of MFN.

[6] 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, 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-2021-00123
JULY 14, 2021

JOINT PETITION OF
MTN INFRASTRUCTURE TOPCO LP, LUMOS TELEPHONE INC., LUMOS TELEPHONE OF BOTETOURT INC., LUMOS NETWORKS INC., FIBERNET OF VIRGINIA, INC., LMK COMMUNICATIONS, LLC, COX ENTERPRISES, INC., and COX COMMUNICATIONS, INC.

For approval to transfer control pursuant to the Utility Transfers Act, Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On June 14, 2021, MTN Infrastructure TopCo LP ("MTN Infrastructure"); Lumos Telephone Inc. ("Lumos Telephone"), and Lumos Telephone of Botetourt Inc. ("Lumos Botetourt") (collectively, "Segra ILECs");[1] Lumos Networks Inc. ("Lumos Networks"), FiberNet of Virginia, Inc. ("FiberNet-VA"), and LMK Communications, LLC ("LMK") (collectively, "Segra CLECs");[2] Cox Enterprises, Inc., and Cox Communications, Inc. ("Cox") (collectively, with Segra ILECs and Segra CLECs, "Petitioners"),[3] 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"),[4] requesting approval to: (1) complete a merger transaction ("Merger") between MTN Infrastructure and Cox, through which Cox will acquire indirect control of the Segra CLECs only; and (2) enable MTN Infrastructure to implement a *pro forma* change in the intermediate control of the Segra ILECs in order to facilitate the Merger ("Pre-Merger Separation") (collectively "Transfers"). 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]

The Segra CLECs (Lumos Networks, FiberNet-VA, and LMK) are all authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to their certificates of public convenience and necessity ("Certificates") issued by the Commission in Case Nos. PUC-2012-00018, PUC-2008-00011, and PUC-2007-00009, respectively.[6]

Lumos Telephone is the incumbent provider of local exchange and long-distance telephone services along with paging services in the Cities of Waynesboro and Covington, and portions of Augusta and Alleghany Counties in Virginia pursuant to its Certificates issued by the Commission.[7] Lumos Botetourt is the incumbent provider of local exchange and long-distance services in Botetourt County, Virginia, including the Towns of Troutville, Daleville, and Fincastle, Virginia pursuant to its Certificates issued by the Commission.[8]

In the Petition, the Petitioners request approval of the proposed Transfers, which will ultimately result in the transfer of indirect control of the Segra CLECs to Cox through the Merger, and the change in intermediate control of the Segra ILECs through the Pre-Merger Separation. The Petitioners represent that the Pre-Merger Separation will not result in a change in ultimate control of the Segra ILECs.[9]

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[1] Lumos Telephone and Lumos Botetourt are incumbent local exchange carriers ("ILECs") in Virginia. The Commission-certificated subsidiaries of the MTN Infrastructure operate under the brand name "Segra" in Virginia. *See* Petition at 4.

[2] Lumos Networks, FiberNet-VA, and LMK are competitive local exchange carriers ("CLECs") in Virginia.

[3] Gridiron Fiber License, LLC, Gridiron Fiber Corp., Gridiron HoldCo Corp., Gridiron Merger Sub, Inc., Lumos Networks Corp., Lumos Networks Operating Company, MTN Infrastructure Topco Inc., MTN Infrastructure Topco Blocker Inc., MTN Infrastructure Intermediate GP LLC, MTN Infrastructure Intermediate LP, MTN Infrastructure Sidecar 1 SCSp, MTN Infrastructure Sidecar 2 SCSp, MTN Infrastructure TopCo GP LLC, EQT Infrastructure (GP) SCS, EQT Holdings Infrastructure III B.V., EQT Holdings B.V., EQT Infrastructure III (General Partner) S.à. r.l., EQT Fund Management S.à. r.l., and EQT AB, are also considered Petitioners in this proceeding and have provided the statutorily required verifications.

[4] Code § 56-88 *et seq*.

[5] 5 VAC 5-20-10 *et seq*.

[6] *See Application of NTELOS Network Inc., To amend its certificates of public convenience and necessity to provide local and interexchange telecommunications services to reflect a new corporate name*, Case No. PUC-2012-00018, 2012 S.C.C. Ann. Rept. 190, Order Amending Certificates (May 1, 2012); *Application of Choice One Communications of Virginia, Inc., For cancellation of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services and to reissue certificates reflecting new corporate name of FiberNet of Virginia, Inc.*, Case No. PUC-2008-00011, 2008 S.C.C. Ann. Rept. 284, Final Order (Feb. 11, 2008); and *Application of LMK Communications, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services*, Case No. PUC-2007-00009, 2007 S.C.C. Ann. Rept. 247, Final Order (June 7, 2007).

[7] *See Application of NTELOS Telephone Inc., To amend its certificates of public convenience and necessity to provide local and interexchange telecommunications services to reflect a new corporate name*, Case No. PUC-2012-00019, 2012 S.C.C. Ann. Rept. 190, Order Amending Certificates (May 1, 2012).

[8] *See Application of Roanoke and Botetourt Telephone Company, To amend its certificates of public convenience and necessity to provide local and interexchange telecommunications services to reflect a new corporate name*, Case No. PUC-2012-00017, Doc. Con. Cen. No. 120510109, Order Amending Certificates (May 2, 2012).

[9] As part of the Pre-Merger Separation, the Petitioners state that both Lumos Telephone and Lumos Botetourt will convert from Virginia corporations to Virginia limited liability companies. We note that, once the conversion of the Segra ILECs from corporations to limited liability companies is complete, both Lumos Telephone and Lumos Botetourt will need to file separate applications with the Commission to have their Certificates reissued to reflect their new company names.

The Petitioners assert that the proposed Transfers will occur at the parent company level only and will not involve any change in assignment of operating authority, assets, or customers for the Segra ILECs or the Segra CLECs. The Petitioners further state that the Segra ILECs and Segra 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, the Petitioners represent that the Segra ILECs and Segra CLECs will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of each of the proposed Transfers.

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 Transfers should be approved. The Commission also finds that the Petitioners' Motion is no longer necessary and, therefore, should be denied.[10]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfers as described herein.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after the closing of each of the Transfers, which shall note the date each of the Transfers 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.

[10] 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, 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-2021-00128
AUGUST 2, 2021

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 June 15, 2021, Roanoke Gas Company ("Roanoke Gas" or the "Company"), filed an application ("Application") with the State Corporation Commission ("Commission") for approval of an affiliate agreement ("Proposed Agreement") between Roanoke Gas and RGC Midstream, LLC ("Midstream"), pursuant to Chapter 4[1] of Title 56 of the Code of Virginia ("Code"). Under the Proposed Agreement, Roanoke Gas may provide Midstream information systems software services, data processing, analytical and economic services, and management services (collectively "Services"). Roanoke Gas and Midstream currently operate under an existing affiliate agreement ("Existing Agreement") approved by the Commission in Case No. PUE-2016-00074.

Under the Existing Agreement, Roanoke Gas may provide Midstream with Services and charge Midstream for any directly assigned expenses associated with such Services. Costs will be directly assigned to the entity that either owns the asset or which causes the cost to be incurred. Costs associated with personnel and other labor costs will be allocated through time study analysis and exception time reporting. Roanoke Gas states that labor is rarely, if ever, allocated to Midstream. Facility allocations, centralized computer equipment allocations, and financial system software allocations will be calculated based on the percentage of the utility's space used by each party to the agreement and exception time reporting. Other costs will be directly assigned based on a combination of cost allocation factors and time study results.

The proposed agreement is identical to the existing agreement that was previously approved by the Commission. The term is five years and the Proposed Agreement can be terminated with a 60-day notice by either party and approval of the Board of Directors of RGC Resources, Inc, the holding company for Roanoke Gas and Midstream.

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff ("Staff") through Staff's action brief and having considered the Company's comments thereon, is of the opinion and finds that the Proposed Agreement is in the public interest based on Roanoke Gas' representations and the facts and circumstances of this case.

Accordingly, IT IS ORDERED THAT:

(1) The Proposed 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").

APPENDIX

1) The Commission's approval of the Proposed Agreement shall extend from August 22, 2021, through August 21, 2026. If Roanoke Gas wishes to continue under the Proposed 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 shall be limited to the specific Services identified and described in the Proposed Agreement. If Roanoke Gas wishes to provide or receive Services not specifically identified and described in the Proposed Agreement, separate approval shall be required.

4) Separate Commission approval shall be required for Roanoke Gas to provide Services to Midstream through the engagement of any affiliated third parties under the Proposed Agreement.

5) Roanoke Gas shall be required to maintain records demonstrating that the Services it provides to Midstream under the Proposed Agreement are not cost detrimental to Virginia ratepayers. For any Service that Roanoke Gas provides to Midstream where a market may exist, Roanoke Gas shall investigate whether there are alternative sources from which Midstream could purchase such service. If an alternative source exists, Roanoke Gas shall compare the market price to its cost of providing the Service and charge Midstream the higher of cost or market. Records of such investigations and comparisons shall be available for Staff review upon request. Roanoke Gas shall bear the burden of proving, in any rate proceeding, that it charged Midstream the higher of cost or market for any Service provided under the Agreement.

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 Proposed Agreement.

8) The Commission shall reserve the right to examine the books and records of Roanoke Gas and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

9) Roanoke Gas shall file a copy of the approved Proposed 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) Roanoke Gas shall include all transactions associated with the Proposed 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 Proposed Agreement was approved;
(b) List Roanoke Gas, the affiliate(s), and the Services provided; and
(c) Include schedule(s) in Excel electronic spreadsheet format with formulas intact, listing the prior year's Services provided by month, type of service, FERC account, and dollar amount (as the transactions are recorded in Roanoke Gas' books).

CASE NO. PUR-2021-00129
NOVEMBER 30, 2021

APPLICATION OF
UNITI DARK 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 August 18, 2021, Uniti Dark Fiber LLC ("Dark Fiber" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for certificates of public convenience and necessity ("Certificates") to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia.[1] Dark Fiber also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia ("Code"). Included in the Application is Dark Fiber'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*.

On August 23, 2021, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed Dark Fiber 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 investigate the Application and file a report ("Staff Report"). On September 24, 2021, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On October 27, 2021, 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*.[2] Based upon its review of the Company's Application, Staff determined that it

[1] The Company filed is initial Application on June 15, 2021, which was deemed incomplete. The Company filed supplemental information on July 14, 2021, and August 18, 2021, after which the Application was deemed complete for purposes of initiating the statutory review period.

[2] *See* Staff Report at 5.

would be appropriate to grant Certificates to Dark Fiber subject to the following condition: Dark Fiber 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.[3] Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.[4] Staff also determined that Dark Fiber will meet the definition of a competitive telephone company under Code § 56-54.2 upon the issuance of the local exchange Certificate requested in this proceeding and that the Company is entitled to elect to be regulated as such by operation of law.[5] Staff noted that pursuant to the governing statutory provisions, the election will be effective upon the issuance of the local exchange Certificate with no further action of the Commission required.[6]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant Certificates to Dark Fiber. Having considered Code § 56-481.1, the Commission finds that Dark Fiber may price its interexchange services competitively. The Commission finds that pursuant to Code § 56-54.2, Dark Fiber 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) Dark Fiber is hereby granted Certificate No. T-783 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) Dark Fiber is hereby granted Certificate No. TT-315A 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, Dark Fiber may price its interexchange telecommunications services competitively.

(4) Dark Fiber 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 Dark Fiber 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) Dark Fiber 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.

(7) This case is dismissed.

[3] *Id*.

[4] *Id*.

[5] *Id*. at 4-5.

[6] *Id*. at 5.

CASE NO. PUR-2021-00130
AUGUST 6, 2021

JOINT PETITION OF
POINT BROADBAND, LLC SUNSET DIGITAL COMMUNICATIONS (DE), LLC (USED IN VA BY: SUNSET DIGITAL COMMUNICATIONS, LLC) SUNSET FIBER (DE), LLC (USED IN VA BY: SUNSET FIBER, LLC) and
POINT BROADBAND ACQUISITION, LLC

For approval of a transfer of indirect control pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On June 15, 2021, Point Broadband, LLC ("Point Broadband"); Sunset Digital Communications (DE), LLC (USED IN VA BY: Sunset Digital Communications, LLC) and Sunset Fiber (DE), LLC (USED IN VIRGINIA BY: Sunset Fiber, LLC) (jointly, "Sunset Licensees"); and Point Broadband Acquisition, LLC ("PB Acquisition") (collectively, "Petitioners"),[1] completed the filing of a joint petition ("Petition") with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code"),[2] requesting approval of the proposed transfer of indirect control of the Sunset Licensees from Point Broadband to the PB Acquisition and its parent companies ("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*.

[1] Point Broadband Intermediate, LLC; Point Broadband Holdings, LLC; GTCR Fund XIII/B LP; GTCR Partners XIII/B LP; GTCR Fund XIII/C LP; GTCR Partners; XIII/A&C LP; and GTCR Investment XIII LLC; GTCR, LLC; and Stephens Broadband, LLC are also considered Petitioners and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*. ("Utility Transfers Act").

The Sunset Licensees are authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to certificates of public convenience and necessity issued by the Commission.[3] As described in the Petition, the proposed Transfer will be accomplished pursuant to a purchase agreement that will result in the transfer of indirect control of the Sunset Licensees from Point Broadband, and its parent companies, to PB Acquisition, and its parent companies.[4]

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 the Sunset Licensees will continue to provide services to their existing customers at the same rates, terms, and conditions, and in the same geographic areas as currently provided. Lastly, information provided with the Petition indicates that the Sunset Licensees will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia under the control of PB Acquisition and its parent companies 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.[5]

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.

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[3] *See Application of Sunset Digital Communications (DE), LLC (USED IN VA BY: Sunset Digital Communications, LLC), For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia*, Case No. PUR-2018-00093, 2018 S.C.C. Ann. Rept. 455, Final Order (Aug. 15, 2018); *Application of Sunset Fiber (DE), LLC (USED IN VA BY: Sunset Fiber, LLC), For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia*, Case No. PUR-2018-00094, 2018 S.C.C. Ann. Rept. 458, Final Order (Aug. 15, 2018).

[4] Petition at 4-5 and Exhibit A.

[5] 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, 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-2021-00133
JULY 1, 2021

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of service agreements

ORDER GRANTING INTERIM AUTHORITY

On June 16, 2021, 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 service agreements between WGL and two new affiliates: (1) WGL Sustainable Energy LLC ("WGLSE"); and (2) Petrogas, Inc. ("PGI") (collectively, "New Agreements").

The purpose of the New Agreements is to enable WGL to provide certain administrative shared services ("Services") to WGLSE and PGI as described in the Application and consistent with the terms and conditions of other affiliate services agreements previously approved by the Commission. [2] The Applicant further requests authority to provide the proposed Services to WGLSE and PGI on an interim basis pending the Commission's final disposition of the Application. [3] Per the Company, its costs for services to WGLSE and PGI during such interim authorization will be consistent with the Commission's pricing standard applicable to all affiliate transactions.[4]

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[1] Code § 56-76 *et seq*. ("Affiliates Act").

[2] Application at 1. *See, e.g, 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).

3 *Id.* at 2.

[4] *Id.*

NOW THE COMMISSION, upon consideration of the foregoing and being advised by the Staff of the Commission, finds that granting interim authority 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 ORDERED THAT:

(1) This matter is hereby docketed and assigned Case No. PUR-2021-00133.

(2) The Applicant is granted interim authority to provide Services pursuant to the New Agreements to WGLSE and PGI.

(3) This case is continued pending final order of the Commission.

CASE NO. PUR-2021-00133
AUGUST 3, 2021

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of service agreements

ORDER GRANTING APPROVAL

On June 16, 2021, Washington Gas Light Company ("Washington Gas" 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 service agreements between Washington Gas and two new affiliates: (1) WGL Sustainable Energy LLC ("WGLSE"); and (2) Petrogas, Inc. ("PGI") (collectively, "Agreements").

The purpose of the Agreements is to enable Washington Gas to provide certain administrative shared services ("Services") to WGLSE and PGI as described in the Application and consistent with the terms and conditions of other affiliate services agreements previously approved by the Commission. The Applicant further requested authority to provide the proposed Services to WGLSE and PGI on an interim basis pending the Commission's final disposition of the Application. On July 1, 2021, the Commission granted Washington Gas the requested interim authority.[2]

Washington Gas is a public service company that provides natural gas local distribution service in Virginia, Maryland, and the District of Columbia. Washington Gas' stock is held by Wrangler SPE, LLC,[3] which is an indirect subsidiary of AltaGas Ltd. ("AltaGas"), a Canadian corporation.[4]

WGLSE is a newly formed Texas subsidiary of WGL Resources Corporation,[5] created by Certificates of Merger and Conversion issued by the Texas Secretary of State on April 22 and 23, 2021, respectively, to hold the residual assets not included in the sale of WGL Midstream, Inc.[6] WGLSE primarily operates as an unregulated energy management and investment company and has no employees.[7]

PGI provides unregulated marketing services to the PetroGas Group.[8] AltaGas is the indirect majority shareholder of PGI, whose U.S. operations have approximately 53 employees.[9]

Under the proposed WGLSE Agreement, Washington Gas will provide to WGLSE the following services: (1) Accounting and Tax; (2) Office of the General Counsel; (3) Finance; (4) Strategy and Corporate Development; (5) Regulatory Affairs; and (6) Sustainability.

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[1] Code § 56-76 *et seq*. ("Affiliates Act").

[2] *See Application of Washington Gas Light Company, For approval of service agreements*, Case No. PUR-2021-00133, Doc. Con. Ctr. No. 210710023, Order Granting Interim Authority (July 1, 2021).

[3] Wrangler SPE, LLC, was formed pursuant to the WGL Holdings, Inc.-AltaGas Ltd. merger (*see* Case No. PUR-2017-00049) in order to provide Washington Gas with ring-fencing protection in the event of any financial distress by its new parent company, AltaGas.

[4] The Applicant provided AltaGas' organizational chart as of June 30, 2021, in Washington Gas' Confidential Response to Staff data request ("DR") No. 1-1, which is attached to Staff's confidential Action Brief in Appendix B thereto, filed concurrently with this Order.

[5] WGL Resources Corporation is a subsidiary of WGL Holdings, Inc., which is a subsidiary of AltaGas.

[6] *See* Washington Gas' Response to Staff DR 1-3, which is attached to Staff's Action Brief (*see* Appendix B) filed concurrently with this Order.

[7] *See* Washington Gas' Response to Staff DR 1-2, which is attached to Staff's Action Brief (*see* Appendix B) filed concurrently with this Order.

[8] On December 15, 2020, AltaGas acquired an additional 37% of Petro Gas Energy Corp. ("PetroGas Group") for approximately $715 million, which increased its ownership interest in the PetroGas Group to 74%. The PetroGas Group provides sourcing, storage, marketing, and transportation for natural gas liquids and liquefied petroleum gas to customers throughout Canada, the U.S., and Asia, and crude oil throughout Canada and the U.S.

[9] *Id*. *See* Footnote 6.

Under the proposed PGI Agreement, Washington Gas will provide to PGI the following services: (1) Accounting and Tax; (2) Office of the General Counsel; (3) Finance; (4) Human Resources; (5) Payroll and Benefits; and (6) Environmental Health and Safety.

In response to Staff's data request, Washington Gas represents that the Agreements comply with the Commission's asymmetric pricing policy for affiliate agreement because Washington Gas will provide the Services to WGLSE and PGI at cost, which equals the market price.[10]

Washington Gas will charge WGLSE and PGI for all costs of providing the Services, which include: (a) direct salary charges; (b) apportioned direct salaries; (c) indirect labor costs; (d) apportioned employee benefit costs; and (e) other expenses. The other expenses consist of overhead ("Overhead"), which will include: (a) rents; (b) depreciation; (c) amortization; (d) taxes; (e) employee compensation for office service functions; (f) general office supplies; (g) utility, maintenance, and similar charges; (h) legal and independent accountant fees; (i) and any other Overhead expenses. Washington Gas will bill WGLSE and PGI as soon as practicable after the close of each month, with all Services charges settled prior to the end of the month following the billing month.

In response to Staff's data request, Washington Gas states that it does not have a current estimate of future annual billings to WGLSE and PGI.[11]

NOW THE COMMISSION, upon consideration of the foregoing and having been advised by the Commission Staff ("Staff") through its Action Brief, the Applicant's comments ("Comments")[12] thereon, and the Stipulated Market Study agreed to by Staff and the Company,[13] is of the opinion and finds that the proposed Agreements are in the public interest and approved subject to the requirements included in the Appendix attached to this Order.

We note that Washington Gas periodically conducts a Market Pricing Study ("Study") to, among other things, demonstrate its compliance with the Commission's asymmetric pricing policy for affiliate transactions. Washington Gas' last Study was for calendar year 2017. Since then, the AltaGas-WGL Merger has been consummated, Washington Gas has added multiple new affiliates (both domestic and foreign), and the COVID-19 epidemic/recession/recovery has occurred. In its Action Brief, Staff expressed concern that the 2017 Study is out-of-date and recommended that it be updated. Upon discussion of the matter, Staff and Washington Gas reached a mutually acceptable resolution that is detailed in the Stipulated Agreement on Market Pricing Study ("Stipulation") attached to Staff's Action Brief as Exhibit 2.[14] We adopt the Stipulation in total and incorporate the same into the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-79, the Agreements are approved subject to the requirements listed in the Appendix attached to this Order.

(2) With the issuance of this Order and the approvals granted herein, the Interim Order is terminated.

(3) This case is dismissed.

[10] *See* Washington Gas' Response to Staff DR 1-6, which is attached to Staff's Action Brief (*see* Appendix B) filed concurrently with this order.

[11] *See* Washington Gas' Response to Staff DR 1-5, which is attached to Staff's Action Brief (*see* Appendix B) filed concurrently with this order.

[12] Washington Gas' Comments are attached as Exhibit "1" to Staff's July 31, 2021 Action Brief, filed concurrently with this Order.

[13] The Stipulated Market Pricing Study is attached as Exhibit "2" to Staff's July 31, 2021 Action Brief, filed concurrently with this Order.

[14] *Id.*

APPENDIX

1) Washington Gas shall provide a Market Pricing Study ("Study") for all affiliate transactions for calendar year 2021 that:

a. Breaks out separately the (i) inbound charges (received by Washington Gas) and (ii) outbound charges (provided by Washington Gas), by affiliate, service/transaction, and cost.

b. Breaks out separately the market pricing comparables for (i) inbound service/transaction charges originating in Canada and (ii) outbound service/transaction charges originating in Northern Virginia.

c. Discusses the impact of the pandemic on the Study's results;

d. Discusses any pandemic effects on office space rental rates;

e. Discusses any steps taken to mitigate the pandemic's impact on the Study; and

f. Discusses any market pricing volatility observed in preparing the Study.

g. Nothing in this affiliate agreement case decision shall have any rate-making implications and Staff's agreement to the Stipulated Market Study parameters shall not preclude Staff's (or the Commission's) future rate-making review, recommendations and/or actions.

2) The Commission's approval of the Agreements shall extend from the effective date of the order granting approval in this case through December 16, 2023. If Washington Gas wishes to continue the Agreements beyond that date, separate approval shall be required.

3) The Commission's approval shall have no accounting or ratemaking implications.

4) The Commission's approval shall be limited to the specific Services identified and described in the Agreements. If Washington Gas wishes to provide Services not specifically identified and described in the Agreements, separate approval shall be required.

5) Separate Commission approval shall be required for Washington Gas to provide Services to WGLSE or PGI through the engagement of any affiliated third parties under the Agreements.

6) Washington Gas shall be required to maintain records, available to Staff upon request, demonstrating that the Services it provides to WGLSE and PGI are cost beneficial to Virginia ratepayers. For all Services provided by Washington Gas where a market may exist, Washington Gas shall investigate whether comparable market prices are available and, if they exist, Washington Gas shall compare the market price to cost and charge the higher of cost or market to WGLSE and PGI. Records of such investigations and comparisons shall be available to Staff upon request. Washington Gas shall bear the burden of proving, in any rate proceeding, that all Services costs charged to WGLSE and PGI are priced at the higher of cost or market where a market for such services exists.

7) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

8) Separate Commission approval shall be required for any changes in the terms and conditions of the Agreements.

9) The Commission shall reserve the right to examine the books and records of Washington Gas and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

10) Washington Gas shall file a copy of the approved, executed Agreements within 30 days after the effective date of the order granting approval in this case, subject to administrative extension by the UAF Director.

11) Washington Gas shall include all transactions associated with the Agreements 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 case number in which the Agreements were approved;

b. List Washington Gas, the affiliate(s), and the Commission approved Services provided; and

c. Include schedule(s) in Excel electronic spreadsheet format with formulas intact, listing the prior year's Commission approved Services provided by month, type of service, FERC account, and dollar amount (as the transactions are recorded in Washington Gas' books).

CASE NO. PUR-2021-00134
JULY 27, 2021

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 tariffs to reflect discontinuance of pilotage services on the Potomac River

FINAL ORDER

On June 22, 2021, J. W. Whiting Chisman, III ("Applicant"), 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 amend the Association's current tariffs to delete rates and charges to provide pilotage services to points on the Potomac River, including the City of Alexandria.[1] The Application also requests that the Commission waive the provisions for notice and hearing set forth in § 54.1-918 of the Code of Virginia ("Code").[2]

[1] The Association's current tariffs, attached as Exhibit A to the Application, were approved by the Commission in Case No. PUR-2020-00161. *See 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*, Case No. PUR-2020-00161, Doc. Con. Cen. No. 201230070, Final Order (Dec. 21, 2020).

[2] The Applicant filed an Amended Application on June 23, 2021. Attached to the original Application is an Exhibit B, which purportedly shows the proposed changes to the current tariffs in redlined format; however, not all the proposed changes were shown in Exhibit B. The Amended Application attaches an amended Exhibit B that identifies all the proposed changes to the current tariffs. As used herein, "Application" refers to the original Application together with the Amended Application.

The Association's current tariffs include a Schedule P, which prescribes the pilotage rates for piloting vessels on the Potomac River between, among other points, Smith Point and Alexandria, and Point Lookout and Alexandria.[3] The Application states that, subsequent to entry of the Commission's Final Order in Case No. PUR-2020-00161 setting the current rates and charges for pilotage, "the Association determined that it is no longer practical or appropriate for Virginia Pilots to offer pilotage services to vessels traveling from the Hampton Roads area to points, ports or places on the Potomac River."[4] The Application explains that requests for pilotage services on the Potomac River have dwindled to the point that the last request was in 2018.[5] Further, the number of currently licensed Potomac River Virginia Branch Pilots (six as of the date of the Application) will be reduced in the coming years because of retirements and the inability of Virginia Branch Pilots to gain the experience required to obtain that license due to the lack of vessel movements on the Potomac River.[6]

According to the Application, by the Compact of 1785,[7] the State of Maryland and the Commonwealth of Virginia agreed to share the Potomac River for purposes of navigation, even though the Potomac River is primarily located in Maryland.[8] Accordingly, Virginia Branch Pilots have historically provided service to locations on the Virginia side of the river, and Maryland Pilots have served locations on the Maryland side of the river.[9] On June 9, 2021, the Virginia Board for Branch Pilots ("Virginia Board") unanimously recognized and consented to an agreement between the Association and the Association of Maryland Pilots that Maryland Pilots duly licensed by the State of Maryland will provide pilotage services to all ports, points and places on the Potomac River and that Virginia Pilots will no longer offer their services on the Potomac River.[10] Accordingly, the Applicant requests approval to modify the Association's current tariffs to delete rates and charges to provide pilotage services to points on the Potomac River, including the City of Alexandria.[11] The Applicant represents that the proposed tariff amendments "will have no effect on the financial condition of the Virginia Branch Pilots, as the Association has collected minimal revenue attributable to the Potomac River during the last two fiscal years."[12]

The Application also requests that the Commission waive the provisions for notice and hearing set forth in § 54.1-918 of the Code of Virginia in view of the nature of the Applicant's limited request and the "burdensome and onerous" expense of publishing notice.[13] On July 1, 2021, the Commission's Staff ("Staff") filed a letter stating Staff does not object to the proposed amendments to the Association's current tariffs and the requested waiver of notice and hearing requirements.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Application, as amended on June 23, 2021, which is unopposed by Staff, should be approved. As represented in the Application, the requested modification to the Association's current tariffs will not affect the financial condition of the Virginia Branch Pilots, nor does it affect the other tariffed rates for pilotage services by the Virginia Branch Pilots. We note, however, that the approval granted herein is not approval of the consent of the Virginia Board to discontinue pilotage services on the Potomac River, or the agreement between the Association and the Association of Maryland Pilots to which the Virginia Board consented. Rather, this order merely approves the conformance of the Association's tariffs to the current services being provided. Accordingly, we find that notice and hearing are not required in this case, and we grant the Association's requested waiver of same.

Accordingly, IT IS ORDERED THAT:

(1) The Application, as amended on June 23, 2021, is granted and the proposed amendments to the Association's current tariffs are approved.

(2) The Applicant's requested waiver of the notice and hearing requirements in Code § 54.1-918 is approved.

(3) The Applicant shall file with the Clerk of the Commission and the Division of Utility Accounting and Finance revised tariffs reflecting the modifications approved by this 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.

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[3] Application at 2.

[4] *Id.*

[5] *Id.* at 2-3.

[6] *Id.* at 3.

[7] 1785 Va. Acts ch. 27.

[8] Application at 3.

[9] *Id.* at 3-4.

[10] *Id.* at 4. *See also* Supplement to the Amended Application, filed July 6, 2021 (Letter from Kathleen R. Nosbisch, Executive Director of the Virginia Board for Branch Pilots, to Bernard J. Logan, Clerk of the Commission, dated July 6, 2021).

[11] Application at 4.

[12] *Id.*

[13] *Id.* at 4-5.

CASE NO. PUR-2021-00135
AUGUST 13, 2021

APPLICATION OF
SOUTHWESTERN VIRGINIA GAS COMPANY

For authority to incur long-term debt

ORDER GRANTING AUTHORITY

On June 25, 2021, Southwestern Virginia Gas Company ("SVG" or "Company") filed an application with the Virginia State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code")[1] for authority to incur long-term debt. SVG has paid the requisite fee of $250.

The Company requests authority to issue up to $2.5 million in long-term debt in the form of a term loan from Fidelity Bank. The Company represents that the term loan will be used to help finance the construction of a new distribution main extension to the Commonwealth Crossing Business Center ("CCBC") in Henry County. The loan fee from the bank will be $2,500. The loan is structured with a 7-year maturity to include a balloon payment at the end of 84 months. Prior to maturity, the principal payments will be $100,000 annually. The Company will pay a fluctuating interest rate equal to one hundred (100) basis points per annum below Prime and will adjust every 12 months. The term loan commitment from Fidelity Bank is scheduled to expire on November 1, 2021.

Additional funding of the distribution main extension is expected to be provided through an advance from Henry County in support of economic development initiatives at CCBC. The new distribution main extension will be used by the Company to provide gas services to a new customer, Crown Holdings, as well as future business customers at CCBC.

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) SVG 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.

[1] Code § 56-55 *et seq.*

APPENDIX A

1. SVG shall be authorized through the period ending December 31, 2021, to incur long-term debt in the form of a term loan from Fidelity Bank for up to the aggregate maximum of $2.5 million, under the terms and conditions, and for the purposes stated in the Application.

2. SVG shall file a final report of action on or before March 1, 2022. Such report shall include the date of the term loan borrowing, the total amount borrowed, the applicable interest rate at issuance, and the maturity date. The final report shall also include a summary of all issuance costs incurred for the term loan and indicate the accounting treatment for such costs to include the accounts to which they are booked and respective terms of amortization.

3. SVG shall submit a copy of the general form of the agreement outlining the terms and conditions related to the advance from Henry County directly with Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") on or before 30 days from the date of the order in this case, subject to administrative extension.[1]

4. The authority granted in this case shall have no accounting or ratemaking implications.

[1] Due to the circumstances surrounding COVID, submissions to UAF Director may be sent via electronic mail to accounting@scc.virginia.gov.

CASE NO. PUR-2021-00136
SEPTEMBER 20, 2021

APPLICATION OF
VIRGINIA NATURAL GAS, INC. and POWERSECURE, INC.

For approval of affiliate transactions and future exemptions from the filing and prior approval requirements under the Affiliates Act, Va. Code § 56-76 *et seq.*

ORDER GRANTING APPROVAL

On June 25, 2021, Virginia Natural Gas, Inc. ("VNG" or "Company") and PowerSecure, Inc. ("PowerSecure") (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 approval of affiliate transactions ("Transactions") and future exemptions ("Exemptions") from the filing and prior approval requirements under the Affiliates Act. VNG seeks to bid on federal utility energy services contracts ("UESCs") and engage its affiliate, PowerSecure, as a subcontractor to perform energy management services ("EMS") for certain federal facilities. The Applicants represent that they are requesting Exemptions due to the "nature and timing of the potential transactions."[2]

In support of the Application, the Applicants state that federal agencies may issue requests for qualifications ("RFQs") from eligible utilities for UESCs. The Applicants describe a UESC as:

> a limited source contract between a federal agency and a serving utility for energy management services including energy and water efficiency improvements and demand-reduction services. Under the Energy Policy Act of 1992, codified as 42 U.S.C. § 8256, federal agencies are authorized and encouraged to participate in utility incentive programs that promote such improvements. UESCs provide a streamlined approach for federal agencies to contract for the broad spectrum of energy management services offered by local utilities.[3]

VNG is authorized to enter into UESCs with federal agencies located in its service territory pursuant to the General Service Administration's Areawide Contract with Southern Company Gas ("GAS"). The Applicants represent that PowerSecure provides distributed generation, solar energy, energy efficiency, and utility infrastructure services, primarily as a subcontractor to large energy service company providers.[4] VNG seeks to engage PowerSecure as its subcontractor for the purpose of responding to RFQs for UESCs and to "leverage its expertise in the area of energy efficiency projects."[5]

Federal agencies evaluate utility bids based on experience, past performance, personnel, subcontractors, and other factors in a competitive process. Because VNG and PowerSecure are affiliates, VNG must seek Commission approval before engaging it as a subcontractor. The Applicants state that the "additional regulatory requirement—including the 60- to 90-day review and approval process by the Commission—would likely make VNG's bid unattractive and potentially unsuccessful."[6] The Applicants further state that "other serving utilities may engage PowerSecure as a subcontractor without any additional regulatory approvals, giving them a competitive advantage over VNG in the bidding process."[7]

While the federal agency customer will name VNG as the UESC contractor, Southern Company Services, through AGL Services Company ("AGSC"), will actually contract with PowerSecure. Accordingly, VNG and PowerSecure represent that they will not interact directly. Similarly, all revenues and expenses associated with the UESC will flow through AGSC accounting. A third-party institution will finance the project, the federal customer will pay the institution, and the institution will pay AGSC. AGSC will, in turn, pay VNG and PowerSecure.

The Applicants state that their requested approval is in the public interest because:

> it will permit VNG to leverage the expertise of its affiliate, PowerSecure, to develop and implement energy efficiency projects for VNG's federal agency customers, and help such customers achieve their energy efficiency and demand-reduction goals. All costs and expenses will be funded by the [third-party] lender and the federal agency customers, thus there is no payment risk to VNG and no potential for cross-subsidization of an affiliate.[8]

VNG further states that its business risks will remain unchanged as a result of the proposed arrangements.[9]

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[1] Code § 56-76 *et seq*. ("Affiliates Act").

[2] Application at 1.

[3] *Id.* at 3.

[4] *Id.* at 4.

[5] *Id.*

[6] *Id.* at 5.

[7] *Id.*

[8] *Id.* at 6.

[9] Exhibit A to the Application, at 4.

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 Transactions are in the public interest and should be approved subject to the requirements attached hereto. The Applicants' request for a future exemption from the filing and prior approval requirements of the Affiliates Act is denied.

During Staff's review of the Application, multiple areas of concern were identified. First, the Applicants' request for Exemptions is open-ended and may hinder the Commission's ability to review the Transactions on an ongoing basis. Staff proposes, instead, that the Commission grant approval of future UESCs containing the same EMS, terms and conditions, and duration as presented in this case, with the approval extending through July 12, 2025, the date of expiration of the Areawide Contract. Staff believes that this approval should provide VNG bidding flexibility while allowing Staff to monitor the UESC Transactions to verify that they remain in the public interest. Accordingly, we approve the Transactions through the July 2025 expiration date of the Areawide Contract; however, we deny the Applicants' request for Exemptions.

Second, consistent with § 13.1-620 D of the Code, VNG's direct provision of service to federal agencies must be limited to services related and incidental to natural gas.[10] The engagement of PowerSecure, though, to provide EMS on VNG's behalf appears to be consistent with Commission precedent.[11] We find that such EMS should be limited to the specific non-utility, below-the-line services identified by the Applicants and reviewed by Staff.[12]

Finally, the Applicants represent that all Transaction revenues will be recorded below the line and will have no financial benefits to VNG's customers. Previously, we have found that ratepayers should not face risks or costs as a result of an unregulated affiliate's operations, absent "reasonably offsetting benefit[s]."[13] VNG represents that "it 'may potentially be liable to the government or third parties or may face claims' for any loss or liability resulting from the Transactions; however, these 'potential liabilities or claims would be mitigated through [each] UESC subcontract agreement with PowerSecure.'"[14] Accordingly, we adopt Staff's recommendation to require complete indemnification of VNG for each UESC subcontract it enters into with PowerSecure.

Accordingly, IT IS ORDERED THAT:

(1) The Application is approved in part and denied in part as provided herein, subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is dismissed.

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[10] *See Application of Washington Gas Light Company, For authority to enter into an affiliate service agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2002-00463, 2002 S.C.C. Ann. Rept. 600-601, Order Granting Authority (Dec. 9, 2002).

[11] *See id.*

[12] *See* Staff Action Brief at 7 and attached VNG responses to Staff Data Requests 2-4 and 3-1. *See also Application of Washington Gas Light Company, For authority to renew an affiliate service agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2008-00037, 2008 S.C.C. Ann. Rept. 527, 529, Order Granting Authority (Aug. 18, 2008).

[13] *See Application of Washington Gas Light Company, For authority to engage in project financing and affiliate transactions pursuant, respectively, to Chapters 3 and 4 of Title 56 of the Code of Virginia*, Case No. PUE-2015-00135, 2016 S.C.C. Ann. Rept. 336, Final Order (Mar. 14, 2016).

[14] *See* Staff Action Brief at 7.

APPENDIX

1) The Commission approves VNG's request for approval to engage PowerSecure as a subcontractor to enter into UESCs that contain the same EMS, terms and conditions, and duration as detailed below. Any direct VNG activities shall comply with § 13.1-620 D of the Code.

2) The Commission's approval of the Transactions shall extend through July 12, 2025, the expiration date of the GAS Areawide Contract. If the Applicants wish to enter into new Transactions beyond that date, separate approval shall be required.

3) The Commission's approval shall be limited to the EMS identified in the Company's Responses to Staff Data Requests 2-4 and 3-1 and attached to Staff's Action Brief. If the Applicants wish to provide additional services not specifically identified, separate approval shall be required.

4) Any changes in the terms and conditions of the UESCs shall require separate approval.

5) In each UESC subcontract, VNG, its officers, employees, agents, and shareholders, shall be fully indemnified and held harmless, without recourse, from any (1) claims, suits, or legal proceedings; (2) damages or injuries; (3) interest; (4) costs, expenses, or fees; (5) changes in VNG's financial condition; and (6) all other loss or liability of any kind that occur as a result of the proposed Transactions.

6) VNG shall not provide any form of project financing under the UESCs.

7) The Commission's approval shall have no accounting or ratemaking implications.

8) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

9) 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.

10) VNG shall file an executed copy of each UESC subcontract within sixty (60) days of the execution date, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

11) VNG shall include a schedule listing all Transactions associated with the approval granted in this case by UESC Date, Federal Agency Customer/Facility, EMS provided, month, USOA account and account description, and amount (as it is recorded in VNG's books) in its Annual Report of Affiliate Transactions ("ARAT") submitted electronically to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director.

CASE NO. PUR-2021-00138
DECEMBER 8, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For an update of the 100 percent renewable energy tariff, designated Rider TRG, pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia

ORDER

On July 1, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for an annual update of its voluntary 100 percent renewable energy tariff, designated Rider TRG. On July 16, 2021, the Commission issued an Order for Notice and Comment.

The Board of Supervisors of Culpeper County, Virginia, filed a notice of participation as a respondent. Walmart Inc. ("Walmart") filed a notice of participation as a respondent and comments. Direct Energy Business, LLC and Direct Energy Services, LLC (collectively, "Direct Energy") filed a notice of participation as a respondent and a request for hearing ("Request for Hearing"). The Commission's Staff ("Staff") filed a report in this matter. Finally, Dominion filed comments in response to Staff, Walmart, and Direct Energy ("Comments").

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that this annual update proceeding shall be dismissed.

The Commission approved Rider TRG in July 2020.[1] As part of that approval, the Commission "agree[d] 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.'"[2] These annual update proceedings, however, are not mandated by statute but, rather, were directed by the Commission in its order approving Rider TRG.[3] In this regard, and upon consideration of the pleadings filed herein, the Commission exercises its discretion *not* to address participant levels, and *not* to modify the filed rate, until Rider TRG has been in effect for a longer period of time in order to gain additional experience with the implementation thereof.[4]

The Commission also rejects Direct Energy's claim that the Commission must, in the instant proceeding, "revisit, at minimum, its decisions to approve Rider TRG both under Va. Code § 56-234 and under Va. Code § 56-577 A 5."[5] There is nothing in the statute or the Commission's order approving Rider TRG that requires *de novo* statutory re-approval of Rider TRG on an annual (or any other periodic) basis. Rider TRG has been approved by the Commission and remains the lawfully filed tariff and the lawfully filed rate. Rider TRG, as approved by and as on file with the Commission, does not require annual rate changes or true-ups. Indeed, the Rider TRG rate by its terms is not required to change, nor is it trued-up, to reflect the change in value of the TRG Portfolio over any particular period of time. Thus, because there are no contested facts that are relevant to the Commission's exercise of discretion for purposes of this specific proceeding, the Commission likewise denies Direct Energy's Request for Hearing.

Finally, Dominion shall file its next update proceeding for Rider TRG on or before July 1, 2022.[6]

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

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[1] *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*, 2020 S.C.C. Ann. Rept. 280, Order Approving Tariff (July 2, 2020).

[2] *Id*. at 284.

[3] *Id*. at 285.

[4] Contrary to Direct Energy's assertion, maintaining the currently filed tariff and rate does not result in "a new tariff with a different rate design and pricing…." Direct Energy Request for Hearing at 6. *See also* Dominion Comments at 6. Furthermore, as the value of the TRG Portfolio is always changing over time, non-participating customers continue to be held substantially harmless in the same manner as discussed in the Order Approving Tariff. *See 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*, 2020 S.C.C. Ann. Rept. 280, 282, Order Approving Tariff (July 2, 2020).

[5] Direct Energy Request for Hearing at 6.

[6] The Commission finds reasonable and approves the Company's proposal "to track the difference between the currently approved rate and the updated $6.91/MWh rate, and credit the difference to the appropriate rate recovery mechanisms for the volume of [renewable energy credits] which are actually retired on behalf of Rider TRG customers for the time period July 1, 2021 through June 30, 2022." *See, e.g.*, Application at 7.

CASE NO. PUR-2021-00139
OCTOBER 14, 2021

APPLICATION OF
SECURE ENERGY SOLUTIONS, LLC

For a license to conduct business as a competitive service provider

ORDER GRANTING LICENSE

On June 30, 2021, Secure Energy Solutions, LLC ("Secure Energy" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a competitive service provider.[1] Secure Energy seeks authority to provide electricity and natural gas aggregation service to eligible commercial, industrial, and governmental customers throughout Virginia. In its Application, Secure 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").[2]

On August 18, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon the utilities listed on Attachment A thereof on or before September 2, 2021, and to file proof of service on or before September 9, 2021. On September 14, 2021, Secure Energy filed its proof of service and requested that the Commission accept the Company's proof of service out of time.

The Procedural Order also directed that any comments in the matter be filed with the Clerk of the Commission on or before September 16, 2021. On September 16, 2021, Virginia Electric and Power Company d/b/a Dominion Energy Virginia 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") to be filed on or before September 23, 2021. As directed, Staff filed its Report, which summarized Staff's investigation of Secure Energy's proposal and evaluated its financial condition and technical fitness. Staff found that the Company meets the technical and financial fitness requirements for licensure as an aggregator.[3] Staff noted, however, that Secure Energy had not demonstrated that it has been granted authorization to conduct business in Virginia as required by 20 VAC 5-312-40 A 12 of the Retail Access Rules.[4] Staff therefore recommended that the Commission deny the Application and dismiss this proceeding without prejudice to allow the Company to reapply for licensure once it had been granted authorization to conduct business as a foreign corporation in Virginia.[5]

On October 4, 2021, Secure Energy filed a copy of its certificate of registration to transact business in Virginia.

NOW THE COMMISSION, upon consideration of the Application, the case record, and the applicable law, finds that Secure Energy's Application should be granted, subject to the conditions set forth below. We note that Staff recommended denial of the Application solely on the basis that Secure Energy had not satisfied the requirements of 20 VAC 5-312-40 A 12. Because the Company has since complied with these requirements, we find it appropriate to grant the Application. We further find that the Company's proof of service should be accepted out of time, but we remind the Company to be diligent in complying with the requirements of our orders.

Accordingly, IT IS ORDERED THAT:

(1) Secure Energy is hereby granted license No. A-122 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.

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[1] On August 2, 2021, the Company filed additional information to complete its Application.

[2] 20 VAC 5-312-10 *et seq*.

[3] Report at 5.

[4] *Id.*

[5] *Id.*

CASE NO. PUR-2021-00140
SEPTEMBER 27, 2021

APPLICATION OF
SHARED SOLAR HOLDCO, LLC

For licensure as a subscriber organization pursuant to 20 VAC 5-340-30

ORDER GRANTING LICENSE

On July 1, 2021, Shared Solar HoldCo, LLC ("HoldCo" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program established pursuant to § 56-594.3 of the Code of Virginia.[1] HoldCo seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, HoldCo attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").[2]

On August 3, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion, on or before August 13, 2021, and to file proof of service on or before August 20, 2021. On August 10, 2021, the Company filed its proof of service. The Procedural Order also directed that any comments on the Application be filed on or before August 27, 2021. No comments were filed in the case.

The Procedural Order directed the Staff of the Commission ("Staff") to investigate the Company's Application and present its findings in a report ("Report") to be filed on or before September 10, 2021. On September 10, 2021, as directed, Staff filed its Report, which summarized Staff's investigation of HoldCo's proposal and evaluated the Company's financial condition and technical fitness.[3] Based on its review of the Application, Staff recommended that HoldCo be granted a license to conduct business as a non-exempt subscriber organization in the shared solar program.[4]

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that HoldCo's Application should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) HoldCo is hereby granted license No. SS-1 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and 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.

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[1] On July 12, 2021, the Company filed additional information to supplement its Application. Thus, the Application is complete as of July 12, 2021.

[2] 20 VAC 5-340-10 *et seq*.

[3] Report at 3-4.

[4] *Id*. at 5.

CASE NO. PUR-2021-00141
OCTOBER 18, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION SOLAR PROJECTS IV, INC.

For approval to enter into standard interconnection agreements through future exemptions under Chapter 4 of Title 56 of the Code of Virginia

FINAL ORDER

On July 19, 2021, Virginia Electric and Power Company ("DEV" or "Company"), Dominion Solar Projects IV, Inc. ("Dominion Solar") (collectively, "Applicants"), and other existing or future Dominion Energy, Inc. ("DEI"), subsidiaries, filed an application ("Application") with the State Corporation Commission ("Commission") for continued Commission approval to enter into seven standard interconnection agreements ("Interconnection Agreements").[1] The Applicants request continued approval to enter into these Interconnection Agreements, in substantially the form provided in the Application, or as they may be amended from time to time,[2] through future exemptions ("Future Exemptions") from the filing and prior approval requirements of Chapter 4 of Title 56[3] of the Code of Virginia ("Code").

The Company was previously granted approval to enter into Interconnection Agreements with Dominion Solar and other affiliates in 2016.[4] This approval expired on April 16, 2021,[5] and the Applicants represent that they failed to file by this deadline due to an administrative oversight.[6] Accordingly, the Applicants also request retroactive approval of the exemptions since April 16, 2021.[7] Finally, because their authority to enter into Interconnection Agreements under the 2016 Order has expired, the Applicants request expedited consideration of the Application.[8]

In the 2016 Order, the Applicants were granted approval to enter into five types of Interconnection Agreements: 1) the Small Generator Interconnection Agreement; 2) the Wholesale Market Participation Agreement; 3) the Interim Interconnection Service Agreement; 4) the Interconnection Service Agreement; and 5) the Interconnection Construction Service Agreement.[9] In the 2017 Order, issued in the same case, the Applicants were granted approval to enter into two additional Interconnection Agreements: 1) "form" wholesale distribution service agreements; and 2) standard North Carolina Interconnection Agreements.[10] At present, the Applicants request continued approval to enter into these seven Interconnection Agreements.

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[1] The Applicants filed information supplementing the Application on July 20, 2021.

[2] The Applicants state that the Interconnection Agreements may, from time to time, be amended by applicable Commission, North Carolina Utilities Commission, and/or Federal Energy Regulatory Commission ("FERC") regulations or by the PJM Interconnection, L.L.C. Open Access Transmission Tariff on file with FERC. They represent that any material changes to the form agreements must be reviewed and approved by the appropriate regulatory body. Application at 1-2.

[3] Code § 56-76 *et seq*. ("Affiliates Act").

[4] *See Application of Virginia Electric and Power Company and Dominion Solar Projects IV, Inc., For exemption from or approval to enter into standard interconnection agreements through future exemptions under Chapter 4, Title 56 of the Code of Virginia*, Case No. PUE-2016-00018, 2016 S.C.C. Ann. Rept. 378, Final Order (Apr. 14, 2016) ("2016 Order"), and 2017 S.C.C. Ann. Rept. 319, Order Granting Approval (Feb. 16, 2017) ("2017 Order").

[5] 2016 Order at 3.

[6] Response to Staff Data Request 1-11.

[7] Application at 2.

[8] *Id.*

[9] 2016 Order at 3.

[10] 2017 Order at 3.

The Applicants state that continued approval is in the public interest because the Interconnection Agreements "are prescriptive template agreements that are mandated in form and content;" therefore, all interconnection applicants are subject to the same terms and conditions.[11] They further state that any material deviations from the templates must be approved by the appropriate regulatory body.[12] The Company affirms that the use of these Interconnection Agreements allows Dominion Solar and other DEI subsidiaries to compete for opportunities to develop merchant generation facilities as they arise, while ensuring no preferential treatment of affiliates[13] as required under Code § 56-578 and Rule 120 of the Interconnection Rules.[14] The Applicants further state that FERC also requires public utilities owning transmission facilities used in interstate commerce to provide open, non-discriminatory access to such facilities in the wholesale market.[15]

Because all seven Interconnection Agreements are prescribed and regulated at the state and/or federal level, the Company asserts there is no risk of preferential treatment towards affiliates.[16] All costs and rates involved under the Interconnection Agreements are fully dictated by their respective agreements;[17] therefore, the Company asserts the Commission's higher of cost or market standard is inapplicable in this proceeding.[18]

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 makes the following finding. In Case No. PUE-2016-00018, we granted the Applicants' requests to enter into Interconnection Agreements with affiliates for a five-year period but denied their request for Future Exemptions. The filing of an Affiliates Act application allows Staff the opportunity to review each transaction and determine whether it promotes the public interest. In its action brief, however, Staff notes that (1) an increase in renewable energy is mandated under Code § 56-585.1 *et seq.*; and (2) the Interconnection Agreements are mandated in form and content, and any material deviations must be approved by the appropriate regulatory body.[19] Accordingly, we find that the Applicants' request for continued approval to enter into Interconnection Agreements through Future Exemptions is in the public interest and approved subject to the requirements listed in the Appendix attached hereto. Approval shall extend for five years from the date of this Final Order.

Accordingly, IT IS ORDERED THAT:

1) The Application is granted in part and denied in part, as set forth herein, subject to the requirements listed in the Appendix attached to this Order.

2) This case is dismissed.

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[11] Application at 4-5.

[12] Attachment A to the Application, at 1.

[13] Application at 5.

[14] Commission's Regulations Governing Interconnection of Small Electric Generators, 20 VAC 5-314-10, *et seq*. ("Interconnection Rules").

[15] Application at 5, n.5.

[16] *Id*. at 5-6.

[17] Response to Staff Data Request 2-4.

[18] Application at 11-12.

[19] *See* Staff Action Brief at 6.

APPENDIX

1) The Commission's approval of Future Exemptions shall be limited to five (5) years from the effective date of the Final Order. Should DEV wish to enter into future Interconnection Agreements with its affiliates beyond that date, separate Commission approval shall be required, without terminating or rendering invalid existing Interconnection Agreements.

2) The Commission's approval shall be limited to the services specifically identified in the "form" Interconnection Agreements filed with the Application.

3) Separate Commission approval shall be required for future Interconnection Agreements that do not conform with the approved "form" Interconnection Agreements and which are not subject to separate regulatory approval.

4) If future Interconnection Agreements that do not conform to the Interconnection Agreements are subject to and receive separate regulatory approval, DEV shall notify the Commission within thirty (30) days of such approval.

5) The Commission's approval shall have no accounting or ratemaking implications.

6) The approval granted in this case shall not preclude the Commission from exercising its authority under the Affiliates Act hereafter.

7) The Commission shall reserve 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 the Commission.

8) DEV shall be required to maintain a list of executed Interconnection Agreements for each facility, which is available to Staff upon request.

9) DEV shall include all transactions associated with the proposed Interconnection Agreements in its 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. The ARAT shall include a list in Excel electronic media format (with formulas intact), showing:

a. Case No. of the relevant order;
b. Affiliate;
c. Calendar Year; and
d. Transactions by month, type of transaction, FERC account, and amount for the calendar year.

CASE NO. PUR-2021-00144
DECEMBER 6, 2021

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval to amend a System Expansion Plan pursuant to Chapter 28 of Title 56 of the Code of Virginia

ORDER

On August 9, 2021, Columbia Gas of Virginia, Inc. ("CVA" or the "Company"), filed with the State Corporation Commission ("Commission"), pursuant to § 56-610 *et seq*. of the Code of Virginia ("Code"), an application ("Second Application to Amend") to amend the Company's System Expansion Plan (or "Plan") approved by the Commission on February 19, 2016.[1] The Plan is a natural gas infrastructure expansion plan designed to deliver natural gas service to customers located in unserved areas within the Company's service territory by providing an alternative method of collecting the uneconomic portion of the investment related to infrastructure expansion projects ("eligible expansion investment" or "EEI") from the beneficiaries of the investments ("Affected Customers") through a fixed monthly rider (the "MAIN Rider").[2]

In its Second Application to Amend, the Company states that it provides natural gas service to over 279,000 customers in Central and Southern Virginia, the Piedmont region, and most of the Shenandoah Valley, as well as portions of Northern and Western Virginia and the Hampton Roads region.[3] The Company further states that, in the Original Approval Order, the Commission authorized a maximum level of investment of approximately $3.57 million with the ability to exceed this amount by no more than 10% over the Plan's five-year investment period.[4] The Company also states that the Original Approval Order established the MAIN Rider at $6.63 per month to recover the eligible system expansion infrastructure costs ("Plan Cost of Service") associated with the EEI.[5]

In December 2020, the Commission approved the Company's first application to amend the Plan as needed to complete 71 existing projects contributing EEI to the Plan and to recover the related costs from Affected Customers.[6] In the Amendment Order, the Commission approved only the first step of the Company's proposed two-step increase to the MAIN Rider.[7] The Company states that, in the Amendment Order, the Commission approved the Company's request to (1) increase the maximum level of investment under the Plan to $5.1 million;[8] (2) increase the estimated Plan Cost of Service from $8,476,655 to $9,503,506; (3) increase the MAIN Rider from $6.63 to $8.63 effective January 1, 2021; and (4) decrease the projected Affected Customers from 5,319 to 3,301.[9] The Amendment Order denied the Company's request for a second step increase in the MAIN Rider and directed the Company to file additional information in support of any future request to increase the MAIN Rider.[10]

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[1] *Application of Columbia Gas of Virginia, Inc., For approval of a System Expansion Plan pursuant to Chapter 28 of Title 56 of the Code of Virginia*, Case No. PUE-2015-00056, 2016 S.C.C. Ann. Rept. 239, Order Approving System Expansion Plan (Feb. 19, 2016) ("Original Approval Order").

[2] Second Application to Amend at 1.

[3] *Id*. at 2.

[4] *Id*. at 3-4.

[5] *Id*. at 4.

[6] *Id*. at 1. *See Application of Columbia Gas of Virginia, Inc., For approval to amend a System Expansion Plan pursuant to Chapter 28 of Title 56 of the Code of Virginia*, Case No. PUR-2020-00149, Doc. Con. Cen. No. 201210051, Order (Dec. 2, 2020) ("Amendment Order").

[7] Second Application to Amend at 1-2.

[8] On October 4, 2021, CVA filed replacement pages to the Second Application to Amend and the Direct Testimony of Timothy D. Vaughn, clarifying that the Company interpreted the Amendment Order as approving all of the requested components except for the second step increase in the MAIN Rider. The Company clarified that to the extent that interpretation was not correct, CVA requested that the Commission approve the maximum level investment of investment to $5.1 million in this proceeding. *Id*. at 4 n.3.

[9] *Id*. at 4.

[10] *Id*.; Amendment Order at 9, 10.

The Company states that the existing MAIN Rider is not sufficient for the Company to recover the Plan Cost of Service.[11] In its Second Application to Amend, CVA is requesting:

(1) an increase in the MAIN Rider from $8.63 to $10.94 effective December 30, 2021, which is the first billing unit of January 2022;

(2) a decrease to the Plan Cost of Service from $9,503,506 to $8,816,951; and

(3) an increase in projected Affected Customers from 3,301 to 3,437.[12]

The Company also requests that the Commission approve the associated amendments to the Company's Terms and Conditions.[13] CVA states that as of May 31, 2021, MAIN Rider revenues have been less than Plan costs by $267,944.[14] CVA also states that it does not currently project a need for any other future bill increases.[15]

On September 2, 2021, the Commission entered an Order for Notice and Comment that, among other things, docketed the Company's Second Application to Amend; directed the Company to provide public notice of its Second Application to Amend; allowed interested persons to file comments and request a hearing on the Second Application to Amend; directed the Commission's Staff ("Staff") to investigate the Second Application to Amend and to file a report ("Staff Report" or "Report") containing the Staff's findings and recommendations; and allowed the Company to file a response to the Staff Report and any comments filed by interested persons. No notices of participation, requests for hearing, or comments were received.

On October 28, 2021, the Staff filed its Report on the Company's Second Application to Amend.[16] Among other things, the Staff Report summarized the Second Application to Amend and performed an accounting and rate design analysis of the proposed changes to the MAIN Rider. Staff made the following findings and recommendations:

(1) If the Commission finds the amended Plan continues to meet the statutory criteria, Staff does not oppose the MAIN Rider increase to $10.94, effective December 30, 2021;

(2) Should the Commission find that CVA's request to increase the maximum level of investment under the Plan to $5.1 million was not approved in the Amendment Order, Staff does not oppose the requested increase in this proceeding;

(3) The Company should continue to file annual reports with the Commission providing up to date information including EEI, current Affected Customers, and the current over/under recovery position;

(4) Future MAIN annual filings and amendments should include a discussion of the lifetime revenue requirement, including any anticipated future bill impacts to the MAIN Rider in order to recover the total expected investment in the Plan; and

(5) Future MAIN annual reports and amendment filings should include the amortization of Excess Deferred Income Taxes within the deferral balance calculation as the associated book to tax timing differences reverse.[17]

On November 9, 2021, CVA filed Reply Comments to the Staff Report. In its Reply Comments, the Company stated that it did not object to Staff's recommendations.[18] CVA asserted that the Plan remains reasonable and prudent.[19] The Company requested that the Commission issue a final order (i) approving the proposed amendments to the Plan, including (1) an increase in the MAIN Rider from $8.63 to $10.94 effective December 30, 2021, which is the first billing unit of January 2022; (2) a decrease to the Plan Cost of Service from $9,503,506 to $8,816,951; and (3) an increase in projected Affected Customers from 3,301 to 3,437; (ii) authorizing the implementation of the amended MAIN Rider through the associated amendments to the Company's Terms and Conditions; and (iii) granting such other relief as it deems necessary and proper, which may include explicitly approving an increase in the maximum level under the Plan to $5.1 million to the extent the Commission deems it necessary.[20] Finally, CVA requested that the Commission grant its September 24, 2021 Motion for Leave to Publish Out of Time and accept its certificate of publication and service as part of its final order.[21]

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[11] Second Application to Amend at 4.

[12] *Id.*

[13] *Id.* at 6.

[14] *Id.* at 4.

[15] *Id.*

[16] On October 27, 2021, Staff filed its initial Staff Report. On October 28, 2021, Staff, by counsel, filed a corrected Staff Report correcting typographical errors appearing on pages 1, 9, 10, and 11 of the Staff Report regarding the dollar amount of CVA's proposed increased MAIN Rider.

[17] Staff Report at 11.

[18] Reply Comments at 1.

[19] *Id.* at 2.

[20] *Id.* at 2-3.

[21] *Id.* at 3.

NOW THE COMMISSION, upon consideration of this matter and based on the record herein, is of the opinion and finds that CVA's request to amend its system expansion plan as permitted by § 56-610 *et seq*. of the Code is granted. Additionally, the Company's Motion for Leave to Publish Out of Time is granted.

Code of Virginia

The Company's Plan was the first proceeding filed pursuant to Code § 56-610 *et seq*., and this is the third proceeding under that statute. Section 56-611 A of the Code provides as follows:

> Notwithstanding the provisions of § 56-235.4, a natural gas utility may file a system expansion plan as provided in this chapter. Such a plan shall provide for (i) a business rationale explaining that the expansion plan is in the public interest and of benefit to the affected customers served under the system expansion plan, (ii) the period the system expansion rider is proposed to be in effect, (iii) the estimated eligible system expansion infrastructure costs and a maximum level of investment to be included in the program, (iv) a maximum level of investment per affected customer, (v) the projected number of customers by rate class that will be served by the proposed investment, (vi) a schedule for recovery of the related eligible system expansion infrastructure costs through a system expansion rider, (vii) a methodology for deferral of unrecovered eligible system expansion infrastructure costs, calculated as determined pursuant to § 56-612, (viii) the class or classes of customers eligible to participate in a system expansion plan, and (ix) the period of time that a customer at a premises receiving natural gas service from eligible system expansion infrastructure will be considered an affected customer for purposes of this chapter. The natural gas utility shall demonstrate that the system expansion plan is prudent and reasonable. The Commission may approve such a plan after such notice and opportunity for a hearing as the Commission may prescribe, subject to the provisions of this chapter.

Section 56-611 B of the Code provides further:

> The Commission shall approve a natural gas utility's system expansion plan if it finds that the plan (i) includes the components set forth in subsection A, (ii) provides for the recovery of eligible system expansion infrastructure costs in accordance with the provisions of this chapter, and (iii) is prudent and reasonable. In a final order approving a natural gas utility's system expansion plan, the Commission may require the natural gas utility to file an annual report with the Commission demonstrating whether the natural gas utility's recovery of eligible system expansion infrastructure costs pursuant to its system expansion plan complies with the requirements of clause (ii) . . . .

Section 56-611 C of the Code states in part:

> The Commission shall act on a natural gas utility's application to amend a previously approved plan within 120 days. Within that time period, the Commission shall approve, deny, or modify the amended plan as required by the public interest.

As set forth in its Second Application to Amend, the Company seeks to amend three of the elements of Code § 56-611 A, specifically items (iii) the estimated eligible system expansion infrastructure costs and a maximum level of investment to be included in the program, (v) the projected number of customers by rate class that will be served by the proposed investment, and (vi) a schedule for recovery of the related eligible system expansion infrastructure costs through a system expansion rider.[22] Based on the record herein, the Company's request to amend three parts of its Plan is approved. The information in the record is sufficient to determine that allowing this increase is in the public interest.[23]

We note that the MAIN Rider, as approved herein, will result in an increase to the bills of Affected Customers. 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 have done herein.[24]

Accordingly, IT IS ORDERED THAT:

(1) The Second Application to Amend is approved;

(2) CVA's Motion for Leave to Publish Out of Time is granted;

(3) CVA forthwith shall file revised tariffs and terms and conditions of service with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance in accordance with this Order;

(4) CVA shall continue to file annual reports with the Commission providing up to date information including EEI, current Affected Customers, and the current over/under recovery position; and

(5) This matter is closed.

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[22] Second Application to Amend at 5; Direct Testimony of Timothy D. Vaughan at 7-8.

[23] The Commission clarifies, to the extent necessary, that an increase in the maximum level of investment under the Plan to $5.1 million is approved.

[24] *See* Code § 56-611.

CASE NO. PUR-2021-00145
DECEMBER 6, 2021

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 2022 SAVE Plan Rider in accordance with Section 20 of its General Terms and Conditions

ORDER APPROVING SAVE RIDER

On August 12, 2021, 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 SAVE Plan Rider ("SAVE Rider") for calendar year 2022.[2]

The Company requests to extend its SAVE Plan for two years (calendar years 2022 and 2023).[3] CVA proposes that during this two-year extended term, the Company would be authorized to spend up to $63 million on SAVE-eligible natural gas infrastructure and recover such costs through its SAVE Rider during calendar year 2022 and up to $72 million on SAVE-eligible infrastructure during calendar year 2023.[4] The Company requests authorization to exceed this investment by 10% on an annual basis and 10% on a cumulative basis, for a Phase 4 SAVE Plan maximum spend of $148.5 million.[5] The Company also requests approval to implement its 2022 SAVE Rider, which is based on a $63 million projected SAVE-eligible capital program for 2022 and the true-up of the recovery of the actual SAVE cost of service for the calendar year 2020, in accordance with Section 20 of its General Terms and Conditions, to be effective with the first billing unit of January 2022 through the last billing unit of December 2022.[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 two-year term by undertaking additional identified projects the Company expects to complete in 2022 under the proposed Phase 4 SAVE Plan; the Company states such projects will enhance safety and reliability and will positively impact the environment.[8] CVA has proposed a 2020 True-Up Factor of $3,953,797 and a 2022 Projected Factor of $15,802,650, for a total proposed SAVE revenue requirement of $19,756,447.[9] CVA calculates that as proposed, the 2022 SAVE Rider would increase residential customers' bills by $1.60 per month, for a total proposed monthly SAVE Rider rate of $4.70.[10]

CVA's Application documents actual SAVE-eligible expenditures incurred during calendar year 2020, updates the schedule of annual SAVE-eligible expenditures anticipated in 2022, identifies the manner in which the Company will allocate capital expenditures among the six categories of SAVE-eligible infrastructure expenditures for 2022, documents the calculation of the 2020 True-Up Factor and 2022 Projected Factor, and includes the required schedules.[11]

On September 1, 2021, 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 in this case; required the Commission's Staff ("Staff") to file a report ("Staff Report" or "Report"); and permitted the Company to respond to the Staff Report, any comments, or requests for hearing. No comments, notices of participation, or requests for hearing were filed in this proceeding. The Staff filed its Staff Report on November 5, 2021.

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[1] Code §§ 56-603 through -604.

[2] Application at 1.

[3] *Id*. ("Phase 4 SAVE Plan").

[4] *Id*.

[5] *Id*.

[6] *Id*. at 1-2.

[7] *Id*. at 2.

[8] *Id*. at 4.

[9] *Id*. at Schedule 1.

[10] *Id*. at Schedule 17 at 6.

[11] *Id*. at 7.

As noted by Staff in its Report, the Company's continued replacement of legacy distribution piping and certain risers prone to failure, segments of up to five high-pressure pipelines, and seven metering and regulating ("M&R") stations appears to meet the eligibility requirements of the SAVE Act.[12] Staff also noted that the Company's narrative and direct witness testimony in its Application did not specifically highlight each M&R station proposed for inclusion in Phase 4.[13] Staff proposes that in future filings, the Company should delineate any and all M&R station replacement projects by addressing them specifically in the Application's proposed plan narrative and the Company's direct testimony.[14] In its Reply Comments, the Company agreed to provide this detail going forward.[15]

Staff further recommended that the Phase 4 SAVE Plan authorized spend, consisting of Construction Work in Progress ("CWIP") and Cost of Removal ("COR"), be limited to $63 million in 2022 and $72 million in 2023; to the extent the spending cap includes COR, Staff recommended that the Company be authorized a 10% annual spending variance and a 10% cumulative spending variance for the Phase 4 SAVE Plan, for a maximum spend of $148.5 million (consisting of CWIP and COR).[16] Staff further advised that, where COR is not included in the spending cap, the annual and cumulative spending variances should remain at 5%.[17] In its Reply Comments, the Company supported these spending caps, spending variances and the maximum spend amount, inclusive of CWIP and COR.[18]

Regarding the revenue requirement, Staff recommended a True-Up Factor revenue requirement of $463,480, a Projected Factor revenue requirement of $15,728,491, and a total revenue requirement of $16,191,971, to be effective with the first billing unit of January 2022.[19] For purposes of the True-Up Factor and the Projected Factor, Staff supported use of the 6.682% overall cost of capital, which reflects the 9.7% return on equity to be used for purposes other than base rates per the stipulation approved in Case No. PUR-2018-00131.[20] Per Staff, Columbia proposed to allocate its proposed 2022 SAVE Rider revenue requirement to current rate schedules using the same methodology that was approved by the Commission in the Company's most recent SAVE Rider proceeding.[21] Staff stated that this methodology is based on appropriate cost causation principles, and Staff did not oppose the use of this methodology in this SAVE proceeding.[22] Staff recommended, however, 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 proportionately in accordance with the revenue apportionment and rate design methodology proposed by the Company.[23]

In its November 18, 2021 Reply Comments to the Staff Report, CVA noted that in reviewing Staff's recommended decrease in projected 2021 capital expenditures to $48.72 million, the Company found an error in its workpapers in which projected 2021 capital expenditures should have been $41,365,287.[24] According to the Company, this error decreases the Projected Factor revenue requirement by an additional $627,060 from the Staff Report's calculations.[25] As a result, the Company recommends a True-Up Factor revenue requirement of $463,480, a Projected Factor revenue requirement of $15,101,431, and a total revenue requirement of $15,564,910.[26] As of the date of this Order, the Commission has received no objections from Staff[27] or any other persons to the Company's downward revisions.

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 the various revisions discussed herein. Specifically, CVA's 2022 and 2023 approved, associated capital expenditures are expressly limited to the dollar amounts noticed in this case. Additionally and as agreed by Staff and the Company, CVA's Phase 4 SAVE Plan authorized spend shall consist of CWIP and COR and shall be limited to up to $63 million in 2022 and up to $72 million in 2023, with an

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[12] Report at 25. Staff specifically concluded that the following appear to meet the eligibility requirements of the SAVE Act: CVA's proposed replacement of segments of the Gala, VAM-1, DVA-6, VAM-6, and HP Covington Paper Mill Pipelines, and replacement of the Smithfield point of delivery ("POD"), Reston/Stuart Road POD, Lambert Trail POD, Petersburg POD, Bowers Hill POD, Stetham Court District Station, and Fox Den District Station. *Id.*

[13] *Id.*

[14] *Id.*

[15] Reply Comments at 1.

[16] Report at 25.

[17] *Id.*

[18] Reply Comments at 1-2.

[19] Report at 26.

[20] *Id. See also Application of Columbia Gas of Virginia, Inc., For authority to increase rates and to revise the terms and conditions applicable to gas service*, Case No. PUR-2018-00131, 2019 S.C.C. Ann. Rept. 255, 256, Final Order (June 12, 2019) (approving stipulation).

[21] Report at 26.

[22] *Id.*

[23] *Id.*

[24] Reply Comments at 2.

[25] *Id.*

[26] *Id.*

[27] *Id.* at 2 n.8: "The Company has conferred with Staff and provided them supporting workpapers. Staff has authorized the Company to represent that they do not oppose this correction."

authorized 10% annual spending variance and a 10% cumulative spending variance for Phase 4, for a maximum spend of up to $148.5 million (consisting of CWIP and COR). Further, the Commission adopts Staff's recommended True-Up Factor revenue requirement of $463,480, CVA's uncontested revised Projected Factor revenue requirement of $15,101,431, and a total revenue requirement of $15,564,910, to be effective with the first billing unit of January 2022.[28] For purposes of the True-Up and Projected Factors, the Commission adopts the 6.682% overall cost of capital recommend by Staff and the Company, which reflects the 9.7% return on equity to be used for purposes other than base rates (per the prior stipulation in this case); and allocation of CVA's proposed 2022 SAVE Rider revenue requirement to current rate schedules using the same methodology that was approved by the Commission in the Company's most recent SAVE Rider proceeding. Finally, the Commission finds that CVA's future SAVE filings (including the application's plan narrative and the Company's direct testimony) shall specifically delineate any and all M&R station replacement projects.

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) Such approval shall include, *inter alia*, a True-Up Factor revenue requirement of $463,480, a Projected Factor revenue requirement of $15,101,431, and a total revenue requirement of $15,564,910.

(3) Rates consistent with this Order shall become effective with the first billing unit of January 2022.

(4) CVA shall file, with the Commission's Divisions of 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.

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

[28] Report at 26.

CASE NO. PUR-2021-00146
AUGUST 26, 2021

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of the RPS Development Plan, approval and certification of the proposed CE-2 Solar Projects pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, revision of rate adjustment clause, designated Rider CE, under § 56-585.1 A 6 of the Code of Virginia, and a prudence determination to enter into power purchase agreements pursuant to § 56-585.1:4 of the Code of Virginia

ORDER GRANTING LIMITED RECONSIDERATION

On July 30, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") a Motion for Limited Waivers of Generation and Rate Case Rules ("Motion"). Dominion requested the Commission grant it certain waivers of the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities[1] and the Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility.[2]

On August 13, 2021, the Commission issued its Order on Additional Waiver Requests ("Order"). In its Order, the Commission granted the Motion in part and denied it in part. We further directed that, "For all waivers related to electronic filing granted through this Order, we direct Dominion to file with the Commission: three (3) hard copies and three (3) electronic copies on compact discs of the information subject to waiver."[3]

On August 18, 2021, Dominion filed a motion for limited reconsideration of the Commission's Order and for expedited consideration ("Motion for Reconsideration"). In its Motion for Reconsideration, the Company requested to file the documentation required by Schedule 46(b)(1)(iv) and Schedule 46(c)(1)(iii) (collectively, "Key Documentation") by compact disc only, rather than file three hard copies.[4]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Motion for Reconsideration should be granted in part and denied in part. We find Dominion shall be required to file only one (1) hard copy of the Key Documentation, rather than three (3) hard copies as set forth in the Commission's August 13, 2021 Order.

[1] 20 VAC 5-204-5 *et seq.*

[2] 20 VAC 5-302-10 *et seq*.

[3] Order at 8.

[4] *See* Motion for Reconsideration at 2-3. Dominion stated that it would also provide the Key Documentation to parties via an electronic discovery site. *Id*. at 3. Dominion further clarified that its Motion for Reconsideration is limited to the requirement to provide three hard copies of the Key Documentation, and that the Company does not seek reconsideration of either the requirement to provide three hard copies of the supporting calculations and assumptions for the estimated annual revenue requirements and the projected and actual costs by project, or the directive to provide all materials via compact discs. *Id*. at 2.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Motion for Reconsideration is granted in part and denied in part as set forth herein.

(2) This matter is continued.

CASE NO. PUR-2021-00147
AUGUST 23, 2021

JOINT PETITION OF
GARY JABARA REVOCABLE TRUST BAI COMMUNICATIONS US HOLDINGS II LLC and MOBILITIE, LLC

For approval of transfer of indirect control pursuant to Va. Code §§ 56-88, *et seq.*

ORDER GRANTING APPROVAL

On July 30, 2021, the Gary Jabara Revocable Trust ("GJRT"), BAI Communications US Holdings II LLC ("US Holdings II") and Mobilitie, LLC ("Mobilitie") (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 indirect control of Mobilitie from GJRT to US Holdings II ("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*.

According to the Petition, the Mobilitie is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to their certificates of public convenience and necessity issued by the Commission.[3] As described in the Petition, the proposed Transfer will be accomplished pursuant to a purchase agreement that will result in the transfer of indirect control of Mobilitie from GJRT to US Holdings II and its parent companies.

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 Mobilitie 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. Lastly, information provided with the Petition indicates that Mobilitie will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia under the control of US Holdings II and its parent companies 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.

(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.

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[1] Frequency Infrastructure Australia Holdings Pty Ltd; BAI Communications US Holdings III LLC; BAI Communications US Holdings Corporation; BAI Communications Holding Pty Ltd (Australia); and Canada Pension Plan Investment Board are also considered Petitioners and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*. ("Utility Transfers Act").

[3] *See Application of Mobilitie, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services,* Case No. PUC-2007-00026, 2007 S.C.C. Ann. Rept. 256, Final Order (July 12, 2007).

[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, 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-2021-00150
NOVEMBER 3, 2021

APPLICATION OF
AMERESCO, INC.

For licensure as a subscriber organization pursuant to 20 VAC 5-340-30

ORDER GRANTING LICENSE

On September 8, 2021, Ameresco, Inc. ("Ameresco" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia.[1] Ameresco seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, Ameresco attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").[2]

On September 17, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before September 30, 2021, and to file proof of service on or before October 7, 2021. On September 27, 2021, the Company filed its proof of service. The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before October 14, 2021. The Commission did not receive any comments on the Application.

The Procedural Order directed Staff to analyze the Application and present its findings in a report ("Report") to be filed on or before October 21, 2021. On October 20, 2021, Staff filed its Report, which summarized Staff's investigation of Ameresco's proposal and evaluated the Company's financial condition and technical fitness.[3] Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.[4]

The Procedural Order further provided that the Company may file any response to the Report on or before October 28, 2021. On October 27, 2021, the Company filed a letter ("Response") stating that it had no comments to offer in response to the Report and requested that the Commission grant Ameresco a license as recommended by Staff.[5]

NOW THE COMMISSION, upon consideration of this matter, finds that Ameresco's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Ameresco is hereby granted license No. SS-6 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar 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.

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[1] The Company initially filed its Application on July 20, 2021. On July 26, 2021, Commission Staff ("Staff") deemed the Application incomplete. The Company filed supplemental information on July 28, 2021, and September 8, 2021, to complete its Application.

[2] 20 VAC 5-340-10 *et seq*.

[3] Report at 4-5.

[4] *Id.* at 5.

[5] Response at 1.

CASE NO. PUR-2021-00152
OCTOBER 28, 2021

APPLICATION OF
DIMENSION VA 1 LLC

For licensure as a subscriber organization pursuant to 20 VAC 5-340-30

ORDER GRANTING LICENSE

On July 23, 2021, Dimension VA 1 LLC ("Dimension" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia.[1] Dimension seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, Dimension attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program.[2]

On August 17, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before August 25, 2021, and to file proof of service on or before September 1, 2021. On August 19, 2021, the Company filed its proof of service.

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before September 8, 2021. No comments were filed.

The Procedural Order directed the Staff of the Commission ("Staff") to analyze the Company's Application and present its findings in a report ("Report") to be filed on or before September 22, 2021. On September 22, 2021, Staff filed its Report, which summarized Staff's investigation of Dimension's proposal and evaluated the Company's financial condition and technical fitness.[3] Based on its review of the Application, Staff recommended that Dimension be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.[4]

The Procedural Order further provided that the Company may file any response to the Staff Report on or before September 29, 2021. The Company did not file a response.

NOW THE COMMISSION, upon consideration of this matter, finds that Dimension's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Dimension is hereby granted license No. SS-3 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar 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.

Commissioner Angela L. Navarro did not participate in this matter.

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[1] The Company filed additional information to supplement its Application on August 5, 2021.

[2] 20 VAC 5-340-10 *et seq*. ("Shared Solar Rules").

[3] Report at 3-4.

[4] *Id*. at 4-5.

CASE NO. PUR-2021-00154
SEPTEMBER 17, 2021

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY and AMERICAN WATER WORKS SERVICE COMPANY, INC.

For approval of a services agreement under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On July 26, 2021, Virginia-American Water Company ("VAWC" or the "Utility") and American Water Works Service Company, Inc. ("Service Company") (collectively "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") to request renewed approval of: (1) a services agreement ("1989 Agreement");[1] and (2) a Laurel Oaks Properties, LLC ("LOP") procurement arrangement ("LOP Arrangement") and multiple Service Company leasing arrangements ("Leasing Arrangements") with other affiliates ("Affiliates") (collectively, "Arrangements"); under Chapter 4[2] of Title 56 of the Code of Virginia ("Code").[3]

VAWC is a Virginia public utility that provides water service to the cities of Hopewell and Alexandria, the counties of Prince William, Prince George, Westmoreland, Northumberland, Lancaster, King William and Essex, and the Fort Lee military installation, and wastewater service to Dale City, Virginia. The Service Company is a centralized service company that provides administrative, management, operational, maintenance, and other support services ("Services") to 15 regulated Affiliates and 19 unregulated Affiliates[4] and also serves unrelated third-party companies. The Applicants and Affiliates are owned by American Water Works Company, Inc. ("American Water"), a publicly traded U.S. corporation that provides drinking water, wastewater and other related services to over 15 million people in 46 states.[5]

1989 Agreement

Under the proposed 1989 Agreement, VAWC will receive 12 categories of services ("Services") from the Service Company, which include: (1) Accounting; (2) Administration; (3) Communications; (4) Corporate Secretarial (Legal); (5) Engineering; (6) Financial; (7) Human Resources; (8) Information Systems; (9) Operations; (10) Rates and Revenue; (11) Risk Management; and (12) Water Quality. The Applicants represent that the terms and conditions of the proposed 1989 Agreement remain unchanged since its effective date.[6] The pricing for Services will be at cost, and the primary allocation methodology will be customer count.[7]

The Applicants represent that the size and scope of the Service Company provides economies of scale for the Utility. The Applicants further state that the Service Company can provide the Services to the Utility at a lower cost and on a more efficient basis than VAWC could perform or procure these Services independently.

LOP Arrangement

Under the LOP Arrangement, LOP procures assets for the Service Company's use, including computer hardware and software, office furniture and equipment, and electronic lab and communications equipment, which is billed to the Service Company through capital leases. The Service Company then charges the lease costs, which includes a carrying charge, to its customers (including VAWC) through the Service Company bill. The Applicants represent that LOP charges the Service Company a carrying charge of LIBOR plus 1% on all new assets leased from LOP to the Service Company. At year-end, LOP posts a journal entry to the Service Company to zero out any profit or loss by LOP, which is then passed back to the Service Company's customers through the Service Company bill.

Leasing Arrangements

The Service Company has leasing arrangements for office space with its Affiliates in Pennsylvania, New Jersey,[8] Illinois, West Virginia, Kentucky, Indiana, and Iowa. The Service Company also has a leasing arrangement with its Affiliate, American Water Resources, Inc., for the use of its National Laboratory in Belleville, Illinois. The Affiliates charge lease costs to the Service Company for the use of their facilities, and the Service Company passes the lease costs through to its Affiliates, including VAWC.

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[1] The 1989 Agreement was executed on January 1, 1989.

[2] § 56-76 *et seq.* ("Affiliates Act").

[3] *See Application of Virginia-American Water Company and American Water Works Service Company, Inc., For approval of a Service Agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00080, 2016 S.C.C. Ann. Rpt. 441, Order Granting Approval (Oct. 26, 2016) ("2016 Order").

[4] *See* Applicants' Response to Staff DR No. 1-4, which is attached to Staff's action brief.

[5] *See* American Water's FYE 12/31/20 Form 10-K, Part I, Item 1 (Business), P. 4. In response to Staff DR 1-1, the Applicants provided a confidential copy of American Water's latest organization chart, which is attached to Staff's action brief.

[6] *See* Applicants' Response to Staff DR No. 1-2, which is attached to Staff's action brief.

[7] *See* Applicants' Response to Staff DR No. 1-3, which is attached to Staff's action brief.

[8] The Service Company has a separate leasing arrangement with its Affiliate, One Water Street, LLC, for American Water's corporate headquarters in Camden, New Jersey, which the Commission approved in Case No. PUR-2018-00138.

Since no direct services are provided under the LOP Arrangement or the Leasing Arrangements to VAWC and its customers, the Applicants suggest that the Commission may find that Affiliates Act approval is not necessary for the Arrangements.[9]

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Staff through its action brief and having considered the Applicants' comments thereon, is of the opinion and finds that the 1989 Agreement is in the public interest subject to certain updates and requirements as discussed below and included in the Appendix attached to this order.

First, we note that Article I, Section 1.3 of the 1989 Agreement contains a "without limitations" clause. The Applicants represent that "the "without limitations" clause permits [the Service Company] to provide additional services to [VAWC] beyond those listed in the [1989 Agreement],"[10] but that they will not do so without prior Commission approval. We do not find that sufficient. The Commission has a longstanding policy of prohibiting open-ended clauses that allow utilities to add affiliate services, engage third-party affiliates, or change the terms and conditions of affiliate agreements without prior Commission approval.

We also observe that the 1989 Agreement's primary methodology for allocating Service Company costs to VAWC, customer count, has been supplemented by other cause-causative factors that are not expressly identified or described in the 1989 Agreement. We have approved the 1989 Agreement in its current form since 1989. Any deviation from its original terms and conditions requires separate Commission approval,[11] which has not been sought. Accordingly, we will require the approved 1989 Agreement to be updated: (1) to remove the "without limitations" clause, and (2) to provide a comprehensive list and description of all cost-causative factors.[12]

We are further concerned with the Service Company's engagement of several third-party Affiliates to provide Services on its behalf to the Utility ("Pass-Through Service(s)"). The Commission exercises regulatory authority over any charge on the Service Company bill for which the Utility seeks cost recovery in its jurisdictional rates. The Affiliates Act authorizes the Commission, in any rate proceeding, to "exclude in whole or in part any payment or compensation to an affiliated interest for any services rendered" unless the Virginia utility demonstrates "satisfactory proof . . . of the cost to the affiliated interest rendering the service."[13] The Affiliates Act states that such "satisfactory proof . . . includes the original (or verified copies) of the relevant cost records and other relevant accounts of the affiliated interest."[14]

We note that the original cost records for Pass-Through Services reside with the third-party Affiliates, ***not*** the Service Company or the Utility. To audit in a rate proceeding the books and records of each Pass-Through Service Affiliate as well as the Service Company and the Utility would be a daunting task. Thus, we adopt Staff's proposed Pass-Through Service requirements,[15] which have been previously approved in ten (10) Affiliates Act cases,[16] in order to facilitate the auditing, cost verification, and determination of the Pass-Through Service costs that can be recovered in VAWC's Virginia jurisdictional cost of service. With respect as to whether the LOP Arrangement or the Leasing Arrangements themselves require Affiliates Act approval; we note that the Applicants requested that the Commission grant such approval to the extent it continues to find such approval necessary. Consistent with our determination in Case No. PUE-2016-00080, we continue to find that the LOP Arrangement and the Leasing Arrangements are subject to approval under the Affiliates Act, and we grant such approval herein.

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[9] *See* Application at P. 5, Paragraph 11.

[10] *See* Applicants' Responses to Staff DR Nos. 1-7 and 1-8, which are attached to Staff's action brief.

[11] *See* 2016 Order, Appendix Requirement No. 4.

[12] Staff suggested, and we agree, that the required updates can be included in a Virginia-specific addendum attached to the approved and executed 1989 Agreement.

[13] See Code § 56-78.

[14] See Code § 56-79.

[15] See this Order's Appendix Requirement Nos. 2 and 3.

[16] *See Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For authority to engage in affiliate transactions*, Case No. PUR-2020-00256, 2020 S.C.C. Report 632, Order Granting Approval (Dec. 15, 2020); *Application of Massanutten Public Service Corporation and Water Services 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.*, Case No. PUR-2020-00152, 2020 S.C.C. Report 600, Order Granting Approval (Oct. 30, 2020); *Application of Essential Utilities, Inc., and Aqua Virginia, Inc., For approval of an affiliate services agreement,* Case No. PUR-2019-00221, 2020 S.C.C. Report 401, Order Granting Approval (Oct. 20, 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,* Case No. PUR-2020-00133, 2020 S.C.C. Report 587, Order Granting Approval (Sept. 8, 2020); *Application of Kentucky Utilities Company dba Old Dominion Power Company, For approval of the proposed amended and restated 2019 Cost Allocation Manual,* Case No. PUR-2019-00200, 2020 S.C.C. Report 367, 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).

Accordingly, IT IS ORDERED THAT:

1) The 1989 Agreement, the LOP Arrangement, and the Leasing Arrangements are approved subject to the requirements listed in the Appendix attached to this Order.

2) This case is dismissed.

APPENDIX

1) The Commission shall require the 1989 Agreement to be updated: (a) to remove the "without limitations" clause, and (b) to provide a comprehensive list and description of all cost-causative factors used to allocate Service Company costs to the Utility.

2) VAWC shall provide a formal acknowledgement ("Acknowledgement") that the Commission regulates recovery of all Pass-Through Services costs that pass from the Affiliates through the Service Company to VAWC, and therefore the Commission must be able to determine the amount of such costs that are includible in the Utility's cost of service. Such Acknowledgement shall be filed with the executed copy of the approved 1989 Agreement.

3) For all Pass-Through Services costs that pass from the Affiliates through the Service Company to VAWC, the Service Company, upon request, shall obtain and provide original cost records (invoices, etc.) and provide VAWC with a report ("Report") that details the costs by: Affiliate, month, service category, USOA[17] account, and amount as the costs are recorded in VAWC'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 31 calendar year and be submitted with VAWC'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) The Commission's approval of the 1989 Agreement, the LOP Arrangement, and the Leasing Arrangements shall extend for five years from the effective date of the order granting approval in this case. If VAWC wishes to continue the 1989 Agreement and Arrangements beyond that date, separate approval shall be required.

5) The Commission's approval shall have no accounting or ratemaking implications.

6) The Commission's approval shall be limited to the specific Services identified and described in the 1989 Agreement. If VAWC wishes to receive Services not specifically identified and described in the 1989 Agreement, separate approval shall be required.

7) Separate Commission approval shall be required for VAWC to receive Services from the Service Company through the engagement of any unidentified third-party Affiliates under the 1989 Agreement.

8) VAWC shall be required to maintain records, available to Staff upon request, demonstrating that the Services it receives from the Service Company are cost beneficial to Virginia ratepayers. For all Services received by VAWC where a market may exist, VAWC shall investigate whether comparable market prices are available and, if they exist, VAWC shall compare the market price to cost and pay the lower of cost or market to the Service Company. Records of such investigations and comparisons shall be available to Staff upon request. VAWC shall bear the burden of proving, in any rate proceeding, that all Services received and paid for by VAWC 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 1989 Agreement or Arrangements.

11) The Commission shall reserve the right to examine the books and records of VAWC and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

12) VAWC shall file a copy of the approved and executed 1989 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) VAWC shall include all transactions associated with the 1989 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 case number in which the 1989 Agreement was approved;

(b) List VAWC, the affiliate(s), and the Service(s) received; and

(c) Include schedule(s) in Excel electronic spreadsheet format with formulas intact, listing the prior year's Commission approved Services received by month, type of service, USOA account, and dollar amount (as the transactions are recorded in VAWC's books).

[17] USOA stands for the Uniform System of Accounts for water and wastewater utilities.

CASE NO. PUR-2021-00154
OCTOBER 8, 2021

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY and AMERICAN WATER WORKS SERVICE COMPANY, INC.

For approval of a services agreement under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING RECONSIDERATION

On July 26, 2021, Virginia-American Water Company and American Water Works Service Company, Inc. ("Service Company") (collectively "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") to request renewed approval of: (1) a services agreement ("1989 Agreement");[1] and (2) a Laurel Oaks Properties, LLC procurement arrangement ("LOP Arrangement") and multiple Service Company leasing arrangements ("Leasing Arrangements") with other affiliates under Chapter 4[2] of Title 56 of the Code of Virginia .[3]

Following an investigation of the Application by the Commission Staff, the Commission entered its Order Granting Approval in this case on September 17, 2021, renewing its prior approval of the 1989 Agreement and approving the LOP Arrangement and Leasing Arrangements subject to certain conditions listed in the Appendix to the Order Granting Approval.

On October 7, 2021, the Applicants filed a Petition for Partial Reconsideration of certain of the provisions of the Order Granting Approval ("Petition") pursuant to 5 VAC 5-20-220, *Petition for Rehearing or Reconsideration*, of the Commission's Rules of Practice and Procedure.

NOW THE COMMISSION, being duly advised, is of the opinion and finds that the Petition should be granted for the purpose of extending the Commission's jurisdiction over this matter. The Order Granting Approval is hereby suspended pending Commission consideration of the Petition.

Accordingly, IT IS ORDERED THAT:

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

(2) Pending the Commission's consideration of the Petition, the Order Granting Approval is suspended.

(3) This matter is continued.

[1] The 1989 Agreement was executed on January 1, 1989.

[2] § 56-76 *et seq*. (Affiliates Act).

[3] *See Application of Virginia-American Water Company and American Water Works Service Company, Inc., For approval of a Service Agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00080, 2016 S.C.C. Ann. Rpt. 441, Order Granting Approval (Oct. 26, 2016).

CASE NO. PUR-2021-00155
AUGUST 9, 2021

IN THE MATTER OF
VERIZON SELECT SERVICES OF VIRGINIA INC.

Notice of election to be regulated as a competitive telephone company

ORDER

On June 22, 2021, Verizon Select Services of Virginia Inc. ("Verizon Select"), filed with the State Corporation Commission ("Commission") a written notice of its election to be regulated as a competitive telephone company pursuant to § 56-54.2 *et seq*. of the Code of Virginia ("Code").[1]

Pursuant to Code § 56-54.3, "[a]ny telephone company meeting the definition of a competitive telephone company may elect to be regulated as a competitive telephone company pursuant to the provisions of this chapter by providing written notice to the Commission of such election." Pursuant to Code § 56-54.2, a competitive telephone company is defined as:

> (i) an incumbent local exchange telephone company whose residential dial tone lines (a) were deemed competitive by the Commission throughout the company's incumbent service territory prior to January 1, 2014, or (b) are declared competitive by the Commission throughout its incumbent service territory on or after January 1, 2014, in a proceeding pursuant to § 56-235.5 or (ii) a competitive local exchange telephone company.

A competitive local exchange telephone company is defined by Code § 56-54.2 to include "a competing telephone company . . . that was granted a certificate on or after January 1, 1996, pursuant to [Code] § 56-265.4:4 . . . ."

[1] Chapter 2.1 of Title 56 of the Code.

The Staff of the Commission ("Staff") has determined that Verizon Select meets the definition of a competitive telephone company as defined by Code § 56-54.2 since Verizon Select was granted a certificate by the Commission pursuant to Code § 56-264.4:4 to provide local exchange telecommunications services after January 1, 1996.[2]

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff, is of the opinion and finds that Verizon Select is eligible to elect to be regulated as a competitive telephone company pursuant to Code § 56-54.2 *et seq*. The applicant is a "competitive telephone company" by operation of law.

Accordingly, IT IS ORDERED THAT:

(1) Verizon Select shall be regulated as a competitive telephone company pursuant to the provisions of Code § 56-54.2 *et seq*.

(2) This case is dismissed.

[2] *See Application of Verizon Select Services of Virginia Inc., For a certificate of public convenience and necessity to provide local exchange telecommunications services*, Case No. PUC-2003-00039, 2003 S.C.C. Ann. Rept. 249, Final Order (June 27, 2003).

CASE NO. PUR-2021-00157
OCTOBER 25, 2021

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval of its 2021 SAVE Rider Update

ORDER GRANTING APPROVAL

On July 30, 2021, Virginia Natural Gas, Inc. ("VNG" or "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 2021 annual rider update filing under the Steps to Advance Virginia's Energy Plan (SAVE) Act,[2] under which VNG's SAVE Rider, designated Rider E, is reconciled and adjusted ("2021 Annual Update").[3]

The Company's plan under the SAVE Act ("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 2012.[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, 2021, through October 31, 2022 ("2021 Rate Year"), of $1,363,773.[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, 2021, through October 31, 2022.[9] Based on this calculation, the ASF for the upcoming rate period is $9,702,902.[10]

Combining the ASF of $9,702,902 and the SACA of $1,363,773, the Company calculates a SAVE Rider revenue requirement of $11,066,675 for the rate period of November 1, 2021, through October 31, 2022.

[1] 5 VAC 5-20-10 *et seq.*

[2] Code § 56-603 *et seq*.

[3] Application at 1.

[4] *Id.* at 2-3.

[5] *Id.* at 3.

[6] *Id.* 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*.

[9] *Id.* at 10.

[10] *Id.*

The Company further states that for purposes of the 2021 Annual Update, it is applying the revenue allocation factors proposed with the Stipulation in Case No. PUR-2020-00095, with three exceptions.[11] According to the Company, the monthly SAVE Rider rate for customers receiving service under Schedule 1 – Residential will be $2.53 (a $1.84 increase over the current SAVE Rider rate), while the monthly SAVE Rider rate for customers receiving service under Schedules 6 and 7 – Large Firm C&I will be $304.95 and $173.39 (reflecting increases of $222.78 and $127.59), respectively.[12]

On August 20, 2021, the Commission issued an Order for Notice and Comment ("Procedural Order") 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 August 31 and September 1, 2021, VNG served and published notice of this case in accordance with the Procedural Order. Thereafter, no comments, requests for hearing, or notices of participation were filed with the Commission.

On September 28, 2021, Staff filed its Staff Report wherein, after review and analysis, Staff recommended approval of the 2021 SAVE Rider for VNG (composed of the SACA and the ASF), to be effective November 1, 2021, based on the following revenue requirements: a SACA, or true-up, revenue requirement of $1,348,984,[13] an ASF, or projected factor, revenue requirement of $9,664,324, and a Total 2021 SAVE Rate Year revenue requirement of $11,013,308.[14]

Staff found that there have not been significant changes associated with this proceeding that would necessitate a change in the methodology used to develop the proposed Rider E rates.[15] Staff is not opposed to the use of the Company's methodology to calculate the 2021 SAVE Rider as the Company proposed to use allocation factors consistent with the previously Commission-approved allocation methodology.[16] Further, Staff recommends that, should the Commission approve a revenue requirement that differs from the Company's requested revenue requirement, the Rider E charges be adjusted in accordance with the revenue apportionment and rate design methodology proposed by the Company.[17]

On October 8, 2021, VNG filed a response letter ("Response") 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 Staff used in its true-up calculation.[18] According to 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.[19] 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.[20] 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.[21]

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[11] *Id.* These exceptions are as follows: First, the Company states that it continues to combine the two residential rate schedules (Rate Schedules 1 and 3) for a single SAVE Plan rate. Second, the Company proposes to cap the SAVE rate for Rate Schedule 15 at the level recalculated for the rates effective November 1, 2020, which will be a rate of approximately $1,850.39, consistent with the approval received in the Company's SAVE Phase 2 proceeding, Case No. PUE-2015-00121. Third, for Rate Schedule 1A, which was approved in Case No. PUE-2016-00143, the Company proposes to use the same SAVE rate as Rate Schedule 1. *Id.* For informational purposes, the Company presents information in Company Witness Dagadu's Appendices A and B that ties Rider E calculations, respectively, to the Company's pending rate case, Case No. PUR-2020-00095, and to most recently concluded rate case in Case No. PUE-2016-00143. *Id.* at 11. *See also Application of Virginia Natural Gas, Inc., For approval to amend its SAVE Plan and Rider pursuant to Virginia Code § 56-604*, Case No. PUR-2015-00121, 2016 S.C.C. Ann. Rept. 314, Final Order (Mar. 9, 2016); *Application of Virginia Natural Gas, Inc., For authority to increase rates and charges and to revise the terms and conditions applicable to gas service*, Case No. PUE-2016-00143, 2017 S.C.C. Ann. Rept. 423, Final Order (Dec. 21, 2017). The Stipulation in the Company's most recent rate case was adopted after the filing of the 2021 Annual Update, and Case No. PUR-2020-00095 is no longer pending. *See Application of Virginia Natural Gas, Inc., For a general rate increase and for authority to revise the terms and conditions applicable to gas service*, Case No. PUR-2020-00095, Doc. Con. Cen. No. 210930005, Final Order at 11 (Sept. 14, 2021).

[12] Direct Testimony of Moses Dagadu at 10-11, Schedule 17.

[13] Staff Report at 13. Staff found the Company had partially complied with the Commission directive from the prior SAVE proceeding, Case No. PUR-2020-00105, to incorporate depreciation rates based on depreciable plant balances as of September 30, 2019, with an implementation date of October 1, 2019. According to Staff, "While VNG's [A]pplication incorporated a partial impact, upon further review an additional amount was necessary to fully incorporate the revenue requirement effect of the implementation date." With this revision, Staff found the revenue requirement to be compliant with the Commission's directive. *Id.* at 5-6.

[14] *Id*. at 13.

[15] *Id*.

[16] *Id*.

[17] *Id.*

[18] Response at 2.

[19] *Id*.

[20] *Id.*

[21] *Id.*

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 2021 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 $11,013,308 recommended by Staff.

In approving this increase, the Commission notes its awareness of the ongoing COVID-19 public health issues, 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, 2021, and shall remain in effect until October 31, 2022.

(2) VNG forthwith shall file, with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, revised tariffs for Rider E 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-2021-00159
SEPTEMBER 13, 2021

PETITION OF
HS SUMMIT HOLDING, LLC, SUMMIT INFRASTRUCTURE GROUP, LLC, SUMMITIG, LLC, and SDC SUMMIT HOLDINGS, LLC

For approval of the transfer of control of Summit Infrastructure Group, LLC and SummitIG, LLC pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On July 30, 2021, HS Summit Holding, LLC ("HS"), Summit Infrastructure Group, LLC ("Summit"), SummitIG, LLC ("SIG"), and SDC Summit Holdings, LLC ("Summit Holdings") (collectively "Petitioners"),[1] filed 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 minority control of Summit and SIG to HS ("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.*

According to the Petition, Summit and SIG are authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to their certificates of public convenience and necessity issued by the Commission.[3] As described in the Petition, the Transfer will be accomplished pursuant to an agreement whereby HS will acquire more than 25% interest in Summit Holdings, and thereby, indirect control over its subsidiaries, Summit and SIG.

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 Summit and SIG 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. Lastly, information provided with the Petition indicates that Summit and SIG 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.

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.

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[1] HSRE Social Infrastructure REIT Holding I, LLC is also considered a Petitioner in this proceeding and has provided the statutorily required verification.

[2] Code § 56-88 *et seq.* ("Utility Transfers Act").

[3] *See Application of Summit Infrastructure Group, LLC, For Certificates of Public Convenience and Necessity to Provide Local Exchange and Interexchange Telecommunications Services in the Commonwealth of Virginia*, Case No. PUC-2012-00066, 2013 S.C.C. Ann. Rept. 192, Final Order (Feb. 14, 2013); *Application of SIG Acquisition Company, LLC, For cancellation and reissuance of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services to reflect a company name change,* Case No. PUC-2014-00006, 2014 S.C.C. Ann. Rept. 215, Final Order (Mar. 21, 2014).

(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-2021-00160
NOVEMBER 3, 2021

APPLICATION OF
CONSOLIDATED EDISON CLEAN ENERGY BUSINESSES, INC.

For licensure as a subscriber organization pursuant to 20 VAC 5-340-30

ORDER GRANTING LICENSE

On August 5, 2021, Consolidated Edison Clean Energy Businesses, Inc. ("Company"), filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia. The Company seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, the Company attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Rules Governing Shared Solar Program ("Shared Solar Rules").[1]

On August 23, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before September 3, 2021, and to file proof of service on or before September 10, 2021. On September 2, 2021, the Company filed its proof of service.

On September 8, 2021, the Company filed its Motion for Entry of a Protective Order and a revised version of its Application to correct a clerical error by revising the legal name of the business to Con Edison Clean Energy Businesses, Inc.[2]

Dominion filed a notice of participation on September 15, 2021. The Procedural Order directed that any comments on the Application be filed with the Clerk of the Commission on or before September 17, 2021. No comments were filed.

The Procedural Order also directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before October 1, 2021. On October 1, 2021, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.[3] Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.[4]

The Procedural Order further provided that the Company may file any response to the Staff Report on or before October 8, 2021. On October 6, 2021, the Company filed a letter in response to the Staff Report ("Response"). In its Response, the Company requested that the Commission grant the Company's license as recommended in the Staff Report,[5] with the corrected entity name.

NOW THE COMMISSION, upon consideration of this matter, finds that the Company's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Con Edison Clean Energy Businesses, Inc., is hereby granted license No. SS-2 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar 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.

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[1] 20 VAC 5-340-10 *et seq*.

[2] The revised version of the Application also contained updated formatting and some minor typographical edits but contained no substantive changes other than the entity name correction.

[3] Staff Report at 4-5.

[4] *Id.* at 5.

[5] Response at 1.

CASE NO. PUR-2021-00161
SEPTEMBER 2, 2021

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For approval of FFB U8 Loan Package

ORDER GRANTING APPROVAL

On July 30, 2021, Rappahannock Electric Cooperative ("REC" 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. REC has paid the requisite filing fee of $25.

REC is requesting approval of a loan from the Rural Utilities Service ("RUS") through the Federal Financing Bank ("FFB") in the amount of up to $175 million ("U8 Loan"). The Cooperative states that the loan will be used to reimburse REC for RUS approved work completed during the period October 2017 through January 2020, and for remaining expenditures under its 2019-2022 Work Plan. The financing summary provided with the Application states that the loan will be for a term of 30 to 35 years. The interest rate will be determined at the time of each loan 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) REC is authorized to receive a loan of up to $175 million from RUS through the FFB, in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) Within thirty (30) days the date of any advance of funds from the FFB, REC shall submit to 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 herein shall have no implications for ratemaking purposes.

(4) This case is dismissed.

[1] Code § 56-55 *et seq*.

CASE NO. PUR-2021-00170
SEPTEMBER 27, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY and TREDEGAR SOLAR, LLC

For approval of a Power Purchase Agreement and a Renewable Energy Credit Purchase and Sale Agreement under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On August 2, 2021, Virginia Electric and Power Company ("DEV" or the "Utility") and Tredegar Solar, LLC ("Tredegar Solar") (collectively, the "Applicants"), filed an application with the State Corporation Commission ("Commission") under Chapter 4[1] of Title 56 of the Code of Virginia ("Code") for approval of: (1) a Power Purchase Agreement ("PPA") and (2) a Renewable Energy Credits ("REC") Purchase and Sale Agreement ("REC Agreement")[2] (collectively, "Agreements"), under which DEV will purchase from Tredegar Solar the total electric output and RECs generated by a new solar electric generating facility ("Tredegar Array") to be constructed on the top floor of the parking garage at Dominion Energy, Inc.'s ("DEI"),[3] Tredegar Campus in Richmond, Virginia. The Applicants represent that the proposed Agreements will support the operation of the Tredegar Array and further the Utility's efforts to comply with the Virginia Clean Economy Act's[4] mandatory renewal energy portfolio standards ("RPS") program ("RPS Program") and the 1% requirement for distributed energy resources ("DER").[5]

[1] Code § 56-76 *et seq*.

[2] The term "renewable energy credits" in the REC Agreement seems to refer to what the Virginia Code labels "renewable energy certificates." *See* Code § 56-585.5 C; Application Attachment C at § I, 1.1(s).

[3] DEI is the parent company of DEV and Tredegar Solar.

[4] 2020 Va. Acts chs. 1193, 1194.

[5] Code § 56-585.5 C.

Tredegar Solar will construct, own, operate, and maintain the Tredegar Array, which will have a total net capacity rating of 480 kilowatts ("kW") or less. The Tredegar Array, which qualifies as a "small solar energy project,"[6] will have a disturbance zone equal to or less than two acres and will therefore not require any notification or certification to the DEQ.[7] Tredegar Solar has engaged Sun Tribe Solar, LLC, to act as engineering, procurement, and construction contractor for the Tredegar Array. Construction is expected to commence by the fourth quarter of 2021, and the Tredegar Array is expected to commence commercial operations by the first quarter of 2022.

The Tredegar Array will be located in the Utility's certificated service territory and will be interconnected to DEV's electric distribution system. The Applicants plan to enter into a standard interconnection agreement pursuant to the Commission's Regulations Governing Interconnection of Small Electrical Generators and Storage.[8] [9] DEV will provide retail electric service to the Tredegar Array on as needed basis at Commission-approved retail rates.[10]

The Applicants plan to enter into a PPA for the full electrical output of the Tredegar Array (energy and capacity up to maximum net capacity of 480 kW nominal alternating current). The PPA is modeled after the Utility's Schedule 19 (Power Purchases from Cogeneration and Small Power Production Qualifying Facilities). While the Tredegar Array will not be a Schedule 19 customer, the Utility will purchase energy and capacity from the Tredegar Array at rates equal to and on terms and conditions comparable to Schedule 19, including payments on a cents per kilowatt-hour basis as set forth in Section IV of Schedule 19 and Article 5 of the PPA. The Applicants propose for the PPA to commence on the commercial operations date ("COD") and to continue in effect for 10 years.

DEV also seeks to purchase the RECs generated by the Tredegar Array to satisfy DEV's mandatory RPS Program requirements. The Tredegar Array will qualify as an RPS eligible resource because it (a) generates electric energy from a solar facility located in Virginia and (b) interconnects directly into Virginia. The RECs from the Tredegar Array will assist the Utility in meeting its 1% DER requirement pursuant to Code § 56-585.5 C.

The proposed price per delivered REC will be calculated using the average of the reported Pennsylvania Tier 1 REC bid and offer prices for the last business day of each week during the prior calendar year, as listed in REC price reports provided by a mutually agreed upon qualified broker. The Applicants represent that this pricing is appropriate for two reasons. First, DEV primarily transacts at this time for Virginia RPS eligible RECs in the Pennsylvania Tier I and Tier II markets because the Virginia REC markets are not fully established. Second, as the Virginia REC market is developing, the prices for Virginia RECs are expected to be significantly higher than Pennsylvania Tier I prices. Therefore, the Applicants represent that the proposed pricing will be transparent, based on publicly available market information, and reside at the lower end of actual market value for RECs.

The Applicants propose that the REC Agreement be approved for five years from the Tredegar Array's COD. The Applicants represent that the shorter approval for the REC Agreement versus the PPA is intended to allow the Applicants to re-evaluate the appropriate REC pricing methodology once the Virginia REC market has more time to mature.

The costs of the capacity and energy purchased under the PPA will be recovered through base rates and the fuel factor, respectively. The costs of the RECs purchased under the REC Purchase and Sale Agreement will be recovered from customers through DEV's Rider RPS.[11]

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff through its action brief, and having considered the Applicants' comments thereon, is of the opinion and finds that the proposed Agreements are in the public interest subject to the requirements included in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

1) The Agreements are approved subject to the requirements listed in the Appendix attached to this Order.

2) This case is dismissed.

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[6] *See* 9 VAC 15-60-10 of the Virginia Department of Environmental Quality's ("DEQ") Small Renewable Energy Projects (Solar) Permit by Rule, 9 VAC 15-60-10 *et seq*. ("Solar Permit by Rule").

[7] *See* 9 VAC 15-60-130 A (1) of the Solar Permit by Rule.

[8] 20 VAC 5-314-10 *et seq*.

[9] On July 19, 2021, the Utility filed a separate application with the Commission to request renewal of its previously granted authority to enter into standard interconnection agreements with existing and future affiliates. *See Application of Virginia Electric and Power Company and Dominion Solar Projects IV, Inc., For approval to enter into standard interconnection agreements through future exemptions under Chapter 4, Title 56 of the Code of Virginia*, Case No. PUR-2021-00141, Doc. Con. Cen. No. 210720140, Application (July 19, 2021).

[10] *See Application of Virginia Electric and Power Company and Dominion Energy, Inc., For exemption from or approval to enter into retail service arrangements under Chapter 4, Title 56 of the Code of Virginia,* Case No. PUE-2016-00138, Order Granting Exemption (Feb. 13, 2017); *Application of Virginia Electric and Power Company and Dominion Energy Services, Inc., For an exemption from approval of, or alternatively approval of, retail service arrangements under Chapter 4, Title 56 of the Code of Virginia,* Case No. PUR-2019-00044, Order Granting Exemption (Apr. 26, 2019).

[11] *See Petition of Virginia Electric and Power Company, For approval of a rate adjustment clause, designated Rider RPS, under § 56-585.1 A 5 d of the Code of Virginia*, Case No. PUR-2020-00170, Doc. Con. Cen. No. 210710001, Final Order (July 1, 2021).

APPENDIX

1) The Commission's approval of the PPA shall extend for ten years from the COD of the Tredegar Array. If DEV wishes to continue the PPA beyond that date, separate approval shall be required.

2) The Commission's approval of the REC Agreement shall extend for five years from the COD of the Tredegar Array. If DEV wishes to continue the REC Agreement beyond that date, separate Commission approval shall be required.

3) The Commission's approval shall have no accounting or ratemaking implications.

4) DEV shall maintain records, which shall be available upon Staff's request, showing that DEV's purchase of the energy and capacity from the Tredegar Array will be at rates equal to and on terms and conditions comparable to Schedule 19, including payments on a cents per kilowatt-hour basis as set forth in Section IV of Schedule 19 and Article 5 of the PPA.

5) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

6) Separate Commission approval shall be required for any changes in the terms and conditions of the PPA and REC 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 file a copy of the approved and executed Agreements 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").

9) DEV shall include all transactions associated with the Agreements 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 case number in which the Agreements were approved;
(b) List DEV, the affiliate(s), and each type of transaction conducted;
(c) Include schedule(s) in Excel electronic spreadsheet format with formulas intact, listing the prior year's Commission approved transactions by month, type of transaction, USOA account, and dollar amount (as the transactions are recorded in DEV's books); and
(d) Include a schedule in Excel electronic spreadsheet format with formulas intact, listing the prior year's Commission approved transactions by month, type of transaction, cost recovery mechanism, and amount. Schedules (c) and (d) should be reconcilable.

CASE NO. PUR-2021-00188
NOVEMBER 3, 2021

APPLICATION OF
PIVOT ENERGY VIRGINIA LLC

For licensure as a non-exempt shared solar subscriber organization

ORDER GRANTING LICENSE

On August 13, 2021, Pivot Energy Virginia LLC ("Pivot" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia. Pivot seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, Pivot attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").[1]

On September 23, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before September 29, 2021, and to file proof of service on or before October 6, 2021. On September 27, 2021, the Company filed its proof of service. The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before October 13, 2021. The Commission did not receive any comments on the Application.[2]

The Procedural Order directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before October 20, 2021. On October 20, 2021, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.[3] Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.[4]

[1] 20 VAC 5-340-10 *et seq*.

[2] Although it did not file comments on the Application, Dominion filed a notice of participation on October 11, 2021.

[3] Report at 4-5.

[4] *Id*. at 5.

The Procedural Order further provided that the Company may file any response to the Staff Report on or before November 3, 2021. On October 25, 2021, the Company filed a letter ("Response") stating that it had no comments to offer in response to the Report and requested that the Commission grant Pivot a license as recommended by Staff.[5]

NOW THE COMMISSION, upon consideration of this matter, finds that Pivot's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Pivot is hereby granted license No. SS-5 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar 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.

[5] Response at 1.

CASE NO. PUR-2021-00189
SEPTEMBER 10, 2021

APPLICATION OF
BARC ELECTRIC COOPERATIVE

For authority to issue debt

ORDER GRANTING AUTHORITY

On August 16, 2021, 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 ("Code")[1] for approval of a loan. BARC has paid the requisite filing fee of $25.

BARC is seeking authority to issue long-term debt in connection with a loan from the Federal Financing Bank ("FFB") in the amount of $54,327,000. The Cooperative states that the loan proceeds will be used to finance upcoming construction, which will include electric system improvements as well as the construction of the fiber optic network and smart grid infrastructure. The Application states that the term of the loan will be 35 years and the interest rates on loan borrowings at the time of each advance of loan funds will be equal to the Treasury's cost of money for similar debt instruments plus one-eighth of one percent. The Cooperative may draw down the loan over a period of four years.

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) BARC is authorized to incur indebtedness of up to $54,327,000 from FFB, 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 FFB, BARC shall provide the Director of the Commission's Division of Utility Accounting and Finance a Report of Action, which shall include the amount of the advance and the associated interest rate.[2]

(3) The authority granted herein shall have no accounting or ratemaking implications.

(4) This case is dismissed.

[1] Va. Code. § 56-55 *et seq.*

[2] Due to the circumstances surrounding the COVID-19 pandemic, the Report of Action may be submitted via electronic mail to accounting@scc.virginia.gov.

CASE NO. PUR-2021-00195
NOVEMBER 17, 2021

APPLICATION OF
ACE VA DER 2023, LLC

For licensure as a non-exempt shared solar subscriber organization

ORDER GRANTING LICENSE

On August 30, 2021, Ace Va Der 2023, LLC ("Ace" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program established pursuant to § 56-594.3 of the Code of Virginia. Ace seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, Ace attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Rules Governing Shared Solar Program ("Shared Solar Rules").[1]

On September 17, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before October 1, 2021, and to file proof of service on or before October 8, 2021. On September 27, 2021, the Company filed its proof of service.

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before October 15, 2021. No comments were filed in this matter.

The Procedural Order further directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a Report. On October 29, 2021, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.[2] Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.[3]

The Procedural Order provided a deadline of November 3, 2021, for the Company to file any response to the Staff Report and comments filed in this case. The Company filed no such response.

NOW THE COMMISSION, upon consideration of this matter, finds that Ace's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Ace is hereby granted license No. SS-7 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

[1] 20 VAC 5-340-10 *et seq*.

[2] Report at 4-5.

[3] *Id*. at 5.

CASE NO. PUR-2021-00196
NOVEMBER 3, 2021

APPLICATION OF
COMMUNITY POWER GROUP LLC

For licensure as a non-exempt subscriber organization in the shared solar program

ORDER GRANTING LICENSE

On August 24, 2021, Community Power Group LLC ("Community Power" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia.[1] Community Power seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, Community Power attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").[2]

[1] Commission Staff ("Staff") deemed the Application incomplete as filed. The Company filed additional information on September 2, 2021, completing its Application.

[2] 20 VAC 5-340-10 *et seq*.

On September 17, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before September 29, 2021, and to file proof of service on or before October 6, 2021. On September 20, 2021, the Company filed its proof of service. The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before October 13, 2021. No comments were filed.

The Procedural Order directed Staff to analyze the Company's Application and present its findings in a report ("Report") to be filed on or before October 20, 2021. On October 20, 2021, Staff filed its Report, which summarized Staff's investigation of Community Power's proposal and evaluated the Company's financial condition and technical fitness.[3] Based on its review of the Application, Staff recommended that Community Power be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.[4]

The Procedural Order further provided that the Company may file any response to the Staff Report on or before October 27, 2021. The Company did not file a response.

NOW THE COMMISSION, upon consideration of this matter, finds that Community Power's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Community Power is hereby granted license No. SS-4 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar 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] Report at 4-5.

[4] *Id.* at 5.

CASE NO. PUR-2021-00198
DECEMBER 6, 2021

JOINT APPLICATION OF
CENTURYLINK COMMUNICATIONS, LLC, CENTRAL TELEPHONE COMPANY OF VIRGINIA D/B/A CENTURYLINK, AND UNITED TELEPHONE SOUTHEAST LLC, D/B/A CENTURYLINK

To expand and extinguish certain eligible telecommunications carrier (ETC) designations

FINAL ORDER

On August 24, 2021, CenturyLink Communications, LLC ("CCL"), Central Telephone Company of Virginia d/b/a CenturyLink ("Central"), and United Telephone Southeast LLC d/b/a CenturyLink ("United") (collectively, "Applicants")[1] filed a joint application ("Application") with the State Corporation Commission ("Commission") pursuant to 47 U.S.C. § 214(e), requesting that the Commission enter an Order (i) expanding the areas in which Central/United are each designated as an eligible telecommunications carrier ("ETC") in order to receive federal universal service fund ("USF") support in specific areas of the Commonwealth of Virginia through the Rural Digital Opportunity Fund ("RDOF") of the Federal Communications Commission ("FCC"), and (ii) extinguishing the ETC designation made to CCL by the Commission in Case No. PUR-2021-00037.[2] Initially, the Applicants requested to have Central/United designated as ETCs for the service areas for which CCL was previously designated as an ETC for purposes of receiving USF support from the FCC under the RDOF program designed to accelerate the deployment of high-speed broadband service in unserved rural areas.[3] However, in a response to the Commission Staff's ("Staff") discovery, the Applicants stated that upon additional, detailed review of the 197 Incremental Census Blocks ("Incremental CBs") previously covered by CCL's ETC designation, Central is the entity requesting ETC designation in all 197 Incremental CBs, and that the Application incorrectly included United as requesting ETC designation in these Incremental CBs.[4]

[1] Central and United are referred to hereinafter jointly as "Central/United."

[2] Application at 1-3 and Exhibit B (referencing and attaching *Application of CenturyLink Communications, LLC, For designation as an eligible telecommunications carrier*, Case No. PUR-2021-00037, Doc. Con. Cen. No. 210550135, Final Order (May 26, 2021)).

[3] *Id.*

[4] *See* Staff Report at 1 n.2 & Attachment A.

In support of the Application, the Applicants stated that their ultimate parent company, Lumen Technologies, Inc. (f/k/a CenturyLink, Inc.) ("Lumen"), was the winning RDOF bidder as announced by the FCC on December 7, 2020, and assigned the majority of its winning bids to its incumbent local exchange carrier ("ILEC") service providers, i.e., Central and United, in Virginia for implementation.[5] The Applicants stated that some of the RDOF census blocks awarded to Lumen fall outside the incumbent service territories of Central/United.[6] The Applicants stated these additional 197 Incremental CBs encompass portions of the counties of Campbell, Hanover, Madison, and Rockbridge, Virginia, and are the same Incremental CBs for which CCL was designated as an ETC by the Commission earlier this year.[7]

The Applicants initially stated that on August 3, 2021, Apollo Management IX ("Apollo") and Lumen entered into a purchase agreement, which, if all regulatory approvals are obtained, will result in the transfer of control of Central/United to Apollo with CCL remaining with Lumen.[8] In response to the Staff's discovery, the Applicants clarified that Connect Holding, LLC ("Connect"), a wholly owned subsidiary of Apollo, was created for the transaction between Apollo and Lumen and would be acquiring the ownership interests of Central and United.[9] According to the Applicants, the purchase agreement does not include the transfer of CCL, which will remain with Lumen.[10] However, the parties to the transfer agreement intend for all obligations and funding awarded to Lumen under the RDOF auction in Virginia, as well as the Incremental CBs in which the Commission designated CCL as an ETC, to be transferred from Lumen to Connect and for the Incremental CBs to be assigned to Central.[11] According to the Applicants, designation as an ETC in the Incremental CBs needs to be aligned with an entity that is proposed to be acquired by Connect so that Connect will have the appropriate authority and approvals to assume the RDOF awards and obligations in Virginia.[12] Therefore, the Applicants have requested to have Central designated as an ETC for the service areas for which CCL was previously designated as an ETC for purposes of receiving USF support from the FCC under the RDOF program designed to accelerate the deployment of high-speed broadband service in unserved rural areas.[13]

In support of designating Central as an ETC for the Incremental CBs, the Applicants stated that Central is a long-standing certificated ILEC in Virginia; that Central satisfies all applicable federal and state requirements for ETC designation, including 47 U.S.C. § 214(e), 47 C.F.R. § 54.201 *et seq.*, and the Commission's 1997 Order setting requirements for ETC designation;[14] that Central was designated as an ETC in its existing service territories in 1997;[15] that pursuant to Code § 56-265.4:4 B 1, certificated ILECs like Central were authorized to provide service outside of their incumbent service territories;[16] and that Central will adhere to all FCC requirements applicable to RDOF support recipients and commit to comply with the requirements (imposed upon CCL) as set forth in the Commission's Final Order in Case No. PUR-2021-00037.[17]

On September 8, 2021, the Commission issued an Order for Notice and Comment that, among other things, directed the Applicants to provide notice of the Application to local exchange carriers ("LECs") certificated to provide service in Virginia; established a schedule by which LECs and other interested parties could file comments, objections, or requests for hearing on the Application; and directed the Staff to conduct an investigation and file a report ("Staff Report"). The Commission did not receive any comments, objections, or requests for hearing on the Application.

On October 20, 2021, the Staff filed its Staff Report, which detailed the Staff's review of the Application and the Applicants' responses to the Staff's discovery. As documented in the Staff Report, the Staff did not oppose the Commission (i) granting the request for Central's ETC to be expanded to include the 197 Incremental CBs in order to receive federal USF support in specific areas of the Commonwealth of Virginia through the RDOF of the FCC, and (ii) extinguishing the ETC designation made to CCL by the Commission in Case No. PUR-2021-00037.[18] However, the Staff recommended that an expanded ETC designation for Central be conditioned on the following requirements:

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[5] Application at 2.

[6] *Id.*

[7] *Id.* (The specific Incremental CBs are listed in Exhibit A to the Application.).

[8] *Id.* at 3.

[9] *See* Staff Report at 2. *See also, Joint Petition of Lumen Technologies, Inc., Embarq Corporation, Central Telephone Company, United Telephone Southeast LLC d/b/a CenturyLink, Central Telephone Company of Virginia d/b/a CenturyLink, CenturyTel Broadband Services, LLC, and Connect Holding, LLC, For approval of transfer of control*, Case No. PUR-2021-00246, Doc. Con. Cen. No. 211140227, Order for Notice and Hearing (Nov. 12, 2021).

[10] Application at 3.

[11] *Id. See also,* Staff Report at 2, n.8, and Attachment A.

[12] Application at 3. *See also,* Staff Report at 3.

[13] Application at 3.

[14] *See Commonwealth of Virginia, ex. rel., State Corporation Commission, Ex Parte, in re: Implementation of Requirements of § 214 (e) of the Telecommunications Act of 1996*, Case No. PUC-1997-00135, 1997 S.C.C. Ann. Rept. 310, Order Granting Waiver (Dec. 17, 1997).

[15] *See id.*

[16] *See Commonwealth of Virginia, ex rel. Slate Corporation Commission, Ex Parte: In re amending the certificated service territories of local exchange carriers*, Case No. PUC-2002-00179, 2002 S.C.C. Ann. Rept. 336, Order Amending Certificated Service Territories (Sept. 3, 2002).

[17] *See* Application at 4-6.

[18] Staff Report at 5-6. *See also,* Application at 1-3 and Exhibit B.

- Central should file or update necessary tariffs or product guides for Lifeline services consistent with the requirements of the FCC;
- Central should provide a copy of all its Universal Service Administrative Company ("USAC") annual reports and build-out milestone certifications, as well as data on the locations where service is available, whether public or confidential, to the Division of Public Utility Regulation;
- Central should be required to provide the annual notarized affidavit required by the Commission's Preliminary Order in Case No. PUC-2001-00172.[19] This affidavit is submitted to support the Commission's certification of the use of federal universal service funds as required by 47 U.S.C § 254(e) and 47 C.F.R. §§ 54.313 and 54.314; and
- Central should be directed to comply with all requirements and criteria of the FCC, USAC, and the RDOF program.[20]

The Staff Report also stated that the Commission may wish to consider conditioning granting Central's ETC designation for the areas outside of its incumbent territory upon an affirmation that its efforts on rural broadband expansion under the FCC's RDOF program will not impair or impact its provisioning of adequate telephone service to customers in its incumbent territory.[21]

On October 20, 2021, the Applicants filed a letter stating that they support the Staff's conclusions and would not be filing any further response to the Staff Report.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that the request that Central be designated as an ETC for RDOF support for portions of the counties of Campbell, Hanover, Madison, and Rockbridge, Virginia, covering specific census blocks awarded in the FCC's RDOF auction, should be granted, subject to the conditions imposed herein as recommended by the Staff. Further, we find that the request to have CCL's ETC extinguished should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The request to expand the ETC designation of Central in order to receive RDOF support for services provided in the specific areas described in the Application is hereby granted.

(2) Central shall file or update necessary tariffs or product guides for Lifeline services consistent with the requirements of the FCC.

(3) Central shall provide a copy of all its USAC annual reports and build-out milestone certifications, as well as data on the locations where service is available, whether public or confidential, to the Commission's Division of Public Utility Regulation.

(4) Central shall provide to the Commission's Division of Public Utility Regulation an annual notarized affidavit on the Company's use of federal universal service funds in the form required by Case No. PUC-2001-00172.

(5) Central shall comply with all requirements and criteria of the FCC, USAC, and the RDOF program.

(6) The designation of CCL as an ETC is hereby extinguished.

(7) This case is dismissed.

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[19] *See Petition of Virginia Telecommunications Industry Association, For the establishment of formal procedures for annual certification of use of federal universal service support in accordance with 47 CFR Section 54.313 and 54.314*, Case No. PUC-2001-00172, Preliminary Order (Aug. 29, 2001).

[20] Staff Report at 6.

[21] *Id*. at 7.

CASE NO. PUR-2021-00199
NOVEMBER 17, 2021

APPLICATION OF
NEW ENERGY EQUITY LLC

For licensure as a non-exempt shared solar subscriber organization

ORDER GRANTING LICENSE

On September 1, 2021, New Energy Equity LLC ("New Energy" or "Company") completed an application ("Application")[1] with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program established pursuant to § 56-594.3 of the Code of Virginia. New Energy seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, New Energy attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").[2]

On September 27, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before October 4, 2021, and to file proof of service on or before October 11, 2021. On October 18, 2021, the Company filed its proof of service and requested that it be accepted out of time.[3]

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before October 18, 2021. No comments were filed in this matter.

The Procedural Order further directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a Report. On October 29, 2021, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.[4] Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.[5]

The Procedural Order provided a deadline of November 8, 2021, for the Company to file any response to the Staff Report and comments filed in this case. The Company filed no such response.

NOW THE COMMISSION, upon consideration of this matter, finds that New Energy's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) New Energy is hereby granted license No. SS-8 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

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[1] New Energy filed parts of the Application on August 25 and 30, 2021.

[2] 20 VAC 5-340-10 *et seq*.

[3] The Commission grants this request and accepts the proof of service.

[4] Report at 4-5.

[5] *Id.* at 5.

CASE NO. PUR-2021-00200
NOVEMBER 17, 2021

APPLICATION OF
NEW ENERGY EQUITY VA LLC

For licensure as a non-exempt shared solar subscriber organization

ORDER GRANTING LICENSE

On September 1, 2021, New Energy Equity VA LLC ("Equity VA" or "Company") completed an application ("Application")[1] with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program established pursuant to § 56-594.3 of the Code of Virginia. Equity VA seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, Equity VA attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").[2]

On September 27, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before October 5, 2021, and to file proof of service on or before October 12, 2021. On October 18, 2021, the Company filed its proof of service and requested that it be accepted out of time.[3]

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before October 19, 2021. No comments were filed in this matter.

The Procedural Order further directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a Report. On October 29, 2021, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.[4] Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.[5]

The Procedural Order provided a deadline of November 9, 2021, for the Company to file any response to the Staff Report and comments filed in this case. The Company filed no such response.

NOW THE COMMISSION, upon consideration of this matter, finds that Equity VA's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Equity VA is hereby granted license No. SS-9 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

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[1] Equity VA filed parts of the Application on August 25 and 30, 2021.

[2] 20 VAC 5-340-10 *et seq.*

[3] The Commission grants this request and accepts the proof of service.

[4] Report at 4-5.

[5] *Id.* at 5.

CASE NO. PUR-2021-00201
OCTOBER 28, 2021

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

In re: Virginia Electric and Power Company's 2021 Update to its Integrated Resource Plan pursuant to Va. Code § 56-597 *et seq.*

FINAL ORDER

On September 1, 2021, Virginia Electric and Power Company ("Company") filed with the State Corporation Commission ("Commission") the Company's update ("2021 Update") to its 2020 Integrated Resource Plan ("IRP"),[1] pursuant to Code § 56-599 and the Commission's Integrated Resource Planning Guidelines issued on December 23, 2008, in Case No. PUE-2008-00099 ("Guidelines").[2] The Company also filed the Motion of Virginia Electric and Power Company for Entry of a Protective Order or Ruling and Additional Protective Treatment ("Motion for Protective Order") on September 1, 2021.

Section E of the Guidelines provides that ". . . by September 1 of each year in which a plan is *not* required, each utility shall file a narrative summary describing any significant event necessitating a major revision to the most recently filed IRP, including adjustments to the type and size of resources identified."

NOW THE COMMISSION, upon consideration of the Company's filing herein as well as the applicable law and the Guidelines, is of the opinion and finds that the Company's 2021 Update to the 2020 IRP is legally sufficient under the Guidelines and should be accepted for filing. Such acceptance, however, does not express approval in this Final Order of the magnitude or specifics of Dominion's future spending plans.

Further, the Commission finds the Company's Motion for Protective Order is no longer necessary and, therefore, should be denied.[3]

Accordingly, IT IS ORDERED THAT:

(1) The Company's 2021 Update to the 2020 IRP is accepted for filing.

(2) The Motion for Protective Order is denied as moot; however, we direct the Clerk of the Commission to retain the confidential and extraordinarily sensitive information to which the Motion for Protective Order pertains under seal.

(3) This case is dismissed.

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[1] The Company filed corrections to its 2021 Update on September 17, 2021. For information on the Company's 2020 IRP, *see generally, 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.

[2] *See Commonwealth of Virginia, ex rel. State Corporation Commission, Concerning Electric Utility Integrated Resource Planning Pursuant to §§ 56-597 et seq. [of the] Code of Virginia*, Case No. PUE-2008-00099, 2008 S.C.C. Ann. Rept. 606, Order Establishing Guidelines for Developing Integrated Resource Plans (Dec. 23, 2008).

[3] The Commission has not received any request for leave to review the confidential or extraordinarily sensitive information submitted in this proceeding. Accordingly, the Commission denies the Motion for Protective Order as moot but directs the Clerk of the Commission to retain the confidential and extraordinarily sensitive information to which the Motion for Protective Order pertains under seal.

CASE NO. PUR-2021-00202
SEPTEMBER 27, 2021

APPLICATION OF
MOBILITIE MANAGEMENT, LLC

For cancellation of a certificate of public convenience and necessity to provide local exchange telecommunications services

ORDER CANCELLING CERTIFICATES

On August 30, 2021, Mobilitie Management, LLC ("Company") filed an application with the State Corporation Commission ("Commission") requesting cancellation of the certificate of public convenience and necessity ("Certificate") issued to the Company to provide local exchange telecommunications services in the Commonwealth of Virginia.[1] The Company states that it does not offer or provide services to customers in Virginia pursuant to the authority granted by the Commission-issued Certificate. On September 15, 2021, the Company made a supplemental filing requesting the return of the Company's $50,000 surety bond on file with the Commission.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate No. T-748 should be cancelled, that any tariffs on file associated with the certificates should be cancelled, and that the Company's surety bond should be released.

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[1] *See Application of Mobilitie Management, LLC, For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia*, Case No. PUC-2016-00027, 2016 S.C.C. Ann. Rept. 174, Final Order (Oct. 12, 2016).

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed as Case No. PUR-2021-00202.

(2) Certificate No. T-748, issued to Mobilitie Management, LLC to provide local exchange telecommunications services, is hereby cancelled.

(3) Any tariffs on file with the Commission associated with Certificate No. T-748 are hereby cancelled.

(4) The bond associated with Certificate No. T-748 is hereby released and shall be returned by the Commission's Division of Public Utility Regulation as requested.

(5) This case is dismissed.

CASE NO. PUR-2021-00209
NOVEMBER 17, 2021

APPLICATION OF
LODESTAR ENERGY LLC

For licensure as a non-exempt shared solar subscriber organization

ORDER GRANTING LICENSE

On September 1, 2021, Lodestar Energy LLC ("Lodestar" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program established pursuant to § 56-594.3 of the Code of Virginia. Lodestar seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, Lodestar attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").[1]

On September 17, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before October 6, 2021, and to file proof of service on or before October 13, 2021. On September 27, 2021, the Company filed its proof of service.

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before October 20, 2021. No comments were filed in this matter.

The Procedural Order further directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a Report. On October 29, 2021, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.[2] Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.[3]

On November 1, 2021, the Company filed a letter ("Response") stating that it had no comments on the Report and requesting that the Commission grant Lodestar a license as recommended by Staff.[4]

NOW THE COMMISSION, upon consideration of this matter, finds that Lodestar's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Lodestar is hereby granted license No. SS-10 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

[1] 20 VAC 5-340-10 *et seq*.

[2] Report at 4-5.

[3] *Id.* at 5.

[4] Response at 1.

CASE NO PUR-2021-00210
OCTOBER 27, 2021

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE and CENTRAL VIRGINIA SERVICES, INC.

For Approval pursuant to Title 56, Chapter 3 and Chapter 4 of the Code of Virginia

FINAL ORDER

On September 1, 2021, Central Virginia Electric Cooperative ("CVEC" or "Cooperative") and Central Virginia Services, Inc. ("CVSI") (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapter 3[1] and Chapter 4[2] of Title 56 of the Code of Virginia ("Code"), paid the requisite filing fee of $250, and filed the verified signatures required to complete the Application. On September 23, 2021, the Commission issued an order extending the time for review by thirty (30) days.

Applicants request approval for CVEC to provide a guarantee ("Guarantee Agreement") in connection with a $14,123,917 grant to CVSI from the ReConnect Program of the United States Department of Agriculture's Rural Utilities Services (RUS) to help finance construction on the Firefly Fiber Broadband Project ("ReConnect Grant"). CVSI's fiber network will expand into parts of Buckingham, Cumberland, Goochland, Louisa, and Powhatan Counties, into areas that are outside of CVEC's electric service territory.

The total project cost is estimated to be $18,831,890 ("ReConnect Project"). The grant agreement requires CVSI to deposit its matching portion of $4,707,973 into the CVSI construction Deposit Account Control Agreement account as proof of funds available for construction upon signing the agreement. Based on the Reconnect Project cost estimates, the grant is expected to fund approximately 75% of the estimated total cost. CVEC's guarantee pursuant to the Guarantee Agreement is necessary for CVSI to obtain access to the ReConnect Grant funds. The ReConnect Project is consistent with prior authority granted in Case No. PUR-2018-00113[3] and Case No. PUR-2020-00033.[4] The Applicants represent that extending the fiber optic network in order to provide broadband internet service to rural areas of the Commonwealth is consistent with the public interest.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff through its action brief, and considering the Cooperative'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.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Chapters 3 and 4, CVEC is hereby granted approval to enter into the Guarantee Agreement subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is hereby dismissed.

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[1] Code § 56-55 *et seq.* ("Chapter 3")

[2] Code § 56-76 *et seq.* ("Chapter 4")

[3] The Commission approved affiliate agreements for the provision of broadband services by CVSI to CVEC in Case No. PUR-2018-00113. *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 Application of Central Virginia Electric Cooperative and Central Virginia Services, Inc., For approval pursuant to Title 56, Chapters 3 and 4 of the Virginia Code*, Case No. PUR-2020-00033, 2020 S.C.C. Ann. Rept. 455, Final Order (Mar. 18, 2020).

APPENDIX

1. CVEC shall be authorized to enter into the Guarantee Agreement related to the ReConnect Grant funding in the manner and for the purposes stated therein.

2. Separate Commission approval shall be required for any changes to the Guarantee Agreement related to the ReConnect Grant funding.

3. CVEC shall file with the Commission a signed and executed copy of the Guarantee Agreement within 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").

4. CVEC shall report all reimbursements for paid invoices out of grant funds during the year covered in its Annual Report of Affiliate Transactions ("ARAT") submitted to the Commission's UAF Director on May 1 of each year, subject to administrative extension by the UAF Director.

5. All costs, inclusive of attorney fees and filing fees, associated with obtaining and maintaining the CVEC Guarantee Agreement for the ReConnect Grant to CVSI, shall be charged to CVSI, and the dates, accounts, and amounts of such transactions, as recorded on the books of CVEC and CVSI, should be reported in CVEC's ARAT.

6. CVEC shall provide notice to the UAF Director within 30 days of any payments made by CVEC on behalf of CVSI under the Guarantee Agreement.

7. The Commission's approval shall have no accounting or ratemaking implications.

8. 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.

9. 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.

CASE NO. PUR-2021-00211
DECEMBER 22, 2021

PETITION OF
CHICKAHOMINY PIPELINE, LLC

For a declaratory judgment

FINAL ORDER

On September 3, 2021, Chickahominy Pipeline, LLC ("Chickahominy" or "Company"), filed with the State Corporation Commission ("Commission") a petition for a declaratory judgment ("Petition") pursuant to 5 VAC 5-20-100 of the Commission's Rules of Practice and Procedure ("Rules of Practice").[1] In its Petition, the Company is seeking a judgment "determining that the proposed construction, ownership, and operation of a natural gas pipeline (the "Pipeline") to transport natural gas to the proposed combined-cycle generating facility [("Facility")] to be constructed by Chickahominy Power, LLC ("CPLLC")[2] is not subject to the Commission's jurisdiction pursuant to Title 56 of the Code of Virginia [("Code")]."[3]

The Company states that the Facility will require a significant volume of gas per day, and "CPLLC has determined that it is impracticable and unfeasible to procure an adequate supply of natural gas from [Virginia Natural Gas, Inc. ("VNG")]."[4] The Company states that Chickahominy will design, construct, own, and operate the interconnect to deliver natural gas to the Facility and that CPLLC will design, construct, own, operate, and maintain any required pressure regulation/compression, overpressure protection, and any gas processing, conditioning, monitoring, or control equipment deemed necessary, as well as the connecting pipe from the Pipeline's interconnect to the Facility.[5] According to the Petition, the Facility will not engage in the retail sale of electricity or provide retail electric service to customers within the Commonwealth.[6]

On September 16, 2021, the Commission entered a Procedural Order that, among other things, docketed the Petition; established a procedural schedule for Staff of the Commission ("Staff") to file an answer or other responsive pleading, and Chickahominy's reply thereto; directed Chickahominy give notice of its Petition to VNG and to local officials in each county, city, and town through which the Pipeline is proposed to be built; provided interested persons an opportunity to file responses to and request a hearing on the Petition, or participate in the proceeding as a respondent by filing a notice of participation; and appointed a Hearing Examiner to conduct all further proceedings in this matter.

Timely notices of participation and responses to the Petition were filed by Louisa County, Virginia ("Louisa"); Henrico County, Virginia ("Henrico"); Hanover County, Virginia ("Hanover"); VNG; and Concerned Citizens of Charles City County, Hanover Citizens Against A Pipeline, Appalachian Voices, and Chesapeake Bay Foundation (collectively, "Environmental Respondents"). Chickahominy timely filed its reply.

Henrico and Hanover also each requested, among other things, a ruling to schedule discovery and an evidentiary hearing regarding the factual assertions in the Petition. Louisa concurred with, and joined in, these requests. A Hearing Examiner's Ruling issued on October 6, 2021, expedited the time for filing any responses to the requests for discovery and an evidentiary hearing and any reply thereto. Chickahominy and VNG filed responses. On October 22, 2021, Henrico, Louisa, and Hanover filed a joint reply.

On October 25, 2021, a Hearing Examiner's Ruling was issued directing that an oral argument commence on November 3, 2021, at 12 p.m., via Microsoft Teams, with no party present in the Commission's courtroom. On the appointed date, the Hearing Examiner convened oral arguments as scheduled. Chickahominy, Henrico, Hanover, Louisa, Environmental Respondents, VNG, and Staff participated in the oral argument.

On November 15, 2021, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report"), was filed. In his Report, the Hearing Examiner found that:

(1) Chickahominy would not provide "non-utility gas service" pursuant to Code § 56-265.4:6 of the Utility Facilities Act;

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[1] 5 VAC 5-20-10 *et seq.*

[2] According to the Clerk of the Commission's Information System, CPLLC and Chickahominy share the same principal office address, as well as the same resident agent who is noted as a member or manager of each of the entities.

[3] Petition at 1. Counsel for Chickahominy clarified that the Company seeks a decision that the Pipeline is not subject to the Commission's jurisdiction pursuant to the Utility Facilities Act, Chapter 10.1 of Title 56, Code § 56-265.1 *et seq*. Tr. 10.

[4] Petition at 2.

[5] *Id*.

[6] *Id.*

(2) Chickahominy would be a "public utility" within the plain language of Code § 56-265.1(b) of the Utility Facilities Act, because Chickahominy would be a "company that owns or operates facilities within the Commonwealth . . . for the . . . transmission, or distribution . . . of natural . . . gas . . . for sale for heat, light or power";

(3) It is questionable whether *Montvale Water*[7] offers a definitive statutory interpretation of the natural gas clause in Code § 56-265.1(b) that is applicable to the instant case. However, if *Montvale Water* is applicable or instructive, different aspects of *Montvale Water* could support different outcomes in the instant case;

(4) Applying the Utility Facilities Act to the planned pipeline, which would transmit or distribute natural gas for sale to a certificated electric generation facility, would not produce an absurd result;

(5) If the Commission finds, as recommended herein, that Chickahominy would be a "public utility" under Code § 56-265.1(b), the Petition should be denied regardless of whether Code §§ 56-265.3 and 56-265.4 are within the scope of this proceeding; and

(6) A hearing is not necessary to enter a declaratory ruling in this case.[8]

The Hearing Examiner recommended the Commission enter an order that denies the Petition and dismisses the case from the Commission's docket of active case.[9]

On November 23, 2021, VNG, Environmental Respondents, Chickahominy, and Staff each filed comments on the Report.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds as follows. Chickahominy seeks a Commission ruling that (i) pursuant to Code § 56-265.4:6, Chickahominy would not provide "non-utility gas service"; and (ii) Chickahominy is not a "public utility" as defined by Code § 56-265.1(b).[10] Because we find that Chickahominy is a public utility within the meaning of Code § 56-265.1(b), the Commission denies the Petition.

APPLICABLE LAW

Under Code § 56-265.1(b), a "public utility" is:

> any company that owns or operates facilities within the Commonwealth of Virginia for the generation, transmission, or distribution of electric energy for sale, for the production, storage, transmission, or distribution, otherwise than in enclosed portable containers, of natural or manufactured gas or geothermal resources for sale for heat, light or power, or for the furnishing of telephone service, sewerage facilities or water. . . .[11]

Code § 56-265.2 provides:

> A. 1. Subject to the provisions of subdivision 2, it shall be unlawful for any public utility 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, without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege. Any certificate required by this section shall be issued by the Commission only after opportunity for a hearing and after due notice to interested parties. The certificate for overhead electrical transmission lines of 138 kilovolts or more shall be issued by the Commission only after compliance with the provisions of § 56-46.1.
> . . .

Code § 56-265.4:6 A provides the following definitions instructive to this case:

> "Non-utility gas service" means the sale and distribution of propane, propane-air mixtures, or other natural or manufactured gas to two or more customers by way of underground or aboveground distribution lines by a person other than a natural gas utility or an affiliated interest of a natural gas utility, master meter operator, or any person operating in compliance with § 56-1.2.
>
> "Non-utility gas service provider" means a person, other than a natural gas utility, providing non-utility gas service.

Code § 56-265.4:6 B states as follows:

> B. A person, individually or together with its affiliated interests, other than the natural gas utility that holds the certificate to provide natural gas service in a particular territory or one of its affiliated interests, shall apply to the Commission for and obtain approval prior to providing non-utility gas service to:

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[7] *Petition of Montvale Water, Inc., For declaratory judgment*, Case No. PUE-2002-00249, 2004 S.C.C. Ann. Rept. 326, Order (June 10, 2004) ("*Montvale Water*").

[8] Report at 21.

[9] *Id.*

[10] Petition at 2.

[11] Following this section are twelve exceptions to the definition of "public utility." Chickahominy does not contend that it would fall within any of these exceptions, and VNG specifically argues that none of the exceptions apply. Report at 12; *see also, e.g.*, Environmental Respondents' Response at 5 n.16; Tr. 52.

1. Two or more residential or commercial customers located one-half mile or less from any existing underground natural gas line operated by a utility under the jurisdiction of the Commission;

2. More than 10 residential or two commercial customers located more than one-half mile but within one mile or less from any existing underground natural gas line operated by a utility under the jurisdiction of the Commission;

3. More than 20 residential or five commercial customers located more than one mile but within three miles or less from any existing underground natural gas line operated by a utility under the jurisdiction of the Commission; or

4. More than 50 residential or 10 commercial customers located more than three miles but no more than five miles from an existing underground natural gas line operated by a utility under the jurisdiction of the Commission.

DISCUSSION

The Hearing Examiner found, based upon the facts presented in the Petition and his reading of the Code, that Chickahominy would not provide "non-utility gas service," noting, "The statutory definition and parameters of such service expressly contemplate specified activities involving more than one customer, whereas Chickahominy's [P]ipeline would serve only one customer."[12] The Hearing Examiner also noted that no party or Staff contested Chickahominy's legal conclusion on this issue.[13] We agree with this finding.

As to whether Chickahominy is a "public utility," and therefore must obtain a certificate of public convenience and necessity ("CPCN") from the Commission before constructing facilities for use in public utility service, the Commission is informed by the definition of "public utility" in Code § 56-265.1(b). Chickahominy's argument that it is not a public utility is based on its representation that it would not be the seller of the gas flowing through the Pipeline to CPLLC.[14] Nevertheless, the Hearing Examiner found that "natural gas that would be transmitted or distributed by the [P]ipeline is for sale and the consumptive purpose for such sale is among those ('for heat, light or power') identified by" Code § 56-265.1(b). The Hearing Examiner found "no jurisdictional limitation in the plain language of Code § 56-265.1(b) that is based on ownership of a transmitted or distributed *commodity*."[15] The Hearing Examiner agreed with Environmental Respondents that the definition at issue "ties jurisdiction to a company's ownership or operation of specified facilities within the Commonwealth."[16] Thus, Chickahominy is "any company that owns or operates facilities within the Commonwealth of Virginia . . . for the . . . transmission, or distribution, otherwise than in enclosed portable containers, of natural or manufactured gas . . . for sale for heat, light or power . . ." and meets the definition of "public utility" in Code § 56-265.1(b).[17] We agree with this finding as well.[18]

Further, the Commission concludes that its *Montvale Water* decision, cited by Chickahominy, is readily distinguished from the facts in this case. In *Montvale Water*, a nursing home had provided water service to its residents (and a few on-site businesses) for many years prior to the organization of Montvale Water, Inc. ("Montvale").[19] Water was provided via a spring water source on the nursing home's property.[20] When the nursing home expanded its operations, it proposed to expand its water service correspondingly.[21] Montvale objected, arguing that the nursing home should not be permitted to provide water to its expansion area but that the expansion area should be forced to take service from Montvale.[22] This we refused to do. The nursing home was not selling water to its residents, but providing it as an incident to its other residential services.[23] We declined to decide, in essence, that a commercial relationship could be ordered between the nursing home and Montvale under the facts of the *Montvale Water* case.[24]

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[12] Report at 8.

[13] *Id*.

[14] *See generally* Report at 9-12 for a summary of this discussion.

[15] Report at 12.

[16] *Id*.; Tr. 36. ("The definition only mentions—the only mention of ownership in the definition in 265.1 B is of a company owning or operating facilities. The definition never says that the commodity must be owned.")

[17] Report at 12; Code § 56-265.1(b).

[18] We likewise agree with the Hearing Examiner that this application of the statutory plain language does not (contrary to Chickahominy's assertion) fail to give meaning to the words "for sale" as contained in the statute. This phrase requires a mercantile relationship, which is present in this instance.

[19] *Montvale Water*, 2004 S.C.C. Ann. Rept. at 326 and n.2.

[20] *Id*. at 326 and n.3.

[21] *Id*. at 326.

[22] *Id*. at 326-327.

[23] *Id*. at 328.

[24] *Id*.

Taken together, these findings support Chickahominy being a "public utility" within the definition of Code § 56-265.1(b) and therefore subject to the CPCN requirement of Code § 56-265.2. Given this determination, we also agree with the Hearing Examiner that applying the Utility Facilities Act to the Pipeline would not produce an absurd result; that the Commission need not address whether Code §§ 56-265.3 and 56-265.4 are within the scope of this proceeding; and that a hearing is not necessary to enter a declaratory ruling in this case.[25]

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner, to the extent discussed herein, hereby are adopted.

(2) Chickahominy is a public utility under Code § 56-265.1(b) and subject to the CPCN requirement of Code § 56-265.2.

(3) This matter hereby is dismissed.

[25] Report at 21.

CASE NO. PUR-2021-00213
OCTOBER 27, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY and BIRDSEYE RENEWABLE ENERGY

For approval of a Services Agreement under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On September 3, 2021, Virginia Electric and Power Company ("DEV" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a services agreement ("Proposed Agreement") between DEV and Birdseye Renewable Energy, LLC ("Birdseye"), effective for a period of five years unless terminated, under Chapter 4[1] of Title 56 of the Code of Virginia ("Code"). Birdseye was acquired by Dominion Energy, Inc. ("DEI") on May 5, 2021, and is an indirect subsidiary of DEI.[2] DEV is an operating subsidiary of DEI so by virtue of this relationship, DEV and Birdseye are affiliated interests as defined by the Affiliates Act.[3]

Under the Proposed Agreement, included with the Application as Attachment B, Birdseye may provide DEV project design and feasibility, permitting, supply chain, and public and government relations services (collectively "Services").[4] The Proposed Agreement contains a confidentiality provision protecting any DEV information disclosed to Birdseye.[5] The Proposed Agreement also includes a right of first refusal clause for DEV to acquire any renewable generation projects developed by Birdseye determined by the Company to be beneficial to the utility and its customers.[6] Any exercise of this right of first refusal would be subject to receiving the appropriate approvals from the Commission for any such project acquisition from an affiliate.[7]

The Proposed Agreement has a term of five years and can be terminated with a 30-day notice by either party.[8] Under the Proposed Agreement, Services could be modified with a 30-day notice from DEV at any time during the calendar year by giving Birdseye written notice of the additional services it wishes to receive, and/or the Services it no longer wishes to receive, starting the first day of the first calendar month at least 30 days after the notice.[9]

The Proposed Agreement is intended to enable DEV to benefit from Birdseye's knowledge, expertise, and experience to enhance the Company's ability to develop renewable and other clean energy generation projects pursuant to the Virginia Clean Economy Act.[10]

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff ("Staff") through Staff's action brief and having considered the Company's comments thereon, is of the opinion and finds that the Proposed Agreement is in the public interest based on DEV's representations and the facts and circumstances of this case.

[1] § 56-76 et seq. ("Affiliates Act").

[2] Application at 2.

[3] *Id.*

[4] Application Attachment B, Exhibit I.

[5] Application Attachment B at 5.

[6] Application at 6; Application Attachment A at 2.

[7] S*ee* Applicants' response to Staff Data Request No. 1-4, which is attached to Commission Staff's action brief.

[8] Application Attachment B at 3.

[9] *Id.*

[10] Application at 4, 7; Application Attachment A at 3, 4.

Accordingly, IT IS ORDERED THAT:

(1) The Proposed 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 Proposed Agreement shall extend for five years from the effective date of the Order Granting Approval in this case. If DEV wishes to continue under the Proposed 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 shall be limited to the specific Services identified and described in the Proposed Agreement. If DEV wishes to provide or receive Services not specifically identified and described in the Proposed Agreement, separate approval shall be required.

4) Separate Commission approval shall be required for Birdseye to provide Services to DEV through the engagement of any affiliated third parties under the Proposed Agreement.

5) The Company shall be required to maintain records demonstrating that the Services received from Birdseye under the Proposed Agreement are cost beneficial to Virginia ratepayers. For any Service that DEV receives from Birdseye where a market may exist, DEV shall investigate whether there are alternative sources from which DEV could obtain such service. If an alternative source exists, DEV shall compare the market price to its cost of receiving the Service and pay Birdseye 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 it paid Birdseye the lower of cost or market for any Service received under the Proposed Agreement.

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 Proposed Agreement.

8) The Commission shall reserve 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.

9) The Company shall file a copy of the approved Proposed 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) The Company shall include all transactions associated with the Proposed 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 Proposed Agreement was approved;
(b) List DEV, the affiliate(s), and the Services received; and
(c) Include schedule(s) in Excel electronic spreadsheet format with formulas intact, listing the prior year's Services received by month, type of service, FERC account, and dollar amount (as the transactions are recorded in DEV's books).

CASE NO. PUR-2021-00218
NOVEMBER 4, 2021

JOINT PETITION OF
GTT COMMUNICATIONS, INC., GTT AMERICAS, LLC, GC PIVOTAL, LLC d/b/a GLOBAL CAPACITY, and
THE SPRUCE HOUSE PARTNERSHIP LLC

For approval for The Spruce House Partnership LLC to dispose of 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 September 10, 2021, GTT Communications, Inc. ("GTT Parent"), GTT Americas, LLC, GC Pivotal, LLC d/b/a Global Capacity ("Global Capacity"), and The Spruce House Partnership LLC ("Spruce House") (collectively, "Petitioners"), filed 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 relinquish its approximate 25.01% voting interest in GTT Parent, the ultimate parent company of 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.[2]

[1] Code § 56-88 *et seq*.

[2] 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.[3] As described in the Petition, the proposed Transfer will be completed pursuant to a Stock Transfer Agreement, which will ultimately result in the disposition of indirect control of Global Capacity by Spruce House. The Petitioners represent that, because Spruce House will transfer its approximate 25.01% voting interest directly to GTT Parent, the proposed Transfer will not result in any new 25% or greater owners of GTT Parent or its subsidiaries, including Global Capacity.

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.

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.[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.

[3] *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).

[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, 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-2021-00220
DECEMBER 9, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its cogeneration and small power production tariff pursuant to PURPA Section 210

FINAL ORDER

On September 15, 2021, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Company") filed an application ("Application") with the State Corporation Commission ("Commission") to modify its Schedule 19 tariff governing power purchases from cogeneration and small power production qualifying facilities ("Schedule 19"). Specifically, the Company seeks Commission approval to modify its Schedule 19 to be consistent with revisions made to 18 C.F.R. § 292.309(d) and (e) in Federal Energy Regulatory Commission ("FERC") Order No. 872,[1] as well as incorporate the approvals and directives of a letter order issued by FERC on June 16, 2021, terminating the requirement under 18 C.F.R. § 292.303(a) to enter into new contracts or obligations to purchase electric energy and capacity from any qualifying small power production facilities in PJM Interconnection, L.L.C., with a net capacity in excess of 5 megawatts on a service territory-wide basis.[2]

The Commission has periodically approved revisions to the Company's Schedule 19 as warranted by changes made by FERC to its Public Utility Regulatory Policies Act ("PURPA")[3] related regulations.[4]

[1] *Qualifying Facility Rates and Requirements*, Order No. 872, 172 FERC 61,041, at 625 (July 16, 2020).

[2] 175 FERC ¶ 61,222; Docket No. QM21-12-000 (June 16, 2021). *See* Application at 1.

[3] 16 U.S.C. § 824a-3.

[4] *See, e.g., Application of Virginia Electric and Power Company, To revise its cogeneration tariff pursuant to PURPA Section 210*, Case No. PUR-2007-00034, 2007 S.C.C. Ann. Rept. 438, Order of Approval (May 25, 2007). In 2007, the Commission relieved the Company of its obligation to file biennial updates to Schedule 19, concluding that the Company should file "such further revisions to its Schedule 19 tariff as may be necessary or as circumstances warrant." *Application of Virginia Electric and Power Company, To revise its cogeneration tariff pursuant to PURPA Section 210*, Case No. PUE-2005-00114, 2007 S.C.C. Ann. Rept. 306, Final Order (Mar. 21, 2007).

NOW THE COMMISSION, having reviewed the Application and been advised by its Staff, is of the opinion and finds that the Company's Application, which modifies its Schedule 19 to conform to a FERC order issued after meaningful opportunity for public participation, should be approved.

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

CASE NO. PUR-2021-00221
NOVEMBER 5, 2021

VIRGINIA ELECTRIC AND POWER COMPANY

For authority to enter into finance leases under Chapter 3 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On September 17, 2021, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" 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 enter into power purchase agreements ("PPAs") with unaffiliated third parties for the purchase of energy storage capacity ("Storage PPAs"), to the extent they constitute finance leases ("Finance Leases"). The Company paid the requisite fee of $250.

Among other things, Code § 56-585.1 A 6 states that "energy storage facilities with an aggregate capacity of 2,700 megawatts are in the public interest." Code § 56-585.5 E 2 requires the Company, by 2035, to petition the Commission for the necessary approvals to construct or acquire 2,700 megawatts ("MW") of energy storage capacity. Code § 56-585.5 E 5 requires that after July 1, 2020, at least 35%, of the energy storage facilities placed into service must be purchased from a party other than the utility or owned by a party other than a utility with the capacity from such facilities sold to the utility. Pursuant to this same Code section, the Commission adopted regulations related to the deployment of energy storage, effective January 1, 2021, in Case No. PUR-2020-00120.[2] These regulations outline interim targets, the first of which require the Company to petition for approval of at least 250 MW by 2025.[3]

In connection with these requirements, the Company has petitioned the Commission for a prudence determination in Case No. PUR-2021-00146,[4] pursuant to Code § 56-585.1:4, to enter into PPAs, which consist of the following: (i) one PPA for a stand-alone energy storage resource totaling approximately 20 MW for the Three Sisters project, and (ii) two PPAs for utility-scale solar generating facilities paired with energy storage, totaling approximately 26 MW of solar and 13 MW of storage for the Cox and Sinai projects.[5]

The Company states that it has determined that the storage component of the PPAs that are the subject of the prudence determination in Case No. PUR-2021-00146, the Storage PPAs, constitute Finance Leases under current Generally Accepted Accounting Principles guidance and thus require Commission approval pursuant to Chapter 3 of Title 56 to the extent they constitute a financing. The Company reaches this conclusion with respect to the Storage PPAs because "the Company obtains the right to control the use of the storage assets and obtains rights to substantially all of the economic benefits of the assets during the PPA term" and "the term of the Storage PPAs is for the useful life of the storage assets."[6] The Storage PPAs have a term of 20 years with payments expected to begin in 2023 when the facilities begin commercial operations.[7] The Company states that all issuance costs are included in the Storage PPAs.[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 will not be detrimental to the public interest.[9]

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[1] Va. Code § 56-55 *et seq.*

[2] *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*, Case No. PUR-2020-00120, 2020 S.C.C. Ann. Rept. 562, Order Adopting Regulations (Dec. 18, 2020).

[3] 20 VAC 5-335-30 B 1.

[4] *See Petition of Virginia Electric and Power Company, For approval of the RPS Development Plan, approval and certification of the proposed CE-2 Solar Projects pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, revision of rate adjustment clause, designated Rider CE, under § 56-585.1 A 6 of the Code of Virginia, and a prudence determination to enter into power purchase agreements pursuant to § 56-585.1:4 of the Code of Virginia*, Case No. PUR-2021-00146, Doc. Con. Cen. No. 211010114, Order for Notice and Hearing (Oct. 6, 2021).

[5] The Cox facility includes 16.0 MW of solar and 8.0 MW of storage. The Sinai facility includes 9.9 MW of solar and 5.0 MW of storage. *See* Application at Exhibit B, p. 1.

[6] *Id*. at 4.

[7] *Id*. at 4, Exhibit B, p. 1.

[8] *Id*. at Exhibit B, p. 3.

[9] Approval herein is separate from, and in no way constitutes, a prudence determination for the PPAs, which the Company has petitioned for, and the Commission will review, in Case No. PUR-2021-00146.

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to enter into the Storage PPAs subject to certain conditions outlined in the Appendix attached to this order.

(2) This case is dismissed.

APPENDIX

1. Separate Commission approval shall be required for any changes in the terms and conditions of the Storage PPAs that impact the finance lease accounting classification. The Company shall further advise the Director of Public Utility Accounting ("UAF Director") in writing and at least 30 days in advance of any additional changes to the terms and conditions of the Storage PPAs that do not, in the Company's opinion, impact the finance lease accounting classification.

2. The Commission's approval shall have no accounting or ratemaking implications.

3. The Company shall file with the Commission signed and executed copies of the Storage PPAs within ninety (90) days of the Company signing and executing the Storage PPAs, subject to administrative extension by the Director of the Commission's Division of Utility Accounting and Finance.

CASE NO. PUR-2021-00224
OCTOBER 25, 2021

JOINT PETITION OF
B-A-R-C ELECTRIC COOPERATIVE, BARCONNECTS, LLC, and VIRGINIA GLOBAL COMMUNICATIONS SYSTEMS, INC.

For approval of transfer of control pursuant to the Utility Transfers Act, Va. Code § 56-88 *et seq*.

ORDER GRANTING APPROVAL

On September 27, 2021, B-A-R-C Electric Cooperative ("BARC"), BARConnects, LLC ("BARConnects"), and Virginia Global Communications Systems, Inc. ("VGSC") (collectively, "Petitioners"), completed the filing of a joint petition ("Petition") with the State Corporation Commission ("Commission") to request approval pursuant to Chapter 5[1] of Title 56 of the Code of Virginia ("Code") for the transfer of control of VGSC ("Transfer") from Dusan Janjic, Jeffrey S. Pufahl, and Stephanie Berkshire (collectively, "Sellers") to BARConnects. 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*.

VGSC is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity issued by the Commission.[2] Pursuant to the Confidential Stock Purchase Agreement (Attachment 1) filed with the Petition, BARCConnects will acquire all of the outstanding shares of VGSC in exchange for a cash payment to the Sellers.

VGSC has one customer, Virginia Technology Services, LLC, and the Petitioners represent that the proposed Transfer will not have any effect on its service. Furthermore, the Transfer will not require any technical cutover or change in systems, nor will it result in any change in services to customers or require any transfer of certificates.

Section 56-88.1 A 2 of the Utility Transfers Act states that "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" in determining whether to approve a telephone company transfer. As BARConnects, the proposed acquirer, has no employees, the Commission Staff ("Staff") conducted discovery to ascertain the adequacy of its resources. In response to Staff's data requests, the Petitioners represent that BARConnects plans to obtain the financial, managerial, and technical resources necessary to support VGSC's telecommunications operations through several affiliate agreements with BARC, its parent, [3] which are pending approval in Case No. PUR-2021-00225,[4] an Affiliates Act case now before the Commission. Based on this information and the occurrence of the proposed affiliate transactions, VGSC will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the proposed Transfer.

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[1] § 56-88 *et seq*. ("Utility Transfers Act").

[2] VGSC is authorized to provide local exchange telecommunications service in Virginia pursuant to Certificate No. T-505 granted by the Commission in Case No. PUC-2000-00121.

[3] *See* Confidential Responses to Staff Data Request Nos. 1-1 to 1-3, which are attached to Staff's action brief filed concurrently with this order. BARC is seeking approval of four revised affiliate agreements with BARConnects (collectively, "BARC Agreements") in Case No. PUR-2021-00225. Under the Services Agreement, BARC will provide management, administrative and operational services to BARConnects. Under the Fiber and Network Equipment Lease Agreement, BARC will lease its fiber network to be operated and maintained by BARConnects. Under the Subscriber Agreement, BARC will receive communications services from BARConnects via the leased fiber network. Under the Line of Credit Agreement, BARC will lend money to BARConnects for working capital and other purposes, and to finance the acquisition of VGSC.

[4] *See Joint Petition of B-A-R-C Electric Cooperative and BARConnects, LLC, for approval of affiliate agreements pursuant to the Affiliates Act, Va. Code § 56-76 et seq.*, Doc. Con. Ctr. No. 218938158, Filed Sept. 17, 2021.

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 subject to the Commission's approval of the BARC Agreements in Case No. PUR-2021-00225. The Commission also finds that the Petitioners' 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 Petitioners hereby are granted approval of the Transfer subject to Commission approval of the BARC Agreements in Case No. PUR-2021-00225.

(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.

[5] 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-2021-00225
DECEMBER 9, 2021

PETITION OF
B-A-R-C ELECTRIC COOPERATIVE and BARCONNECTS

For approval of Affiliate Agreements pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On September 17, 2021, B-A-R-C Electric Cooperative ("BARC") and BARConnects, LLC ("BARConnects") (collectively, "Petitioners"), filed a Joint Petition ("Joint Petition") with the State Corporation Commission ("Commission") for approval of four amended affiliate agreements ("Agreement(s)") between BARC and BARConnects, pursuant to Chapter 4[1] of Title 56 of the Code of Virginia ("Code"). BARConnects is a wholly owned, unregulated subsidiary of BARC. The four affiliate Agreements consist of a Services Agreement, a Fiber and Network Equipment Lease Agreement (the "Lease"), a Line of Credit Agreement ("Line of Credit"), and a Subscriber Agreement. The original agreements were approved by the Commission in its Order Granting Approval in Case No. PUE-2016-00116.[2] 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.*

Under the Services Agreement, BARC will provide management, administrative and operational services to BARConnects to support its unregulated activities. Actual time will be tracked by individual employees and supervisors are billed at full cost, with benefits to BARConnects on a monthly basis.[3] The amended Services Agreement includes certain new services that are described in Confidential Attachment 1 of the Joint Petition.[4]

Under the Lease Agreement, BARC leases its fiber network ("Network") to be maintained and operated by BARConnects. The amended Lease Agreement changes certain language to more accurately describe the fiber network and update the lease formula to reflect all costs associated with construction and ownership of the Network.[5] The lease formula will be continually reviewed by management to ensure that all costs associated with construction/ownership of the network are charged to BARConnects.[6] The Lease payment schedule also changes as described in Confidential Attachment 2 of the Joint Petition.[7]

Under the Subscriber Agreement, BARConnects provides communications services to BARC. The modified Subscriber Agreement provides that BARC will continue to receive similar rates as retail commercial customers and also extends the term to a 12-month term and month to month renewals thereafter. No other significant changes are mentioned.

[1] Code § 56-76 *et seq*. ("Affiliates Act").

[2] *See Application of B-A-R-C Electric Cooperative, Joint Application for approval of affiliates agreements,* Case No. PUE-2016-00116, Doc. Con. Ctr. No. 510861, Order Granting Approval (December 20, 2016)

[3] *See* Petitioners' response to Staff Data Request No. 1-4, which is attached to Staff's action brief.

[4] Confidential Attachment 1 of Petition P. 2.

[5] *See* Petitioners' response to Staff Data Request No. 1-6, which is attached to Staff's action brief.

[6] *See* Petitioners' response to Staff Data Request No. 1-4, which is attached to Staff's action brief.

[7] Confidential Attachment 2 of Petition P. 2.

Under the Line of Credit, BARC lends money to BARConnects for working capital purposes. Under this amended Agreement, the financing terms will be modified as described in Confidential Attachment 3 of the Joint Petition[8] to fund both working capital and the acquisition of Virginia Global Communications Systems, Inc. ("VGCS").[9]

The Petitioners request that the Agreements be approved for five years, from January 1, 2022, through December 31, 2026.[10]

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff ("Staff') through Staff's action brief and having considered the Petitioners' comments thereon, is of the opinion and finds that the Agreements are in the public interest based on BARC and BARConnects' representations and the facts and circumstances of this case. The Commission also finds that the Petitioners' Motion is no longer necessary and therefore should be denied.

Accordingly, IT IS ORDERED THAT:

(1) The Agreements are approved subject to the requirements listed in the Appendix attached to this Order.

(2) 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.

(3) This case is dismissed.

[8] Confidential Attachment 3 of Petition P. 1.

[9] In its October 25, 2021 Order Granting Approval in Case No. PUR-2021-00224, the Commission approved BARC's and BARConnects' petition to acquire VGSC, a Virginia competitive local exchange company, subject to Commission approval in the instant Petition.

[10] In response to Staff's request, the Petitioners agreed that the Agreements' term should be made public information.

APPENDIX

1) The Commission's approval of the Agreements shall extend for five years, from January 1, 2022 through December 31, 2026. If BARC wishes to continue under the Agreements 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 shall be limited to the specific Services identified and described in the Agreements. If BARC wishes to provide or receive Services not specifically identified and described in the Agreements, separate approval shall be required.

4) Separate Commission approval shall be required for BARC to exchange Services with BARConnects through the engagement of any affiliated third parties under the Agreements.

5) The Petitioners shall be required to maintain records demonstrating that the Services provided by BARC to BARConnects under the Agreements are cost beneficial to the members of BARC. Records of such investigations and comparisons shall be available for Staff review upon request. BARC shall bear the burden of proving, in any rate proceeding, that it charged the higher of cost or market for all services provided to BARConnects and paid the lower of cost of market for all services received from BARConnects pursuant to the Agreements.

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 Agreements.

8) The Commission shall reserve the right to examine the books and records of BARC and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

9) The Company shall file a copy of the approved Agreements 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) The Company shall include all transactions associated with the Agreements 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 Agreements were approved;
(b) List BARC, the affiliate(s), and the Services provided or received; and
(c) Include schedule(s) in Excel electronic spreadsheet format with formulas intact, listing the prior year's Services provided or received by month, type of service, FERC account, and dollar amount (as the transactions are recorded in BARC's books).

CASE NO. PUR-2021-00230
NOVEMBER 18, 2021

APPLICATION OF
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY, ANGD LLC, and UTILITY PIPELINE, LTD.

For authority under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On September 23, 2021, Appalachian Natural Gas Distribution Company ("Appalachian" or the "Utility"), ANGD LLC ("ANGD"), and Utility Pipeline, Ltd. ("UPL") (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapter 4 of Title 56[1] of the Code of Virginia ("Code"). The Applicants request approval to enter into an agreement ("Agreement") whereby UPL will provide certain administrative services, including accounting, human resources, customer billing, customer services, collection services, and executive management (collectively, "Services"), to Appalachian. The Applicants represent that UPL is currently providing these Services to Appalachian without any associated direct charges.[2] UPL has provided "the majority of these [S]ervices since the acquisition of ANGD" in 2016.[3]

Appalachian is a Virginia public service company that provides natural gas distribution service to approximately 1,800 customers.[4] Its service territory includes the counties of Russell, Dickenson, Buchanan, Wise, Lee, Carroll, Grayson, and Tazewell, in addition to the City of Galax and the Towns of Bluefield and Saltville.[5] Appalachian is a wholly owned subsidiary of ANGD, a Virginia-based limited liability company, which is wholly owned by UPL, an Ohio-based limited liability company. Accordingly, Appalachian, ANGD, and UPL meet the definition of affiliated interests under the Affiliates Act.

The Applicants represent that the proposed Agreement serves the public interest because it "secures the Services essential for Appalachian to meet its public service obligations."[6] They further state that the Services could not be provided internally without increasing the size of the Utility's workforce. UPL will provide the Services at cost, at "an average rate of less than $30/hour."[7] The Applicants state that if Appalachian were to increase the size of its workforce, it would be at a "comparable" average hourly rate.[8]

Either party may terminate the proposed Agreement with 60-day notice to the other party; therefore, Appalachian will not be trapped in a long-term, captive arrangement. Under the Agreement, UPL will bill Appalachian at cost. Any costs that are "identifiable as directly assignable to Appalachian" will be directly charged to Appalachian.[9] Any costs that are not directly assignable will be "allocated to Appalachian and recorded in the accounting records of UPL and Appalachian as set forth in Attachment A" of the Agreement.

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 Agreement is in the public interest and should be approved, as modified herein, and subject to the requirements attached hereto. The Commission is concerned that UPL has been providing services similar to the types of services currently under review in this docket to Appalachian without Commission approval.[10] The Commission encourages the Applicants to seek prior approval for such transactions in the future.

During Staff's review of the Application, Staff raised concerns regarding the following language used by the Applicants in describing specific services to be provided under the Agreement: "UPL will provide administrative services to Appalachian that include, *but are not limited to*, executive management, accounting, human resources, customer billing, customer services and collection services."[11] Appalachian has subsequently represented to Staff that the Utility will delete the words "but are not limited to" as described in Staff's action brief.[12]

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[1] Code § 56-76 *et seq*. ("Affiliates Act").

[2] Application at 3.

[3] Exhibit 2 to the Application, at 1.

[4] Application at 2.

[5] *Id.*

[6] *Id.* at 3.

[7] Exhibit 2 to the Application, at 2.

[8] *Id.*

[9] Exhibit 1 to the Application, at 1.

[10] Application at 3. Exhibit 2 to the Application at 1.

[11] Exhibit 2 to the Application, at 1. Staff notes that executive management services appear in this list, but do not appear in the Agreement.

[12] *See* Company Comments appended to Staff's action brief.

Accordingly, IT IS ORDERED THAT:

(1) The Agreement is approved, as modified herein, and 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 Agreement shall extend for five years from the effective date of the order granting approval in this case. If the Applicants wish to extend the 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 shall be limited to the Services identified in the Application. Should Appalachian wish to obtain additional services—including any services provided at zero cost—not specifically identified in the Application, 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 for Appalachian to exchange services with affiliated third parties (other than UPL) under the Agreement.

(5) Appalachian shall be required to maintain records, available to Staff upon request, demonstrating that the Services received from UPL are cost beneficial to Virginia ratepayers. For all Services received by Appalachian where a market may exist, it shall investigate whether comparable market prices are available and, if they exist, it shall compare the market price to cost and pay the lower of cost or market to UPL. Records of such investigations and comparisons shall be available to Staff upon request. Appalachian shall bear the burden of proving, in any rate proceeding, that all Services received and paid for by Appalachian are priced at the lower 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 Agreement.

(8) The Commission shall reserve the right to examine the books and records of Appalachian and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(9) Appalachian shall file an executed copy of the Agreement within thirty (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").

(10) Appalachian shall include all transactions associated with the 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 Agreement was approved; and

(b) A calendar year annual schedule showing the Agreement's transactions by month, FERC account, and amount as they are recorded in Appalachian's books.

CASE NO. PUR-2021-00231
DECEMBER 21, 2021

APPLICATION OF
CHABERTON SOLAR VA LLC

For licensure as a non-exempt shared solar subscriber organization

ORDER GRANTING LICENSE

On September 24, 2021, Chaberton Solar Virginia LLC ("Chaberton" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia. Chaberton seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, Chaberton attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").[1]

On October 27, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before November 3, 2021, and to file proof of service on or before November 10, 2021. On November 1, 2021, the Company filed its proof of service.

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before November 17, 2021. No comments were filed in this matter.

[1] 20 VAC 5-340-10 *et seq*.

The Procedural Order also directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before December 1, 2021. On December 1, 2021, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.[2] Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.[3]

NOW THE COMMISSION, upon consideration of this matter, finds that Chaberton's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Chaberton is hereby granted license No. SS-11 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

[2] Report at 4-5.

[3] *Id.* at 5.

CASE NO. PUR-2021-00232
DECEMBER 3, 2021

JOINT PETITION OF
SEARCHLIGHT TYP HOLDCO, LLC, and ALL POINTS CARRIER SERVICES, LLC, *et al.*

For approval of a change of control pursuant to the Utility Transfers Act, Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On September 28, 2021, Searchlight TYP Holdco, LLC ("Searchlight"), and All Points Carrier Services, LLC ("All Points"), *et al.* (collectively, "Petitioners"),[1] filed 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 indirect control of All Points and All Points Northern Neck, LLC ("AP Northern Neck"), to Searchlight ("Transfer").[3] The Petitioners 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.[4]

All Points is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity ("Certificate") issued by the Commission in Case No. PUC-2016-00026.[5] AP Northern Neck currently has an application pending with the Commission for approval of Certificates to provide local exchange and interexchange telecommunications services in Virginia in Case No. PUR-2021-00217.[6] All Points and AP Northern Neck are both direct subsidiaries of APB.

Pursuant to an Agreement and Plan of Merger, a direct subsidiary of Searchlight, Searchlight TYP Merger Sub, LLC, will merge with and into APB, with APB surviving as a direct subsidiary of Searchlight. As a result, and immediately following the consummation of the Transfer, All Points and AP Northern Neck will remain direct subsidiaries of APB, but will become indirect subsidiaries of Searchlight.

[1] All Points Northern Neck, LLC; Virginia Everywhere, LLC d/b/a All Points Broadband ("APB"); Searchlight Fiber Alliance GP, LLC; Searchlight Fiber Alliance GP, L.P.; Searchlight Fiber Alliance, L.P.; Searchlight TYP, L.P.; Searchlight TYP GP, LLC; Searchlight Capital Partners, L.P.; Searchlight Capital Partners, LLC; Eric Zinterhofer, Erol Uzumeri, Oliver Haarmann, and Braddock Partners, LP, are also considered Petitioners and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] In a supplemental filing on November 16, 2021, the Petitioners requested that the Commission grant approval of the Petition by December 8, 2021, in order to permit the Petitioners to timely proceed to close on the Transfer and to fulfill their obligations under the Federal Communications Commission's Rural Digital Opportunity Fund Phase I program. *See* Update Regarding Application.

[4] 5 VAC 5-20-10 *et seq.*

[5] *See Application of All Points Carrier Services, LLC, For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia,* Case No. PUC-2016-00026, Doc. Con. Cen. No. 160740015, Final Order (Jul. 21, 2016).

[6] *See Application of All Points Northern Neck, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia*, Case No. PUR-2021-00217, Doc. Con. Cen. No. 210920095, Application (Sept. 9, 2021). AP Northern Neck was included in the Petition in case the Commission granted the requested Certificates to AP Northern Neck prior to the closing of the proposed Transfer. *See* Application at 2.

The Petitioners assert that the proposed Transfer will occur at the investor level only and will not involve any change in assignment of operating authority, assets, or customers. The Petitioners further state that All Points and AP Northern Neck will continue to provide services to their current and future customers in Virginia without any immediate changes to the rates, terms or conditions of service in connection with the proposed Transfer. Lastly, the Petitioners represent that All Points and AP Northern Neck 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, with the transfer of control of AP Northern Neck being subject to the Commission's approval of the requested Certificates in Case No. PUR-2021-00217. The Commission also finds that the Petitioners' Motion is no longer necessary and, therefore, should be denied.[7]

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, with the transfer of control of AP Northern Neck being subject to the Commission's approval of the requested Certificates in Case No. PUR-2021-00217.

(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.

[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, 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-2021-00233
NOVEMBER 5, 2021

APPLICATION OF
LUMOS TELEPHONE OF BOTETOURT INC.

For amended and reissued certificates of public convenience and necessity to reflect a company name change

ORDER REISSUING CERTIFICATES

On September 28, 2021, Lumos Telephone of Botetourt Inc. ("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 the Company by the Commission[1] be amended to reflect a company name change in connection with its conversion from a corporation to a limited liability company ("Application"). The Company submitted proof of its name change to Lumos Telephone of Botetourt LLC.

NOW THE COMMISSION, having considered the Application and applicable law, is of the opinion and finds that the existing certificates in the Company's prior name should be cancelled and reissued in its current name, Lumos Telephone of Botetourt LLC.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUR-2021-00233.

(2) The certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia, Certificate No. T-120f, heretofore issued to Lumos Telephone of Botetourt Inc., is hereby cancelled and shall be reissued as Certificate No. T-120g in the name Lumos Telephone of Botetourt LLC.

(3) The certificate of public convenience and necessity to provide interexchange telecommunications services in the Commonwealth of Virginia, Certificate No. TT-56b, heretofore issued to Lumos Telephone of Botetourt Inc., is hereby cancelled and shall be reissued as Certificate No. TT-56c in the name Lumos Telephone of Botetourt LLC.

(4) Any tariffs on file with the Commission's Division of Public Utility Regulation or product guide available online in the name of Lumos Telephone of Botetourt Inc., 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 Roanoke and Botetourt Telephone Company, To amend its certificates of public convenience and necessity to provide local and interexchange telecommunications services to reflect a new corporate name,* Case No. PUC-2012-00017, Doc. Con. Cen. No. 120510109, Order Amending Certificates (May 2, 2012).

CASE NO. PUR-2021-00234
NOVEMBER 5, 2021

APPLICATION OF
LUMOS TELEPHONE INC.

For amended and reissued certificates of public convenience and necessity to reflect a company name change

ORDER REISSUING CERTIFICATES

On September 28, 2021, Lumos Telephone Inc. ("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 the Company by the Commission[1] be amended to reflect a company name change in connection with its conversion from a corporation to a limited liability company ("Application"). The Company submitted proof of its name change to Lumos Telephone LLC.

NOW THE COMMISSION, having considered the Application and applicable law, is of the opinion and finds that the existing certificates in the Company's prior name should be cancelled and reissued in its current name, Lumos Telephone LLC.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUR-2021-00234.

(2) The certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia, Certificate No. T-114d, heretofore issued to Lumos Telephone Inc., is hereby cancelled and shall be reissued as Certificate No. T-114e in the name Lumos Telephone LLC.

(3) The certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia, Certificate No. T-115h, heretofore issued to Lumos Telephone Inc., is hereby cancelled and shall be reissued as Certificate No. T-115i in the name Lumos Telephone LLC.

(4) The certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia, Certificate No. T-116j, heretofore issued to Lumos Telephone Inc., is hereby cancelled and shall be reissued as Certificate No. T-116k in the name Lumos Telephone LLC.

(5) The certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia, Certificate No. T-117f, heretofore issued to Lumos Telephone Inc., is hereby cancelled and shall be reissued as Certificate No. T-117g in the name Lumos Telephone LLC.

(6) The certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia, Certificate No. T-118d, heretofore issued to Lumos Telephone Inc., is hereby cancelled and shall be reissued as Certificate No. T-118e in the name Lumos Telephone LLC.

(7) The certificate of public convenience and necessity to provide interexchange telecommunications services in the Commonwealth of Virginia, Certificate No. TT-54b, heretofore issued to Lumos Telephone Inc., is hereby cancelled and shall be reissued as Certificate No. TT-55c in the name Lumos Telephone LLC.

(8) Any tariffs on file with the Commission's Division of Public Utility Regulation or product guide available online in the name of Lumos Telephone Inc. shall be replaced reflecting the name change within forty-five (45) days of the date of entry of this Order.

(9) This case is dismissed.

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[1] *See Application of NTELOS Telephone Inc., To amend its certificates of public convenience and necessity to provide local and interexchange telecommunications services to reflect a new corporate name,* Case No. PUC-2012-00019, 2012 S.C.C. Ann. Rept. 190, Order Amending Certificates (May 1, 2012).

CASE NO. PUR-2021-00237
NOVEMBER 5, 2021

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of its renewable energy tariff, Rider G

ORDER GRANTING APPROVAL

By letter dated October 1, 2021, to William F. Stephens, Director of the Division of Public Utility Regulation of the State Corporation Commission ("Commission"), Virginia Electric and Power Company ("Dominion" or "Company") requested approval of certain revisions to its renewable energy tariff, Rider G.[1] Dominion states that the requested changes would result in a net decrease to the tariff's current monthly rate for renewable energy.[2] The Company cites § 56-40 of the Code of Virginia as authority for this request, which provides that the "Commission, in the exercise of its discretion, may permit any public utility corporation to put into effect any proposed revision of its rate schedules, or any part thereof, without notice when the proposed revision effects no increases."

The Commission will therefore treat the letter as an application for such action, and being sufficiently advised by its Staff, will approve the Company's request.

ACCORDINGLY, IT IS ORDERED that:

(1) This matter is docketed and assigned Case No PUR-2021-00237.

(2) Dominion is authorized to implement the rate revisions requested in its letter application.

(3) This matter is dismissed.

[1] Letter at 1.

[2] *Id*.

CASE NO. PUR-2021-00249
DECEMBER 2, 2021

APPLICATION OF
AQUA VIRGINIA, INC.

For authority pursuant to Chapter 3 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On October 12, 2021, Aqua Virginia, Inc. ("Aqua Virginia") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code")[1] for authority to issue long-term debt securities ("Notes") to its parent, Essential Utilities, Inc, ("Essential," formerly known as Aqua America, Inc.) under previously approved transaction authority.[2] Essential is an affiliate of Aqua Virginia pursuant to Chapter 4 of Title 56 of the Code.[3] Aqua Virginia paid the requisite filing fee.

Aqua Virginia requests authority to issue up to $15 million of additional Notes to Essential through December 31, 2022, with the aggregate principal of borrowings from Essential not to exceed $55 million. The interest rate and terms for the Notes will mirror those of debt issued recently by Essential in 2020 and allocated to Aqua Virginia. The proceeds from the Notes may be used to fund acquisitions and capital expenditures, and to align Aqua Virginia's capital structure with the Essential consolidated capital structure that is used for Virginia ratemaking purposes. Essential's proforma capital structure as of December 31, 2021 is forecasted to be 54.0% debt and 46.0% equity.

With respect to the Application, Aqua Virginia filed a *Motion for Protective Order* ("First Motion") on October 13, 2021, regarding confidential information contained in the Application, as well as confidential information anticipated in response to discovery requests related to the Application. On October 22, 2021, Aqua Virginia filed an *Unopposed Motion to Amend* ("Second Motion") the Application to also request Chapter 4 authorization for the Notes, as required by the Commission's Affiliate Order.

[1] Code § 56-55 *et seq*. ("Chapter 3").

[2] *See Application of Essential Utilities, Inc., and Aqua Virginia, Inc., For approval of an affiliate services agreement*, Case No. PUR-2019-00221, 2020 S.C.C. Ann. Rept. 401, Order Granting Approval (Oct. 20, 2020) ("Affiliate Order").

[3] Code § 56-76 *et seq*. ("Chapter 4").

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. With respect to Aqua Virginia's First Motion, we note that the Commission has received no request during this proceeding for leave to review the confidential information associated with the Application. Accordingly, we deny the First Motion as moot but direct the Clerk of the Commission to retain such information under seal. The Commission is of the further opinion and finds that Aqua Virginia's Second Motion is appropriate and, therefore, is granted.

Accordingly, IT IS ORDERED THAT:

(1) Aqua Virginia is authorized under Chapters 3 and 4 of the Code to issue up to $15,000,000 of Notes from time to time 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 A

1) Aqua Virginia is authorized to borrow up to $15 million of additional debt from Essential from time to time through December 31, 2022, under the terms and conditions and for the purposes stated in the Application, with the aggregate principal amount of borrowings from Essential not to exceed $55 million.

2) Aqua Virginia shall file with the Clerk of the Commission a preliminary report of action within ten (10) days after the issuance of any Notes pursuant to this case. Such report shall include the date of issuance, the amount of issuance, the applicable interest rate, the maturity date, and the proceeds to the Company for any Notes issued. Such report shall also indicate the underlying Essential debt interest rate(s) and methodology used to determine the interest rate for any Note reported.

3) Aqua Virginia shall file a final report due on or before March 31, 2023. Such report shall include a summary of the information from preliminary reports for all Notes issued pursuant to the exercise of authority granted in this case. The final report shall include a cumulative summary of the actions taken during the entire period authorized and an itemized list of issuance expenses to date associated with each security and how such costs will be booked and treated for accounting purposes.

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 the provisions of Code § 56-76 *et seq.* hereafter.

6) The Commission shall reserve 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) Aqua Virginia shall identify the debt issuance transactions under the AIS 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 identify the transactions by case number and the filed repo calendar year.

CASE NO. PUR-2021-00252
NOVEMBER 22, 2021

JOINT PETITION OF
FUSION CONNECT, INC., FUSION COMMUNICATIONS, LLC, and FUSION CLOUD SERVICES, LLC

For approval of an acquisition of control pursuant to the Utility Transfers Act, Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On October 14, 2021, Fusion Connect, Inc. ("Fusion Connect"), Fusion Communications, LLC ("Fusion Communications"), and Fusion Cloud Services, LLC ("Fusion Cloud") (collectively "Petitioners"),[1] filed a joint petition ("Petition") with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56.1 of the Code of Virginia ("Code") requesting approval the transfer of the operations and assets of Fusion Communications to Fusion Cloud ("Transfer").[2] 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.*

[1] Telecom Holdings, 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., Vector Capital, LLC, and Alex Slusky are also considered Petitioners in this case and have provided the necessary verifications.

[2]The Petition also contained a request for cancellation of the Virginia telecommunications authority of Fusion Communications. In a supplemental filing on November 5, 2021, the Petitioners acknowledged that the cancellation of Fusion Communications' Virginia certificate will be addressed in a separate case following resolution of the Petition. *See* Supplemental Filing at 1-2.

In Virginia, Fusion Communications provides competitive local exchange telecommunications service pursuant to a certificate of public convenience and necessity issued by the Commission in Case No. PUR-2019-00101.[3] Fusion Cloud has filed an application for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia.[4] Fusion Cloud has also filed in Case No. PUR-2021-00253 a motion for interim authority to operate in Virginia as a competitive provider of telecommunications services pending a final determination on Fusion Cloud's application.[5] Petitioners request permission to transfer the telecommunications operations and assets of Fusion Communications to Fusion Cloud after interim authority is granted by the Commission to Fusion Cloud but before the end of the calendar year, with the approval of the transfer being conditioned upon Fusion Cloud ultimately obtaining Commission issued certificates in Case No. PUR-2021-00253.[6]

According to the Petitioners, Fusion Cloud provides competitive telecommunications services to customers in thirty-eight states. The Petition also states that Fusion Connect is the parent of Fusion Communications and Fusion Cloud and holds authority from the Federal Communications Commission to provide a wide range of domestic interstate and international telecommunications services.

The Petitioners state that Fusion Connect recently emerged from Chapter 11 bankruptcy[7] and is taking actions to consolidate and streamline operations,[8] increase operating efficiencies, recognize cost efficiencies, and generally enhance its competitive capabilities.[9] The Petitioners represent that Fusion Connect will retain ultimate control and ownership of operations will not change.[10] The Petitioners state that operations in Virginia will continue to be guided by the same highly experienced team.[11] Further, the Petitioners assert that customers will continue to receive quality service pursuant to the same rates, terms, and conditions, and that except for the name change the Transfer will be largely transparent to customers.[12]

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 subject to the Commission's granting of certificates of public convenience and necessity to Fusion Cloud in Case No. PUR-2021-00253.[13] The Commission also finds that the Petitioners' Motion is no longer necessary and, therefore, should be denied.[14]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer subject to Fusion Cloud obtaining Commission issued certificates of public convenience and necessity in Case No. PUR-2021-00253.

(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.

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[3] *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, 2019 S.C.C. Ann. Rept. 458, Order Reissuing Certificate (Aug. 2, 2019).

[4] *See Application of Fusion Cloud Services, LLC, For a certificate of public convenience and necessity to provide competitive local exchange and interexchange telecommunications services in the Commonwealth of Virginia,* Case No. PUR-2021-00253, Doc. Con. Cen. No. 211020213, Application (Oct. 14, 2021).

[5] *See id.* at Doc. Con. Cen. No. 211030021, Motion for Interim Authority (Oct. 14, 2021); Petition at 3 n.4.

[6] *See* Petition at 3.

[7] *See In re Fusion Connect, et al., Debtors,* Case No. 19-11811 (Bankr. S.D.N.Y Jun. 3, 2019). The Commission reviewed and approved the initial change of ownership effected at emergence in Case No. PUR-2019-00129, and the succeeding change of ownership in Case No. PUR-2020-00038.

[8] Fusion Connect expects the operational streamlining to eliminate redundant financial, tax, regulatory and general administrative burdens. *See* Petition at 6.

[9] *See id*. at 2.

[10] *See id*. at 5.

[11] *See id*. at 6.

[12] *See id.* at 5.

[13] Petitioners may make the Transfer proposed herein after the Commission has acted upon Fusion Cloud's motion for interim authority to provide telecommunications services in Case No. PUR-2021-00253. At present, Fusion Cloud's application has not yet been made complete. This conditional approval will be considered satisfied when Fusion Cloud completes the application process and is ultimately issued certificates.

[14] 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-2021-00253
DECEMBER 7, 2021

APPLICATION OF
FUSION CLOUD SERVICES, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

ORDER FOR NOTICE AND COMMENT
AND INTERIM OPERATING AUTHORITY

On December 2, 2021, Fusion Cloud Services, LLC ("Fusion Cloud" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia. 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").[1] Fusion Cloud also filed a motion requesting that the Commission grant the Company interim authority to operate as a competitive local exchange carrier and interexchange carrier by December 15, 2021, so that it may begin serving customers during the pendency of this proceeding upon the completion of corporate restructuring that was the subject of a Utility Transfers Act[2] proceeding in Case No. PUR-2021-00252.[3]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should docket the Company's Application; that Fusion Cloud should give notice to the public of its Application; that interested persons should have an opportunity to comment and request a hearing on the Company's Application; that the Staff of the Commission ("Staff") should conduct an investigation into the reasonableness of the Application and present its findings in a report ("Staff Report") and that Fusion Cloud should be granted interim local exchange and interexchange operating authority.

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, which could impact the procedures in this proceeding.[4] Consistent with these actions, 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 case is docketed and assigned Case No. PUR-2021-00253.

(2) All pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice").[5] 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.[6]

(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) On or before January 5, 2022, Fusion Cloud shall complete publication of the following notice to be published on one occasion, as classified advertising, in newspapers having general circulation throughout its proposed service territory:

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[1] Application at 11.

[2] Code § 56-88 *et seq.*

[3] Motion For Interim Authority at 2-3; *see also, Joint Petition of Fusion Connect, Inc., Fusion Communications, LLC, and Fusion Cloud Services, LLC, For approval of an acquisition of control pursuant to the Utility Transfers Act, Va. Code § 56-88 et seq.*, Case No. PUR-2021-00252, Doc. Con. Cen. No. 211170063, Order Granting Approval (Nov. 22, 2021).

[4] *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).

[5] 5 VAC 5-20-10 *et seq.*

[6] As noted in the Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may be subject to delayed processing due to the COVID-19 public health issues.

NOTICE TO THE PUBLIC OF AN APPLICATION BY
FUSION CLOUD SERVICES, LLC, FOR CERTIFICATES OF
PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE
LOCAL EXCHANGE AND INTEREXCHANGE
TELECOMMUNICATIONS SERVICES
IN THE COMMONWEALTH OF VIRGINIA
CASE NO. PUR-2021-00253

On December 2, 2021, Fusion Cloud Services, LLC ("Fusion Cloud") completed the filing of an application ("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. Fusion Cloud also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia ("Code"). Fusion Cloud also requested that the Commission grant Fusion Cloud interim authority to operate as a competitive local exchange carrier and interexchange carrier by December 15, 2021, so that it may begin serving customers during the pendency of this proceeding upon the completion of corporate restructuring that was the subject of a Utility Transfers Act proceeding under Code § 56-88 *et seq.*, in Case No. PUR-2021-00252.

Copies of the Application may be downloaded from the Commission's website: scc.virginia.gov/pages/Case-Information, or may be obtained from Fusion Cloud by contacting Elizabeth Johnson, Esquire, Edward A. Yorkgitis, Jr., Esquire, and Winafred Brantl, Esquire, Kelley Drye & Warren LLP, 3050 K Street N.W., Suite 400, Washington, DC 20007, ejohnson@kelleydrye.com, cyorkgitis@kelleydrye.com, and wbrantl@kelleydrye.com.

On or before January 19, 2022, any interested person may submit comments on the Application electronically by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2021-00253.

On or before January 19, 2022, any interested person may file a request for a hearing on the Application with the Clerk of the Commission at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address listed above. Such request for hearing shall include the email addresses of such parties or their counsel, if available. Requests for a hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All requests for a hearing shall refer to Case No. PUR-2021-00253. Persons filing a request for hearing shall serve a copy of their request upon Fusion Cloud.

FUSION CLOUD SERVICES, LLC

(5) On or before January 5, 2022, Fusion Cloud shall provide a copy of the notice contained in Ordering Paragraph (4) by email to each local exchange telephone carrier certificated in Virginia and each interexchange carrier certificated in Virginia. Lists of all current local exchange and interexchange carriers in Virginia are attached to this Order as Appendices A and B, respectively.

(6) On or before January 19, 2022, 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 Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2021-00253.

(7) On or before January 19, 2022, any interested person may file a request for a hearing with the Clerk of the Commission at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (6). Such request for hearing shall include the email addresses of such parties or their counsel, if available. Requests for a hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All requests for a hearing shall refer to Case No. PUR-2021-00253. Persons filing a request for hearing shall serve a copy of their request upon counsel for Fusion Cloud: Elizabeth Johnson, Esquire, Edward A. Yorkgitis, Jr., Esquire, and Winafred Brantl, Esquire, Kelley Drye & Warren LLP, 3050 K Street N.W., Suite 400, Washington, DC 20007, ejohnson@kelleydrye.com, cyorkgitis@kelleydrye.com, and wbrantl@kelleydrye.com.

(8) On or before February 2, 2022, Fusion Cloud shall file with the Commission proof of notice and proof of service as ordered herein.

(9) Staff shall analyze the reasonableness of the Company's Application and present its findings in a Staff Report to be filed on or before February 16, 2022.

(10) On or before February 23, 2022, Fusion Cloud may file, with the Clerk of the Commission at scc.virginia.gov/clk/efiling, any response to the Staff Report and/or to any comments or requests for hearing filed with the Commission. A copy of the response shall be sent electronically to Staff and the Commission's Office of General Counsel and to any person who filed a request for a hearing on the Application.

(11) Fusion Cloud shall respond to written interrogatories or data requests within seven (7) calendar days after the receipt of the same. Persons who filed requests for hearing shall provide to the Company, Staff, and any other persons who filed requests for hearing, promptly upon request, any work papers or documents used in preparation of their requests for hearing. 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*.

(12) The Company shall respond promptly to requests from interested persons for copies of the Application and shall provide one copy free of charge. Copies of the Application also may be downloaded from the Commission's website: scc.virginia.gov/pages/Case-Information.

(13) In accordance with 20 VAC 5-417-20 G 1 b of the Commission's Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, Fusion Cloud shall provide a performance or surety bond in the amount of $50,000 in a form to be prescribed by Staff. This bond shall be provided to the Commission's Division of Public Utility Regulation within thirty (30) days from the date of this Order.

(14) Fusion Cloud is hereby granted interim operating authority to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia pending further order of the Commission.

(15) This matter is continued.

NOTE: A copy of Appendices A and 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. PUR-2021-00258
DECEMBER 10, 2021

APPLICATION OF
VIRGINIA NATURAL GAS, INC, and 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 under Chapters 3, and 4, Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On November 17, 2021, Virginia Natural Gas, Inc. ("VNG"), and Southern Company Gas ("GAS"), AGL Services Company ("AGSC"), and Southern Gas Capital Corporation ("GAS Capital") (collectively, "Financing Affiliates") (collectively with VNG, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") to request authority to issue short-term debt, long-term debt and common stock to an affiliate under Chapters 3[1] and 4[2] of Title 56 of the Code of Virginia ("Code").

Specifically, the Applicants request continued authority for VNG to finance its operations by:

(1) Issuance of short-term debt in an amount not to exceed $200 million[3] through participation in a Utility Money Pool established by GAS and administered by AGSC;
(2) Issuance of long-term debt to GAS in an amount not to exceed $250 million annually for new issuances during 2022 and 2023; and
(3) Issuance of common stock to GAS in an amount not to exceed $300 million annually for new issuances during 2022 and 2023.[4]

The Commission has authorized VNG to receive such affiliate financing since 2001. VNG received its most recent approval in Case No. PUR-2020-00270.[5]

The purpose of the proposed short-term debt requested is to provide VNG with the flexibility to allow VNG to plan for and meet working capital requirements and to finance its permanent capital requirements when favorable market conditions exist. The Applicants represent that the amount of short-term debt borrowing authority requested is the same as that requested and authorized in Case No. PUR-2019-00194.[6]

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[1] §56-55 *et seq*.

[2] §56-76 *et seq*.

[3] *See* Application at 5.

[4] *See* Application at 2.

[5] *See 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*, Case No. PUR-2020-00270, 2020 S.C.C. Ann. Rept. 635, Order Granting Authority (Dec. 23, 2020).

[6] *See 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*, 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 initially approved in Case No. PUE-2004-00132.[7] Loans to money pool participants are made on open account advances for periods less than 12 months. Borrowings will be payable on demand together with all interest accrued thereto. Interest on borrowings will accrue daily at an interest rate that will be determined based on the source of funds available in the Utility Money Pool. The Utility Money Pool interest rates vary day-to-day based upon market conditions and are based on GAS' actual borrowing costs.

The purpose of the proposed long-term debt and common stock issuances requested is to reduce VNG's borrowings under the Utility Money Pool, to pay or refinance other obligations of VNG, and to fund distribution system capital improvement projects, which may include the construction, completion, extension or improvement of facilities and the maintenance and improvement of service.

VNG anticipates long-term debt and common stock issuance during both calendar years 2022 and 2023. The timing of the debt and equity issuances will depend on the total cost and completion dates of major capital improvement projects as well as overall capital spending levels. The long-term note(s) will be payable to AGSC over a period of time to be determined by the officers of GAS, not to exceed 30 years. The note(s) may be prepaid by VNG at any time after issuance without penalty. The terms and conditions of the long-term debt note(s) will mirror the notes of GAS's issues. The sales price to GAS of VNG common stock will be set at the book value per share of VNG's then outstanding common stock, which will be determined on the basis of the most recent available unaudited financial statements.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Staff through its action brief and having considered the Applicants' comments thereon, is of the opinion and finds that the proposed short- and long-term debt and equity financing appears consistent with past authority and should not be detrimental to the public interest. Therefore, we shall authorize the proposed financing subject to the requirements listed in the Appendix attached hereto this order.

Accordingly, IT IS ORDERED THAT:

1) The Applicants are hereby authorized to conduct the proposed short-term and long-term debt and equity financing described herein subject to the requirements listed in the Appendix attached to this Order.

2) This case is dismissed.

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[7] *See 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).

APPENDIX

1) The Commission's approval of VNG's authority to issue short-term debt, long-term debt, and common stock to the Financing Affiliates should extend through December 31, 2023. If the Applicants wish to extend the financing authority beyond that date, separate approval should be required via a filing made no later than November 15, 2023.

2) Separate Commission approval should be required to alter or amend the terms and conditions for participation in the Utility Money Pool or to change the Utility Money Pool participants.

3) The Commission's approval should have no accounting or ratemaking implications.

4) The approval granted in this case should not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

5) The Applicants should provide the Commission's Division of Utility Accounting and Finance with at least thirty (30) days' advance notice of the prospective date and amount of any dividend payment by VNG to any affiliate.

6) The Commission should reserve the right to examine the books and records of any affiliate in connection with the authority granted in this case, whether or not such affiliate is regulated by the Commission.

7) The Applicants should, 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 should 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.

8) The Applicants should file an interim report of action on or before March 15, 2023, for authority executed during the 2022 calendar year, 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.
(c) A detailed report describing common stock and long-term debt securities issued pursuant to the authority granted herein. Such report should include the information noted in Requirement No. 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.

9) The Applicants should file a final report of action with the Clerk of the Commission on or before March 15, 2024, for authority executed during the 2023 calendar year, 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 allocate fee, and an explanation of how both the interest fee 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 should include the information noted in Requirement No. 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 should include in its Annual Report of Affiliate Transactions, submitted to the Director of the Commission's Division of Utility Accounting and Finance by May 1 of each year, a reference to each of the aforementioned reports of actions by case number, type of financing, and date report filed.

CASE NO. PUR-2021-00260
NOVEMBER 22, 2021

APPLICATION OF
CRAIG-BOTETOURT ELECTRIC COOPERATIVE

For approval to obtain financing

ORDER GRANTING AUTHORITY

On November 3, 2021, Craig-Botetourt Electric Cooperative ("CBEC" or "Cooperative") completed 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. CBEC has paid the requisite filing fee of $25.

CBEC is seeking authority to issue long-term debt in connection with a loan from the Federal Financing Bank ("FFB") in the amount of $7,000,000 ("FFB Loan"). The Cooperative states that the FFB Loan proceeds will be used to finance upcoming construction in its Construction Work Plan. The Application states that the term of the FFB Loan will be 32 years and the interest rates on FFB Loan borrowings will be the FFB rate in effect 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) CBEC is authorized to enter into the FFB Loan subject to certain conditions outlined in the Appendix attached to this order.

(2) This case is dismissed.

APPENDIX A

1. CBEC shall be authorized to borrow up to $7,000,000 from the FFB.

2. The Commission's approval shall have no accounting or ratemaking implications.

3. CBEC shall submit a Report of Action within 30 days of the date of any FFB Loan borrowings to the Director of the Division of Utility Accounting and Finance ("UAF Director"), subject to administrative extension. Any report shall include the amount borrowed and the associated interest rate.

[1] Virginia Code § 56-55 *et seq.*

CASE NO. PUR-2021-00263
NOVEMBER 22, 2021

PETITION OF
SPRINT COMMUNICATIONS COMPANY OF VIRGINIA, INC.

For cancellation of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

ORDER CANCELLING CERTIFICATES

On October 27, 2021, Sprint Communications Company of Virginia, Inc., ("Sprint" or "Company") filed a petition with the State Corporation Commission ("Commission") requesting cancellation of the certificates of public convenience and necessity issued to the Company to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia ("Petition").[1] In support of its Petition, Sprint states that the Company currently has no Virginia customers of its interexchange or local exchange regulated services and therefore the public convenience and necessity will not be adversely affected by cancellation of the Company's certificates and associated tariffs.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate No. T-367 and Certificate No. TT-12B should be cancelled and that any tariffs on file associated with Sprint's certificates should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed as Case No. PUR-2021-00263.

(2) Certificate No. T-367, issued to Sprint to provide local exchange telecommunications services, is hereby cancelled.

(3) Certificate No. TT-12B, issued to Sprint to provide interexchange telecommunications services, is hereby cancelled.

(4) Any tariffs on file with the Commission associated with Certificate No. T-367 and Certificate No. TT-12B are hereby cancelled.

(5) This case is dismissed.

[1] *See Application of Sprint Communications Company of Virginia, Inc., To Amend Certificate to Reflect New Corporate Name*, Case No. PUC-1992-00003, 1992 S.C.C. Ann. Rept. 241 Final Order (Mar. 4, 1992) (granting Certificate No. TT-12B); *Application of Sprint Communications Company of Virginia, Inc., For a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services*, Case No. PUC-1996-00086, 1996 S.C.C. Ann. Rept. 218, Order (Nov. 8, 1996) (granting Certificate No. T-367).

CASE NO. PUR-2021-00263
DECEMBER 13, 2021

PETITION OF
SPRINT COMMUNICATIONS COMPANY OF VIRGINIA, INC.

For cancellation of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

ORDER GRANTING RECONSIDERATION

On November 22, 2021, the State Corporation Commission ("Commission") issued an Order Cancelling Certificates in this case at the request of the petitioner, Sprint Communications Company of Virginia, Inc. ("Sprint" or "Company"), to voluntarily relinquish the certificates of public convenience and necessity issued to the Company by the Commission. On December 10, 2021, Sprint filed a Petition for Reconsideration and Order Suspending the Order Cancelling Certificates ("Reconsideration Petition") pursuant 5 VAC 5-20-200 of the Commission's Rules of Practice and Procedure.[1] In support of its Reconsideration Petition, the Company states that as a result of unforeseen business exigencies, Sprint has determined that it now wishes to maintain the Commission issued certificates for at least a limited period of time. Accordingly, Sprint requests that the Commission suspend its Order Cancelling Certificates while the Company examines this matter further, and states that Sprint will notify the Commission once it has completed its review.

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the Reconsideration Petition. The Order Cancelling Certificates 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 Reconsideration Petition.

(2) Pending the Commission's reconsideration, the Order Cancelling Certificates is suspended.

(3) This matter is continued generally.

[1] 5 VAC 5-20-10 *et seq*.

CASE NO. PUR-2021-00264
NOVEMBER 22, 2021

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, 2021, 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 $2.85 billion at any one time during the period January 1, 2022, to December 31, 2022. 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 12% of total capitalization, with a limit of $2.85 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 $2.85 billion during the period January 1, 2022, through December 31, 2022, under the terms and conditions and for the purposes set forth in the Application.

2) Atmos shall file with the Commission a final report of action ("Report") on or before March 15, 2023, to include the daily maximum amount of short-term indebtedness outstanding and the daily weighted average balance and cost rate for each month during the period of authority, along with a balance sheet as of December 31, 2022.

3) The authority granted in this case shall have no accounting or ratemaking implications.

4) If Atmos wishes to obtain authority beyond December 31, 2022, the Company shall file an application for such authority by October 31, 2022.

CASE NO. PUR-2021-00265
DECEMBER 20, 2021

APPLICATION OF
BARC ELECTRIC COOPERATIVE

Petition for Authority to Issue Debt Pursuant to Chapter 3 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On November 1, 2021, BARC Electric Cooperative ("BARC" or "Cooperative") completed an application ("Initial 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. BARC has paid the requisite filing fee.[2]

In its Initial Application, BARC seeks authority to issue long-term debt in connection with a loan from the National Rural Utilities Cooperative Finance Corporation ("CFC") in the amount of $13,000,000 ("Loan"). BARC states that the Loan will not exceed a term of 30 years and the interest rate on Loan advances may be selected at a fixed or variable rate based on market conditions at the time of the advance.

On December 10, 2021, BARC file an amendment to its Initial Application ("Amended Application"). The Amended Application states that BARC still seeks authority for the Loan in the same amount and terms from CFC. As stated in the Amended Application, however, the Loan proceeds will all be used to pay down portions of BARC's short-term indebtedness.

NOW THE COMMISSION, upon consideration of the Amended Application and having been advised by its Staff, is of the opinion and finds that approval of the Amended Application will not be detrimental to the public interest.

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[1] Code § 56-55 *et seq.*

[2] On November 1, 2021, BARC paid the requisite filing fee to complete the Initial Application that was originally filed on October 28, 2021.

Accordingly, IT IS ORDERED THAT:

(1) BARC is authorized to incur indebtedness of up to $13,000,000 from CFC, in the manner, under the terms and conditions, and for the purposes set forth in the Amended Application.

(2) Within thirty (30) days of the date of any advance of Loan funds from CFC, BARC shall provide the Director of the Commission's Division of Utility Accounting and Finance a Report of Action, which shall include the amount of the advance and the associated interest rate.[3]

(3) The authority granted herein shall have no accounting or ratemaking implications.

(4) This case is dismissed.

[3] Due to the circumstances surrounding the COVID-19 pandemic, the Report of Action may be submitted via electronic mail to accounting@scc.virginia.gov.

CASE NO. PUR-2021-00266
NOVEMBER 30, 2021

PETITION OF
NETWORK INNOVATIONS VIRGINIA, INC.

For cancellation of certificate of public convenience and necessity to provide local exchange telecommunications services

ORDER CANCELLING CERTIFICATE

On October 28 , 2021, Network Innovations Virginia, Inc. ("Network Innovations" or "Company"), filed a petition ("Petition") with the State Corporation Commission ("Commission") requesting cancellation of the certificate of public convenience and necessity ("Certificate") issued to the Company to provide local exchange telecommunications services in the Commonwealth of Virginia in Case No. PUR-2017-00176.[1] In support of its Petition, Network Innovations states that the Company currently has no Virginia customers and requests that any accepted tariffs on file also be cancelled.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate No. T-755 should be cancelled and that any tariffs on file associated with Network Innovations' Certificate should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed as Case No. PUR-2021-00266.

(2) Certificate No. T-755, issued to Network Innovations to provide local exchange telecommunications services, is hereby cancelled.

(3) Any tariffs on file with the Commission associated with Certificate No. T-755 are hereby cancelled.

(4) This case is dismissed.

[1] *See Application of Network Innovations Virginia, Inc., For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia*, Case No. PUR-2017-00176, 2018 S.C.C. Ann. Rept. 330, Final Order (Apr. 26, 2018) (granting Certificate No. T-755).

CASE NO. PUR-2021-00268
NOVEMBER 10, 2021

APPLICATION OF
APPALACHIAN POWER COMPANY and TRANSOURCE WEST VIRGINIA, LLC

For approval of an affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING INTERIM APPROVAL

On November 1, 2021, Appalachian Power Company ("Appalachian") and Transource West Virginia, LLC ("Transource") (collectively, "Applicants") filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval pursuant to Chapter 4 of Title 56[1] of the Code of Virginia ("Code") for Appalachian's continued participation in a Services and Property Use Agreement ("Agreement") with Transource.

[1] Code § 56-76 et seq. ("Affiliates Act").

In Case No. PUE-2016-00092,[2] the Commission granted Appalachian authority to enter into the Agreement with Transource for a period of five years, beginning on November 21, 2016. The Agreement allows Transource and Appalachian to access each other's materials, equipment, supplies, and capitalized spare parts, all of which are to be exchanged at book value, subject to availability.[3] The Services and Property Use Agreement also authorizes Appalachian employees to provide certain services to Transource at cost.[4]

Because the 2016 Order limited Commission approval of the Agreement to a five-year period, this approval is set to expire on November 21, 2021. Due to the upcoming expiration date, in addition to the approaching holiday season, the Applicants filed a Motion for Interim Authority for Continuation of Approved Affiliate Transaction and for Expedited Consideration ("Motion") on November 5, 2021.[5] In the Motion, the Applicants request that the Commission grant the Applicants interim authority to continue operating under the Agreement while the Application is under review, and that this authority be granted on an expedited basis.

NOW THE COMMISSION, upon consideration of the foregoing and being advised by the Staff of the Commission, finds that granting interim authority while the Application is under review is not detrimental to the public interest. Therefore, Appalachian's request for interim authority is granted subject to the Commission's final order in this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) The Applicants are granted interim authority to continue operating under the Agreement.

(2) This case is continued pending final order of the Commission.

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[2] *Application of Appalachian Power Company and Transource West Virginia, LLC, For approval pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00092, 2016 S.C.C. Ann. Rep. 451, Order Granting Approval (Nov. 21, 2016) ("2016 Order").

[3] Application at 2.

[4] *Id.*

[5] Motion at 1.

CASE NO. PUR-2021-00270
NOVEMBER 12, 2021

APPLICATION OF
APPALACHIAN POWER COMPANY and AEP APPALACHIAN TRANSMISSION COMPANY, INC.

For approval of an affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING MOTION FOR INTERIM AUTHORITY

On November 1, 2021, Appalachian Power Company ("Appalachian") and AEP Appalachian Transmission Company, Inc. ("AppTransco") (collectively, "Applicants"), 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") to extend an existing affiliate agreement between Appalachian and AppTransco ("Joint License Agreement"), as modified by the proposed addendum to the Joint License Agreement, attached to the Application.

The purpose of the Joint License Agreement is to grant a mutual license to Appalachian and AppTransco to attach to or occupy each other's facilities, equipment, and real property in Tennessee for the purpose of constructing, operating, maintaining, and removing transmission facilities and equipment. The Joint License Agreement was previously approved by the Commission in Case No. PUE-2016-00117.[2]

On November 5, 2021, the Applicants filed a "Motion for Interim Authority for Continuation of Approved Affiliate Transaction and for Expedited Consideration" ("Motion"). The Applicants state in the Motion that the Commission's current approval of the Joint License Agreement expires on December 19, 2021, and that the Applicants filed the Motion, upon recommendation of the Commission's Staff, to request authority to continue operating under the previously approved Joint License Agreement on an interim basis while the Commission completes its review of the Application.[3]

NOW THE COMMISSION, upon consideration of the foregoing, finds that granting interim authority while the Application is under review is not detrimental to the public interest. Therefore, Appalachian and AppTransco's Motion is granted pending the Commission's final order in this proceeding.

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[1] Code § 56-76 *et seq*.

[2] Application at 1. *See Application of Appalachian Power Company and AEP Appalachian Transmission Company, Inc., For approval pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00117, 2016 S.C.C. Ann. Rept. 464, Order Granting Approval (Dec. 19, 2016).

[3] Motion at 2. The Motion states that Staff does not object to the Motion.

Accordingly, IT IS ORDERED THAT:

(1) This matter is hereby docketed and assigned Case No. PUR-2021-00270.

(2) The Applicants' Motion for interim authority to operate pursuant to the Joint License Agreement pending the Commission's final order in this proceeding is granted.

(3) This case is continued.

CASE NO. PUR-2021-00271
DECEMBER 10, 2021

APPLICATION OF
APPALACHIAN POWER COMPANY

Application under Chapter 3 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On November 4, 2021, Appalachian Power Company ("APCo") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 3[1] of Title 56 of the Code of Virginia ("Code"), seeking authority to issue and sell secured and unsecured promissory notes in the aggregate principal amount of up to $1.2 billion ("Notes"). Additionally, APCo requests authority to utilize and enter into one or more interest rate hedging arrangements to protect against future interest rate movements. Furthermore, APCo requests authority to use interest rate management techniques by entering into various Interest Rate Management Agreements ("IRMAs"). APCo paid the requisite fee of $250.

APCo proposes to issue and sell the Notes from time to time through December 31, 2023. The Notes may be issued in the form of Senior Notes, Senior or Subordinated Debentures, First Mortgage Bonds, Bank Credit Revolver Loans or other unsecured promissory notes. Within certain limitations, APCo requests flexibility to select specific terms and conditions for the Notes based on market conditions at the time of issuance. The Notes will have maturities of not less than nine months and not more than 60 years. The interest rates may be fixed or variable. APCo intends to sell the Notes either (i) by competitive bidding; (ii) through negotiation with underwriters or agents; or (iii) by direct placement with a commercial bank or other institutional investor. APCo estimates that the underwriting costs for the Notes will be approximately 1% of the principal amount, or roughly $12 million. In addition, APCo estimates that other costs for the Notes will be approximately $2.6 million. APCo represents that the proceeds from the sale of the Notes, together with any other funds that may become available to APCo, will be used to redeem long-term debt, repay short-term debt at or prior to maturity, reimburse APCo's treasury for expenditures incurred in connection with its construction program, and for other corporate purposes.

APCo requests additional authority to enter into one or more interest rate hedging arrangements to protect against future interest rate movements in connection with the issuance of the Notes. Such hedging arrangements may include, but are not limited to, treasury lock agreements, forward-starting interest rate swaps, treasury put options, or interest rate collar agreements ("Treasury Hedge Agreements"). All Treasury Hedge Agreements will correspond to the underlying amount of one or more of the Notes. Therefore, the cumulative notional amount of the Treasury Hedge Agreements will not exceed the corresponding face amount of the Notes issued.

Finally, APCo requests continuation of similar authority, which has been granted in a prior Commission Order,[2] to use interest rate management techniques and enter into IRMAs through December 31, 2023. The IRMAs will consist of interest rate swaps, caps, collars, floors, options, hedging forwards or futures, or any similar products designed and used to manage and minimize interest costs. APCo expects to enter into IRMAs with counterparties that are highly rated financial institutions. IRMAs may be designed to manage interest costs of any outstanding APCo debt; however, APCo's request limits the aggregate notional amount of IRMAs outstanding to 25% of APCo's total debt outstanding, including pollution control revenue bonds.

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.

Accordingly, IT IS ORDERED THAT:

(1) APCo 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.

[1] Code § 56-88 *et seq.*

[2] *Application of Appalachian Power Company, For authority under Chapter 3 of Title 56 of the Code of Virginia*, Case No. PUE-2019-00177, 2019 S.C.C. Ann. Rept. 518, Order Granting Approval (Dec. 12, 2019).

APPENDIX

1. APCo shall be authorized to issue and sell up to an aggregate principal amount of $1.2 billion of Notes from time to time through December 31, 2023, under the terms and conditions, and for the purposes stated in the Application.

2. APCo shall be authorized to enter into Treasury Hedge Agreements through December 31, 2023, for the purposes set forth in the Application, and to the extent that the aggregate notional amount outstanding does not exceed the value of the underlying Notes.

3. APCo shall be authorized to enter into IRMAs through December 31, 2023, for the purposes set forth in the Application, and to the extent that the aggregate notional amount outstanding does not exceed 25% of APCo's total outstanding debt obligations, excluding any securitized debt obligations.

4. APCo shall not enter into any IRMAs or Treasury Hedge Agreement transactions involving counterparties having credit ratings of less than investment grade.

5. The authority granted shall supersede and terminate any remaining authority granted by Commission Order dated December 12, 2019, in Case No. PUR-2019-00177.

6. The reporting requirements in Case No. PUR-2019-00177 shall remain in effect.

7. APCo shall file with the Clerk of the Commission a preliminary report of action within ten (10) days after the issuance of any Notes pursuant to this case, with such report to include the date of issuance, the amount of issuance, the applicable interest rate, the maturity date, and the proceeds to APCo.

8. APCo shall file with the Clerk of the Commission a preliminary report of action within ten (10) days after it enters into any Treasury Hedge Agreement or IRMA pursuant to the exercise of any authority granted in this case, with such report to include the following:

a. the beginning and, if established, ending dates of the agreement;
b. the notional amount and the underlying securities on which such agreement is based;
c. an explanation of the general terms of the agreement that explains how the payment obligation is determined and when it is payable;
d. and for reports that include IRMAs, a calculation of the cumulative [?] notional amount of all outstanding IRMAs as a percent of APCo's total debt outstanding.

9. APCo shall file a more detailed report of action within sixty (60) days after the end of each calendar quarter in which any security is issued pursuant to this case, with a final report due on or before March 4, 2024. Such quarterly report shall include a summary of the information from preliminary reports for all securities issued during the quarter pursuant to the exercise of authority granted in this case. The final report shall include a cumulative summary of the actions taken during the period authorized and an itemized list of issuance expenses to date associated with each security and how such costs will be booked and treated for accounting purposes.

10. APCo shall submit a report to the Commission's Division of Utility Accounting and Finance if its bond rating should decline below investment grade during the period of authority in this case. Such report shall be submitted within thirty (30) days of such a decline in bond rating, and the report shall outline any Company plans and actions to restore an investment grade bond rating and how any remaining authority in this case is impacted.

11. The approval granted in this case shall have no accounting or ratemaking implications.

CASE NO. PUR-2021-00273
NOVEMBER 23, 2021

PETITION OF
VERIZON COMMUNICATIONS INC., *et al*.

For approval of an intra-company transfer of control of Verizon South Inc. and Verizon Select Services of Virginia Inc.

ORDER GRANTING APPROVAL

On November 12, 2021, Verizon Communications Inc. ("Verizon"), and certain affiliates (collectively, "Petitioners"),[1] filed a petition ("Petition") with the State Corporation Commission ("Commission") to request approval of an intra-company transfer of control of Verizon South Inc. ("Verizon South"), and Verizon Select Services of Virginia Inc. ("Virginia Select") ("Transfer"),[2] pursuant to the Utility Transfers Act, § 56-88 *et seq.* of the Code of Virginia ("Code").

Verizon South is an incumbent local exchange telephone company that holds one interexchange certificate and 49 local exchange certificates in Virginia, which were last updated in the Commission's August 4, 2000 Final Order in Case No. PUC-2000-00218.[3] Petitioners note that Verizon South has elected, pursuant to Code § 56-54.3, to be regulated as a competitive telephone company pursuant to Chapter 2.1 of Title 56, § 56-54.2 *et seq.*[4] In accordance with Code § 56-54.5, the Commission is required to enforce the Utility Transfers Act on companies electing to be regulated as competitive telephone companies.

[1] GTE LLC and Verizon South are also considered Petitioners and have provided the statutorily required verifications.

[2] Since neither the direct nor the ultimate parent of Verizon Select is changing due to the proposed restructure, the transfer of Verizon Select does not require approval pursuant to the Utility Transfers Act. Accordingly, the term "Transfer" hereafter refers only to the transfer of Verizon South.

[3] *See Application of Verizon South Inc. (f/k/a GTE South Incorporated), To amend its certificates to reflect new corporate name*, PUC-2000-00218, 2000 S.C.C. Ann. Rept. 354, Order Reissuing Certificates (Aug. 4, 2000).

[4] *See* Petition at 2; *see also, In the Matter of Verizon South Inc., Notice of election to be regulated as a competitive telephone company*, Case No. PUC-2014-00031, 2014 S.C.C. Ann. Rept. 226, Order (July 30, 2014).

According to the Petition, Verizon is conducting an internal restructuring for purposes of tax administrative simplicity, which involves the dissolution of GTE LLC, the intermediate parent company of Verizon South. Once the restructuring is complete, Verizon South will become a direct, wholly owned subsidiary of Verizon.

Based on information provided in the Petition, the Petitioners represent that the Transfer will not change the rates, terms, and conditions of service offered to customers of Verizon South.[5] The Petitioners state that the proposed Transfer will be seamless and transparent to customers, who will continue to be served in the same manner that they are served today.[6] The Petitioners state that Verizon will ensure that Verizon South will have the necessary financial, managerial, and technical resources to provide local exchange telecommunications services in Virginia upon completion of the Transfer.[7]

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 with a report of action to be filed with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(2) This case is dismissed.

[5] *See* Petition at 4.

[6] *Id.*

[7] *Id.*

CASE NO. PUR-2021-00289
DECEMBER 7, 2021

APPLICATION OF
POTOMAC ENERGY CENTER, LLC

For amended and reissued certificate of public convenience and necessity

ORDER REISSUING CERTIFICATE

In Case No. PUE-2013-00104, Green Energy Partners/Stonewall LLC ("Green Energy Partners") filed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("Certificate") to construct and operate a 750 megawatt natural gas-fired, combined-cycle electric generating facility in Loudoun County, Virginia ("Project"). On May 13, 2014, the Commission approved the Project and issued Certificate No. ET-204 to Green Energy Partners.[1]

In Case No. PUR-2017-00048, Green Energy Partners filed an application with the Commission requesting that its Certificate be amended and reissued in the name of Panda Stonewall LLC ("Panda Stonewall"). On May 3, 2017, the Commission approved this request, canceled Certificate No. ET-204, and reissued amended Certificate No. ET-204a to Panda Stonewall.[2]

On December 1, 2021, Potomac Energy Center, LLC, f/k/a Panda Stonewall LLC ("Potomac Energy") filed an application ("Application") requesting that the Commission amend and reissue Certificate No. ET-204a to reflect its new name, Potomac Energy Center, LLC.[3] Potomac Energy represents that no change has occurred in the direct ownership of the generating facility's assets authorized under Certificate No. ET-204a, which have been and continue to be owned by Potomac Energy.[4]

NOW THE COMMISSION, having considered the Application, is of the opinion and finds that Certificate No. ET-204a should be canceled, amended, and reissued to reflect its new name, Potomac Energy Center, LLC.

[1] *Application of Green Energy Partners/Stonewall LLC, For a certificate of public convenience and necessity for a 750 MW electric generating facility in Loudoun County*, Case No. PUE-2013-00104, 2014 S.C.C. Ann. Rept. 309, Final Order (May 13, 2014).

[2] *Application of Green Energy Partners/Stonewall LLC, To amend and reissue certificate*, Case No. PUR-2017-00048, Doc. Con. Cen. No. 170510178, Order Reissuing Certificates (May 3, 2017).

[3] Application at 1.

[4] *Id.* at 2 n.4. Potomac Energy notes that on November 9, 2021, upstream ownership of Potomac Energy changed when Ares Management Corporation acquired the membership interest in a holding company above Potomac Energy. *Id.*

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2021-00289.

(2) Certificate No. ET-204a authorizing Panda Stonewall LLC to operate an electric generating facility in Loudoun County, Virginia, is hereby canceled and shall be reissued as amended Certificate No. EG-PEC-LDN-2021-A in the name of Potomac Energy Center, LLC.

(3) This case is hereby dismissed.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

CASE NO. SEC-2015-00064
APRIL 20, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
FRANTZ BOUCHEREAU, WILLIE DENTON, and EQUISHARE DEVELOPMENT, INC.,
Defendants

CONSENT JUDGMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Frantz Bouchereau ("Bouchereau"), Willie Denton ("Denton") and Equishare Development, Inc. ("Equishare") (collectively, "Defendants"), pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

The Division's investigation revealed that, at all relevant times, Equishare was a Delaware corporation with its principal place of business in Woodbridge, Virginia, and created to solicit investments for a real estate project known as Glenview in North Carolina ("Glenview Property"). At all relevant times, Bouchereau was a Virginia resident and Equishare's president and chief executive officer while Denton was also a Virginia resident and Equishare's vice president and chief operating officer. The Division alleged that Defendants Bouchereau and Denton each violated § 13.1-504 and § 13.1-507 of the Act by offering and selling unregistered securities in and from Virginia without themselves being registered to offer and sell securities. The Division further alleged that Equishare violated § 13.1-507 of the Act by offering and selling unregistered securities in and from Virginia. The Division alleged that all Defendants violated § 13.1-502 (2) of the Act by promising eight different investors ("Investors") that: (a) the Glenview Property was collateral that could be sold if necessary to repay investors, despite the fact that Equishare did not own the Glenview Property and thus had no authority to make these promises; and (b) the offering made by the Defendants was exempt from registration, when it was not.

As a proposal to resolve all matters arising from these allegations, the Defendants agreed to the entry of a settlement order ("Settlement Order"), which was entered on March 16, 2017.[1] Specifically, the Defendants agreed to the following terms set forth in the Settlement Order:

(1) The Defendants admitted the Division's allegations regarding § 13.1-504 and § 13.1-507 of the Act and admitted to the Commission's jurisdiction and authority to enter into the Settlement Order;[2]

(2) The Defendants, jointly and severally, agreed to pay Two Hundred Fifty-Six Thousand Dollars ($256,000) to the Treasurer of Virginia as a penalty, which would be waived, if the Defendants, jointly and severally, made restitution to the eight Investors by paying them on a pro rata basis, Two Hundred Twenty-One Thousand Dollars ($221,000) within two years of the date of entry of the Settlement Order;

(3) The Defendants also agreed to a two-year bar prohibiting them from conducting any securities business in or from Virginia, including any business as investment advisors, investment advisor representatives, issuers, agents of the issuer, broker-dealers or broker dealer agents; and

(4) The Defendants agreed not violate the Act in the future.

More than two (2) years have passed since entry of the Settlement Order and the Defendants have not paid any monetary penalty to the Treasurer of Virginia and have not paid any money in restitution to the Investors. In addition, the Defendants breached their agreement to refrain from violating the Act by failing to comply with the terms of the Settlement Order. The Defendants have stated that they have no ability to pay the penalty or restitution amount required by the Settlement Order.

Accordingly, the Division has now recommended, and the Defendants have now consented to, entry of judgment against the Defendants. Based on the Division's allegations as discussed herein and the Defendants' agreement to entry of this Consent Judgment Order ("Judgment Order"), the Commission believes it is appropriate to enter judgment against the Defendants, jointly and severally in the amount of Two Hundred Fifty-Six Thousand Dollars ($256,000), and to permanently enjoin the Defendants from offering or 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 their behalf.

NOW THE COMMISSION, having considered the record herein, the Consent to Entry of Judgment Order signed by the Defendants, and the recommendation of the Division, hereby ENTERS JUDGMENT against the Defendants as follows:

(1) The Defendants shall be responsible to pay jointly and severally and have judgment assessed against them in the amount of Two Hundred Fifty-Six Thousand Dollars ($256,000) to the Treasurer of Virginia.

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[1] *State Corporation Commission v. Bouchereau et al.*, Case No. SEC-2015-00064, Doc. Con. Cen. No. 170320136, Settlement Order (Mar. 16, 2017).

[2] The Defendants neither admitted nor denied the Division's remaining allegations, which are set forth in more detail in the Settlement Order.

(2) The Defendants are 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 their behalf.

(3) The Defendants are permanently enjoined from committing any future violations of the Act.

Based upon judgment as entered, this case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Consent to the Entry of Judgment 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-2017-00060
FEBRUARY 8, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GERARD BROUSSARD, SAVANNAH SOLAR INTERNATIONAL, INC., and SAVANNAH SOLAR INTERNATIONAL, LLC,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Gerard Broussard ("Broussard"), Savannah Solar International, Inc., and Savannah Solar International, LLC[1] (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").

Broussard is a Virginia resident and is the sole owner and member of Savannah Solar International, LLC, an inactive Virginia limited liability company with a last known business address of 7305 Hancock Village Drive, Suite 702, Chesterfield, Virginia 23832. Neither Broussard nor Savannah Solar have ever been registered with the Division to offer and sell securities in or from the Commonwealth of Virginia.

Based on the investigation, the Division alleges the following:

(1) From approximately June 2011 through October 2016, Broussard offered and sold securities to Virginia residents, or from a location within Virginia to multiple investors.

(2) These securities were offered in the form of promissory notes and common/preferred shares of stock and were offered and sold to at least twenty-four (24) investors ("Investors").

(3) Neither Broussard nor Savannah Solar have ever been registered with the Division and the securities offered and sold to the Investors were not registered with the Division or exempt from registration.

(4) Broussard and Savannah Solar violated: § 13.1-502 (3) of the Act by engaging in fraudulent and deceptive practices upon the Investors in the offer and sale of securities; § 13.1-504 of the Act by offering and selling securities in or from Virginia without being registered with the Division to do so; and § 13.1-507 of the Act by offering and 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 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, within ten (10) years of the entry of this Order, will pay, jointly and severally, a total amount of Sixty Thousand Dollars ($60,000) in restitution to the Investors, in proportion to the amount each Investor invested. The Division will provide the Defendants with the monthly amount payable to each Investor. These payments will be made in monthly installments beginning February 2021;

(2) Additionally, within thirty (30) days of each restitution payment identified in paragraph (1) above, the Defendants will submit to the Division a copy of the payment transmittal or other proof of payment to each Investor, containing the date on which the payment was made, the payment amount, and the date the payment was sent to the Investor. Should the Defendants default on any monthly payment to any Investor, the Division may institute formal proceedings against the Defendants in the form of a Rule to Show Cause, and the Commission shall retain jurisdiction over this matter for purposes of such proceeding;

[1] Savannah Solar International, Inc. and Savannah Solar International, LLC are hereinafter referred to as "Savannah Solar."

(3) The Defendants will pay, jointly and severally, to the Treasurer of Virginia the amount of One Thousand Six Hundred Eleven Dollars ($1,611) to defray the costs of investigation in this matter pursuant to the schedule agreed to by the Defendants as follows:

a. The amount of Five Hundred Dollars ($500) payable on or before February 28, 2021,
b. The amount of Five Hundred Dollard ($500) payable on or before March 31, 2021,
c. The amount of Five Hundred Dollars ($500) payable on or before April 30, 2021, and
d. The amount of One Hundred Eleven Dollars ($111) payable on or before May 31, 2021;

(4) The Defendants will provide a copy of this Order to the Investors within thirty (30) days of the entry of this Order;

(5) The Defendants will provide the Division with proof that all Investors have been provided with a copy of this Order within thirty (30) days of the entry of this Order; and

(6) 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 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-2019-00030
OCTOBER 28, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GLENN B. FISCHER and FISCHER WEALTH ADVISORS, LLC,
Defendants.

SETTLEMENT ORDER

The Division of Securities and Retail Franchising (the "Division") for the State Corporation Commission of Virginia (the "Commission") conducted an investigation of Glenn B. Fischer ("Fischer") and his firm, Fischer Wealth Advisors, LLC ("Fischer Wealth Advisors") (together, the "Defendants"), pursuant to § 13.1-518 of the Virginia Securities Act (the "Act"), § 13.1-501 *et seq.* of the Code of Virginia (the "Code").

Fischer Wealth Advisors, a limited liability company in the Commonwealth of Virginia whose principal place of business is located at 6076 Franconia Road, Suite B, Alexandria, Virginia 22310, has been registered with the Division as an investment advisor since September 2015. Fischer Wealth Advisors is owned by Fischer Holdings Corporation ("Fischer Holdings"), a Virginia corporation.

Fischer, a Virginia resident, is Fischer Wealth Advisors' managing partner and sole investment advisor representative. He has been registered with the Division as an investment advisor representative since January 2005.

The Division alleges that Fischer was previously terminated in July 2015 by Wells Fargo Advisors, LLC ("Wells Fargo") for engaging in unapproved business activities as an investment advisor representative of Wells Fargo. The Defendants, however, never disclosed Fischer's termination in required filings. The disclosure was not made in Item 9 of Part 2A or Item 3 of Part 2B of Fischer Wealth Advisors' Form ADV filings; it further was not made in Item 14J of Fischer's Form U4 filings. The Defendants' failure to update or amend the foregoing filings to disclose this information violated 21 VAC 5-80-40(A) and 21 VAC 5-80-100(A) of the rules governing Investment Advisors, 21 VAC 5-80-10 *et seq.* ("Rule(s)").

The Division also alleges that, while Fischer is not certified as a Certified Financial Planner ("CFP") or a Personal Financial Specialist ("PFS"), he has repeatedly used the CFP and PFS certifications in Fischer Wealth Advisors' Form ADV filings and/or the firm's website. Fischer's improper use of certifications he has not actually earned constitutes a violation of Rule 21 VAC 5-80-200(B)(18).

Finally, the Division alleges that, in June 2019, the Defendants obtained custody of an investment advisory client's funds and deposited such client funds into a bank account for Fischer Holdings. In doing so, the Defendants failed to comply with the safekeeping requirements under Rule 21 VAC 5-80-146. By failing to comply with those safekeeping requirements while maintaining custody of client funds, Fischer Wealth Advisors and Fischer violated Rule 21 VAC 5-80-200(A)(15) and Rule 21 VAC 5-80-200(B)(15), respectively, as an investment advisor and an investment advisor representative.

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 Defendants neither admit nor deny the allegations herein but admit to the Commission's jurisdiction and authority to enter this Order.

In order to settle the matter arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein Defendants will abide by and comply with the following terms:

(1) The Defendants shall pay the sum of Twelve Thousand Dollars ($12,000), jointly and severally, in monetary penalties to the Treasurer of Virginia. Such payment will be made in accordance with the following payment plan:

(a) The sum of Two Thousand Dollars ($2,000) will be paid contemporaneously with the entry of this Order; and

(b) The sum of Two Thousand Dollars ($2,000) will be paid every three (3) months thereafter for a period of fifteen (15) months after entry of this Order.

(2) To ensure ongoing compliance with the Act and its associated Rules, the Defendants shall retain an independent third-party examiner ("Examiner"), to be approved by the Division within ninety (90) days after entry of this Order, to perform quarterly on-site or virtual examinations of the Defendants' business activities for a period of at least twenty-four (24) months. The Examiner shall determine whether any irregularity or abuse has occurred in connection with Defendants' business activities and produce a corresponding report. Copies of each Examiner's report shall be provided to the Division no more than thirty (30) days after every examination. Each examination and report shall include, at a minimum:

(a) A review of Fischer Wealth Advisors' new account documentation and its process when onboarding new clients;

(b) A review of outside business activities conducted by or on behalf of Fischer and/or Fischer Wealth Advisors and any potential client-related conflicts of interest associated with such activities;

(c) A review of client trading activities, correspondence, deposit and withdrawal activities, and other account records; and

(d) A review of securities activities for Fischer and/or Fischer Wealth Advisors.

(3) The Defendants shall fully address any and all deficiencies found by the Examiner prior to the entry of a Final Order in this matter.

(4) The Defendants agree that neither Fischer, nor Fischer Wealth Advisors, nor any other individual or entity acting on behalf of the Defendants, will violate the Act or its associated Rules in the future.

The Division has recommended that, pursuant to § 12.1-15 of the Code, 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 comply with the aforesaid terms 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 any failure by the Defendants to comply with the terms of this settlement.

CASE NO. SEC-2020-00011
MARCH 1, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
YOON ZA KIM,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Yoon Za Kim ("Kim" or "Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

Kim is a Virginia resident with a last known address of 13650 Sweet Woodruff Lane, Centreville, Virginia 20120. While associated with EcoZenith USA, Inc. ("EcoZenith"), Kim acted as agent of the issuer. Kim has never been registered with the Commission.

The Division alleges that the Defendant offered and sold unregistered securities to a Virginia investor without being registered to offer or sell securities in Virginia.

Based on the investigation, the Division alleges the Defendant violated § 13.1-502 (2) of the Act by obtaining money by means of an untrue statement of a material fact or an omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. Kim solicited the purchase of EcoZenith stock and also entered into a Guarantee Agreement with a Virginia investor. The Guarantee Agreement stated, in part, if EcoZenith or the Defendant failed to pay the investor any interest or dividend, the Defendant would pay the difference up to the principal investment amount. The Virginia investor no longer receives any interest or dividend, and the Virginia investor has not been repaid as promised by the Guarantee Agreement.

The Division further alleges the Defendant violated § 13.1-504 A (ii) 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 Defendant neither admits nor denies the allegations 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, contemporaneously with the entry of this Order, will make a payment in the amount of Four Hundred and Sixteen Dollars ($416) to the Virginia investor;

(2) The Defendant will make a payment in the amount of Four Hundred and Sixteen Dollars ($416) to the Virginia investor every thirty (30) days until a total of ($15,000) has been paid to the Virginia investor;

(3) The Defendant will pay to the Treasurer of Virginia the amount of Fifteen Thousand Dollars ($15,000) in monetary penalties on or before February 23, 2024. However, the penalty amount will be waived if the Defendant pays the Fifteen Thousand Dollar ($15,000) to the Virginia investor within the time specified in paragraph (2) above; and

(4) The Defendant is permanently 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 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-2020-00036
MARCH 3, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
F.C. FRANCHISING SYSTEMS, INC., d/b/a FRESH COAT,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of F.C. Franchising Systems, Inc. ("F.C. Franchising") d/b/a Fresh Coat (the "Defendant") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq*. of the Code of Virginia ("Code").

F.C. Franchising is an Ohio corporation incorporated on January 1, 2005. The principal business address for F.C. Franchising is 4755 Lake Forest Drive, Suite 100, Cincinnati, Ohio 45242. F.C. Franchising offers and sells franchises under the tradename Fresh Coat which provide interior and external painting as well as wallpapering services to residential and commercial clients.

Bernard J. Brozek ("Brozek") was President of F.C. Franchising from January 2011 through December 2014. F.C. Franchising has continuously registered its franchise, Fresh Coat, with the Division since 2006.

The Division alleges that from September 2012 to May 2013, F.C. Franchising offered and sold four (4) franchises which were to be operated in Virginia to four (4) Virginia residents ("Virginia Franchisees"). The Franchise Disclosure Document ("FDD") provided to the Virginia Franchisees prior to the sales did not disclose Brozek's 2012 bankruptcy. F.C. Franchising, and Brozek, as President of F.C. Franchising, also omitted Brozek's 2012 bankruptcy from the FDD filed with the Division.

The Division alleges that F.C. Franchising, and Brozek, as President of F.C. Franchising and having signed the franchise agreements, violated § 13.1-563.2 of the Act by failing to disclose Brozek's bankruptcy, a material fact, in the franchise agreements made with the four (4) Virginia Franchisees.

The Division alleges that F.C. Franchising also violated 21 VAC 5-110-40 of the Retail Franchising Act Rules of the Virginia Administrative Code, 21 VAC 5-110-10 *et seq.* ("Rules") by failing to file an amendment with the Division to amend its 2012 FDD on file with the Division to include Brozek's bankruptcy under Item 4 of the FDD. The Division further alleges that F.C. Franchising also violated 21 VAC 5-110-50 of the Rules by making certifications in Form A filed with the Division in connection with F.C. Franchising's 2013 and 2014 renewal applications which failed to disclose Brozek's bankruptcy.

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 Defendant neither admits 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 make a rescission offer ("Rescission Offer") to one current Virginia Franchisee, to include an offer to refund the initial franchise fee. The Rescission Offer will be made as follows:

(a) Within thirty (30) days from the date of entry of this Order, F.C. Franchising will draft a Rescission Offer and provide the Division with a copy of the Rescission Offer for review and approval at least ten (10) days prior to sending it to the Virginia Franchisee;

(b) F.C. Franchising will include a copy of this Order with the Rescission Offer;

(c) The Virginia Franchisee will have thirty (30) days from the date of receipt of the Rescission Offer to provide F.C. Franchising written notice of their decision to accept or reject the Rescission Offer;

(d) If F.C. Franchising does not receive written notice of the Virginia Franchisee's decision to accept or reject the Rescission Offer within the thirty (30) days, it will operate as a rejection of the Rescission Offer;

(e) If the Rescission Offer is accepted, F.C. Franchising, within fifteen (15) days of receipt of the acceptance, will pay, in the form of certified funds, the initial franchise fee, to the Virginia Franchisee;

(f) Within ninety (90) days from the date of entry of this Order, F.C. Franchising will provide the Division with an affidavit, executed by an authorized officer F.C. Franchising, that contains the date the Virginia Franchisee received the Rescission Offer, the Virginia Franchisee's response, and, if applicable, the payment amount and date the payment was sent to the Virginia Franchisee;

(2) The Defendant will pay restitution and refund initial franchise fees to three (3) former Virginia Franchisees. Restitution will be made as follows:

(a) Within thirty (30) days from the date of the entry of this Order, F.C. Franchising will draft a Restitution Offer and provide the Division with a copy of the Restitution Offer for review and approval at least ten (10) days prior to sending it to the Virginia Franchisees;

(b) F.C. Franchising will include a copy of this Order with the Restitution Offer;

(c) If any of the Virginia Franchisees accepts the Restitution Offer, F.C. Franchising, within fifteen (15) days of receipt of the acceptance, will pay the Virginia Franchisee, in the form of certified funds, the franchisee's initial franchise fee;

(d) Within ninety (90) days from the date of entry of this Order, F.C. Franchising will provide the Division with an affidavit, executed by an authorized officer of F.C. Franchising, that contains the date each Virginia Franchisee received the Restitution Offer, the response of each Virginia Franchisee, and, if applicable, the payment amount and date the payment was sent to each Virginia Franchisee;

(3) The Defendant 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;

(4) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Two Thousand Dollars ($2,000) to defray the costs of investigation in this matter; and

(5) 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 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-2020-00039
FEBRUARY 4, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
STRATEGIC WEALTH PARTNERS, LLC, and DAVID C. VOGT,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Strategic Wealth Partners, LLC ("Strategic Wealth") and David C. Vogt ("Vogt") (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").

Strategic Wealth is a Virginia limited liability company formed on February 1, 2011 that became inactive as of May 31, 2019. Vogt is the managing member of Strategic Wealth, which had a registered office at 3225 Graham Road, Falls Church, Virginia 22042. Vogt is registered in Virginia as an investment advisor representative and is Strategic Wealth's sole investment advisor representative. Vogt has been registered with the Division as an investment advisor representative since May 4, 2011 and he currently resides in Colorado. Strategic Wealth's last known address is 1075 Spruce Mountain Road, Cotopaxi, Colorado 81223.

Based on the investigation, the Division alleges the Defendants violated § 13.1-502 (2) of the Act by obtaining money, in the offer and sale of securities, by means of making untrue statements of material fact. The Division also alleges the Defendants violated § 13.1-502 (2) of the Act by omitting to state a material fact necessary to make statements made, in the light of the circumstances under which they were made, not misleading. From June 2011 to February 2014, the Defendants operated a private placement offering by the name of Black Diamond Investment Partners ("Black Diamond"). Black Diamond was offered to existing investment advisory clients of Strategic Wealth. Two classes in Black Diamond were labeled as "conservative" and described as such in language in the Black Diamond Private Placement Memorandum ("PPM"). Despite the label and the description of these classes being "conservative" the Defendants made regular short sales and used options and margins which are aggressive trade strategies that can cause clients to incur losses greater than the amount originally invested.

The Division further alleges the Defendants violated 21 VAC 5-80-200 A 1 of the Commission's Rules Governing Investment Advisors, 21 VAC 5-80-10 *et seq.*, by recommending to two (2) clients that they purchase securities (investing approximately half their liquid net worth) without reasonable grounds to believe that such recommendations were suitable for the clients based on the information known to or acquired by the Defendants.

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 withdraw their respective Virginia registrations by May 1, 2021;

(2) Strategic Wealth will not re-apply for registration in Virginia;

(3) Vogt will not re-apply for registration in Virginia for a period of five (5) years from the date of entry of this Settlement Order:

a. If, after five (5) years from the date of entry of this Settlement Order, Vogt applies for registration in Virginia, he will not apply as an investment advisor representative for a registered firm he controls.

(4) The Defendants, contemporaneously with 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 Defendants, contemporaneously with the entry of this Order, will pay to the Treasurer of Virginia the amount of Five Thousand Dollars ($5,000) to defray the costs of investigation in this matter; and

(6) 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 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-2020-00046
MAY 25, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
WEALTHBRIDGE, INC., and DAVID S.Y. CHANG,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of WealthBridge, Inc. ("WealthBridge") and David S.Y. Chang ("Chang") (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").

WealthBridge is a Hawaii corporation established in 2008 with a last known mailing address of 900 Fort Street Mall, Suite 1510, Honolulu, Hawaii 96813. WealthBridge has been registered in Virginia as an investment advisor since September 22, 2014. Chang is a Hawaii resident and the president and owner of WealthBridge. Chang has been registered in Virginia as the sole investment advisor of WealthBridge since September 23, 2014.

On June 25, 2020, the Securities Enforcement Branch of the Department of Commerce and Consumer Affairs for the State of Hawaii ("Hawaii Securities Enforcement Branch") entered a Consent Order ("Hawaii Consent Order") against named respondents David S.Y. Chang, WealthBridge Real Estate LLC, WealthBridge Inc., Chang Holding Company Incorporated, and Home Care Solutions LLC.[1] The Hawaii Consent Order outlines, in pertinent part, allegations against WealthBridge and Chang for selling unregistered securities, acting as an unregistered agent of the issuer, and engaging in an act, practice or course of business that operated as a fraud or deceit upon another person related to the sale of securities and loans obtained from clients.[2] As further set forth in the Hawaii Consent Order, the Defendants agreed, without admitting or denying the allegations against them, to pay restitution to multiple investors and to the revocation of their respective Hawaii registrations as an investment advisor and investment advisor representative, effective September 30, 2020.[3] To date, the Defendants have failed to disclose to or make any filings with the Division regarding the Hawaii Consent Order whether on their Form ADV, Form U-4, or otherwise.

Based on the investigation, the Division alleges that WealthBridge violated Rule 21 VAC 5-80-40 A (1) of the Commission's Rules Governing Investment Advisors, 21 VAC 5-80-10 *et seq.*, ("Rules") by failing to electronically file on the Investment Adviser Registration Depository, in accordance with Form ADV instructions, any amendments to the investment advisor's Form ADV within thirty (30) days of an event that requires the filing of an amendment such as the above-referenced Hawaii Consent Order entry. The Division further alleges that Chang violated Rule 21 VAC 5-80-100 by failing to amend or update Form U4 in accordance with its "Amendment Filings" provisions, with disclosure of the above-referenced regulatory action and entry of the Hawaii Consent Order.

If the provisions of the Act or the Rules 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 (B) of the Act to revoke the Defendants' respective registrations in Virginia as an investment advisor and investment advisor representative; 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 voluntarily withdraw their respective investment advisor and investment advisor representative registrations in Virginia by April 30, 2021 and will promptly notify in writing all Virginia clients that WealthBridge and Chang will no longer be registered in Virginia to service client accounts in or from Virginia. By May 31, 2021, the Defendants will provide proof to the Division that all Virginia clients have been so notified;

(2) WealthBridge will not re-apply for registration in Virginia as an investment advisor and Chang will not re-apply for registration in Virginia as an investment advisor representative;

(3) The Defendants are permanently barred from registration in Virginia as an investment advisor, investment advisor representative, broker-dealer, broker-dealer agent, and agent of the issuer;

(4) The Defendants, contemporaneously with the entry of this Order, will pay, jointly and severally, to the Treasurer of Virginia the amount of Three Thousand Dollars ($3,000) in monetary penalties;

(5) The Defendants, contemporaneously with the entry of this Order, will pay, jointly and severally, to the Treasurer of Virginia the amount of One Thousand Dollars ($1,000) to defray the costs of investigation in this matter; and

(6) 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 the above-referenced 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.

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[1] *See, In the Matter of: David S.Y. Chang, et al.*, Consent Order, Case Nos. SEU-2010-046 and SEU-2016-004 (Hawaii Department of Commerce and Consumer Affairs, June 25, 2020).

[2] *Id.*

[3] *Id.*

CASE NO. SEC-2020-00051
JANUARY 15, 2021

APPLICATION OF
CENTURY HOUSING 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 Century Housing Corporation ("Century Housing"), which the Commission received on September 30, 2020, with attached exhibits. The application requested that Century Housing's Sustainable Impact 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, in addition to others not enumerated herein, appear to exist: (i) Century Housing is a California corporation operating not for private profit but exclusively for charitable and educational purposes; (ii) Century Housing intends to offer and sell the Notes in an approximate aggregate amount of up to $50,000,000 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 a registered broker-dealer.

Based on the facts asserted by Century 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.

CASE NO. SEC-2020-00052
JANUARY 5, 2021

APPLICATION OF
THE GENESIS 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 The Genesis Fund ("Genesis Fund"), which the Commission received on October 19, 2020, with attached exhibits, as subsequently amended. The application requested that Genesis Fund 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, and that certain officers and employees of Genesis Fund 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) Genesis Fund is a tax-exempt, non-profit community development financial institution organized in 1991; (ii) Genesis Fund is doing business as Genesis Community Loan Fund ("GCLF"), GCLF is chartered as a Maine non-profit corporation; (iii) GCLF provides aid to local non-profit institutions—such as community development corporations, community land trusts, housing authorities, community action agencies, non-profit housing developers and social service agencies—in developing decent, safe and affordable housing for needy families and individuals, and in promoting self-sufficiency of such institutions; (iv) GCLF intends to offer and sell the Notes in an approximate aggregate amount of up to $2,000,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; and (v) said securities are to be offered and sold by officers and employees of the Genesis Fund, who will not be compensated for their sales efforts.

Based on the facts asserted by Genesis 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, and that the officers and employees of Genesis Fund are exempt from the agent registration requirements of § 13.1-504 of the Act.

CASE NO. SEC-2020-00053
JANUARY 4, 2021

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
JAMES YUSCHIK, and DAVID LUFTGLASS,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of James Yuschik ("Yuschik") and David Luftglass ("Luftglass") (collectively, the "Defendants") and Capital Crypto Fund, LLC ("CCF") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

CCF is a Virginia limited liability company. CCF is owned and operated by Yuschik and Luftglass. Yuschik and Luftglass are Virginia residents. The Defendants have used multiple Virginia addresses for CCF. Neither Yuschik or Luftglass is registered to offer or sell securities in the Commonwealth of Virginia ("Virginia").

The Division alleges from July 2018 through July 2020 Yuschik and Luftglass operated a cryptocurrency investment fund ("Fund"). Yuschik and Luftglass acted as agents for CCF by working with investors/potential investors, signing fee structure agreements, subscription agreements, and accepting funds related to investments in the Fund. The Fund was not registered under the Act or exempt from registration.

Based on the investigation, the Division alleges Yuschik and Luftglass violated § 13.1-504 (A)(i) of the Act by unlawfully transacting business in Virginia as a broker-dealer or an agent, without being registered to do so. The Division further alleges the Defendants violated § 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.

Prior to the entry of this Order, the Defendants (1) sent an initial e-mail to all investors providing notification of the Fund closing, (2) sent a second e-mail to each individual investor identifying the amount of the investor's Fund contributions and the amount the investor will receive with returns on investment and without penalty, and (3) provided the Division with the Fund's spreadsheet reflecting the investor repayment of each investor's contributions.

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, contemporaneously with the entry of this Order, will pay to the Treasurer of Virginia the amount of Five Thousand Dollars ($5,000) in monetary penalties; and

(2) 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) 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 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-2020-00059
MARCH 5, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
FIRST COMMAND ADVISORY SERVICES, INC.,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of First Command Advisory Services, Inc. ("First Command" or "Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

First Command is an investment advisory firm, registered with the United States Securities and Exchange Commission on July 28, 2005, and notice filed with Virginia the same day. First Command's principal office address is 1 FirstComm Plaza, Fort Worth, Texas 76109. First Command provides investment advisory services to clients and has offices throughout the United States, including Virginia.

Based on the investigation, the Division alleges the Defendant violated § 13.1-504 C of the Act by employing an investment advisor representative in Virginia who was not registered with the Division from October 2019 to present. First Command attempted to register him as an investment advisor representative in July 2020, but the Division put the registration in "pending" status. On or about October 1, 2019, First Command transferred this individual from Kansas to Virginia to become the District Advisor of First Command's Woodbridge, Virginia office location. The individual

was registered as a broker-dealer agent in Virginia on July 24, 2019. However, First Command failed to apply for this individual's investment advisor representative registration in Virginia until July 10, 2020. First Command has allowed the individual to act and operate as an investment advisor representative (IAR) from October 2019 to present, during which time the individual supervised other registered IARs at First Command's Woodbridge, Virginia office and collected compensation for (1) certain clients in Virginia who, temporarily, were not assigned to other registered IARs and (2) seven (7) preexisting clients in Kansas with fifteen (15) accounts.

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 this allegation, 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, contemporaneously with the entry of this Order, will pay to the Treasurer of Virginia the amount of Twenty Thousand Dollars ($20,000) in monetary penalties;

(2) The Defendant, contemporaneously with 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 Defendant is permanently 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) 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 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-2021-00001
APRIL 6, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
PINPOINT LOCAL, LLC,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Pinpoint Local, LLC ("Pinpoint" or "Defendant") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia ("Code").

Pinpoint is a Delaware limited liability company with an address of P.O. Box 11222, Wilmington, North Carolina 28404, and was formed on January 16, 2019. Pinpoint offers and sells franchises designed to help local businesses with online marketing and consulting services. For reasons stated below, the Division opened an investigation into Pinpoint. Pinpoint cooperated with the Division's investigation and provided all requested information.

The Division alleges Pinpoint offered and sold an unregistered franchise ("Franchisee") in the Commonwealth of Virginia ("Virginia"). In addition to the unregistered sale, the Division alleges that, by referencing the franchise opportunity as part of the Parallel Profits training course ("Course"), the Defendant offered the unregistered franchise to at least 21 individuals through Letters of Intent for the franchise outlets to be located and operated in Virginia. The Course provided that interested participants could receive a Pinpoint franchise as a benefit of the course. The Division alleges the Course fee constitutes an initial franchise fee under the Act.

Based on the investigation, the Division alleges that the Defendant violated § 13.1-560 of the Act when the Defendant offered and sold a franchise in Virginia on or around May 2, 2019 without being registered or exempt from registration, as required; and further violated § 13.1-560 of the Act when the Defendant, as part of the Course, offered 21 franchises to be located and operated in Virginia without being registered or exempt from registration.

The Division further alleges the Defendant violated § 13.1-563 (4) of the Act when the Defendant, in connection with the offer and sale of the franchise, provided a franchise disclosure document, including the franchise agreement, which had not been approved by 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 Defendant neither admits 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 provide the Division with a rescission offer ("Offer") for review and comment at least ten (10) days prior to sending it to the Franchisee.

(2) The Defendant will send the Offer to the Franchisee within thirty (30) days of the entry of this Order;

(3) The Franchisee will have thirty (30) days from the date of receipt by the Franchisee to accept the Offer by delivering a signed acceptance to Defendant. If the Franchisee accepts the Offer, the Defendant will refund the Franchisee $2,497 within fifteen (15) days of such acceptance, and provide proof to the Division this payment was made;

(4) The Defendant will provide the Division with a refund offer for the Course fee ("Refund Offer") for review and comment at least ten (10) days prior to sending it to the 21 prospective Virginia franchisees;

(5) The Defendant will send the Refund Offer to the 21 prospective Virginia franchisees within thirty (30) days of the entry of this Order;

(6) Each prospective Virginia franchisee will have thirty (30) days from the date of receipt by the franchisee to accept the Refund Offer by delivering a signed acceptance to the Defendant. If the prospective Virginia franchisee accepts the Refund Offer, the Defendant will pay the prospective Virginia franchisee a full refund of fees he or she paid for the Course within fifteen (15) days of such acceptance, and provide proof to the Division the payments were made;

(7) The Defendant will be assessed Eighty-eight Thousand Dollars ($88,000) in monetary penalties. The Commission waives the Defendant's obligation to pay this penalty amount if the Defendant complies with the terms and undertakings of this Order. If the Commission contends that the Defendant has not complied with this Order and that the imposition of this penalty is warranted, it shall provide the Defendant written notice of the basis for its position. The Defendant reserves the right to contest any claim by the Division that it is not in compliance with this Order in a hearing before the Commission;

(8) The Defendant will pay to the Treasurer of Virginia, within 10 days of the entry of this Order, the amount of One Thousand Dollars ($1,000) to defray the costs of investigation in this matter; and

(9) The Defendant is permanently 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 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-2021-00002
MARCH 11, 2021

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 October 26, 2020, with attached exhibits, as subsequently amended. The application requested that CUIT Multi-Style US Equity Fund, CUIT Core Equity Index 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 *Official Kenedy 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 in Virginia, 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 January 27, 2020, in case number SEC-2020-00005, 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-2021-00003
MARCH 25, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BDT & ASSOCIATES, INC., and BARRY DOUGLAS TODD,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of BDT & Associates, Inc. ("BDT") and Barry Douglas Todd ("Todd") (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").

BDT is an Arizona corporation established in 2007. Todd is the chief executive officer and shareholder of BDT. On April 27, 2020, BDT notice filed with the Commission of its registration with the Securities and Exchange Commission and was approved by the Commission on the same date. BDT's last known address is 2615 East 24th Street, Suite 2, Yuma, Arizona 85365.

Based on the investigation, the Division alleges from 2014 - 2017 the Defendants violated §13.1-504 A of the Act when the Defendants provided investment advisory services to between six (6) and twelve (12) Virginia clients while not registered with the Division and 21 VAC 5-80-10 (A) of the Commission's Rules Governing Investment Advisors, 21 VAC 5-80-10 *et seq.*, ("Rules") when the Defendants failed to file an application for registration as an investment advisor in compliance with all requirements of the Investment Adviser Registration Depository and in full compliance with the forms and regulations prescribed by the Commission under the Rules.

The Division further alleges from 2017 - 2019, the Defendants violated § 13.1-504 A of the Act and 21 VAC 5-80-10 (E) of the Rules when the Defendants met the requirements as a federally covered advisor and failed to submit the required form (Form ADV Part 1 and 2) and the respective information to the Commission.

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, contemporaneously with the entry of this Order, will pay to the Treasurer of Virginia the amount of Ten Thousand Dollars ($10,000) in monetary penalties;

(2) The Defendants, contemporaneously with the entry of this Order, will pay to the Treasurer of Virginia the amount of One Thousand Dollars ($1,000) to defray the costs of investigation in this matter; and

(3) 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 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-2021-00005
MARCH 3, 2021

APPLICATION OF
ENTERPRISE COMMUNITY LOAN FUND, 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 Enterprise Community Loan Fund, Inc. ("Enterprise Fund"), which the Commission received December 29, 2020, with attached exhibits. The application requested that Enterprise Fund's Enterprise Community Impact 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 officers and employees of Enterprise Fund 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) Enterprise Fund is a Maryland corporation operating not for private profit but exclusively for charitable and educational purposes; (ii) Enterprise Fund intends to offer and sell the Notes in an approximate aggregate amount of up to $100,000,000 on terms and conditions more fully described in the Prospectus filed as a part of the application; (iii) said securities are to be offered and sold by officers and employees of Enterprise Fund, who will not be compensated for their sales efforts; and (iv) Enterprise Fund will discontinue issuer transactions for all other securities previously exempted by the Commission upon the grant of exemption for the offering of the Notes described herein.

Based on the facts asserted by Enterprise 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, and that the officers and employees of Enterprise Fund are exempt from the agent registration requirements of § 13.1-504 of the Act.

CASE NO SEC-2021-00008
APRIL 16, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SECURITIES AMERICA, INC., and SECURITIES AMERICA ADVISORS, INC.,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Securities America Inc. ("SAI") and Securities America Advisors, Inc. ("SAA") (collectively, "Defendants") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

SAI is a broker-dealer firm that registered with the United States Securities and Exchange Commission on September 18, 1981 and has been registered in Virginia as a broker-dealer from March 29, 1985 to present. SAI is a Delaware corporation with a principal office located at 12325 Port Grace Boulevard, La Vista, Nebraska 68128. SAI is in the business of offering and selling securities through its broker-dealer agents in multiple states, including Virginia. From December 17, 2010 to July 31, 2018, Michael Finnie ("Finnie") was registered with SAI in Virginia as a broker-dealer agent, working in and from an office in Virginia.

SAA is an investment advisor that registered with the United States Securities and Exchange Commission on January 25, 1994 and notice filed with Virginia on March 21, 1994. SAA is a Nebraska corporation with a principal office also located at 12325 Port Grace Boulevard, La Vista, Nebraska 68128. SAA provides investment advisory services to clients and has offices throughout the United States, including Virginia. Finnie was registered with SAA in Virginia as an investment advisor representative from December 17, 2010 to February 19, 2014 and again from February 26, 2016 to July 31, 2018.

Based on its investigation, the Division alleges the following: in 2013, Finnie, acting as a broker-dealer agent with SAI and an investment advisor representative with SAA, recommended that a 72-year old Virginia client customer ("Client") purchase shares in Business Development Corporation of America ("BDCA"), an illiquid alternative investment for a Client with no prior experience with such alternative investments. The Client had a time horizon of 5 - 10 years and stated her investment objective with the BDCA purchase was for additional monthly income. However, this was a long-term investment with an indefinite holding period and the distribution plan on the subscription agreement indicated she wished to "reinvest the entire cash distribution," therefore contradicting the rationale of the purchase. On May 20, 2013, the transaction was complete and Finnie sold the Client the BDCA shares for $50,000 which was about 24% of the Client's total account value.

The Division alleges that SAI violated Rule 21 VAC 5-20-280 (A) (3) of the Commission's Rules Governing Broker-Dealers, Broker-Dealer Agents and Agents of the Issuer 21 VAC 5-20-10 *et seq.*, ("B-D Rules") by recommending the purchase of the unsuitable BDCA securities to the Client.

The Division further alleges that SAI violated B-D Rule 21 VAC 5-20-260 (A) by failing to supervise the activities of its broker-dealer agent Finnie in connection with the Client's purchase of the BDCA shares, an unsuitable alternative investment that was contrary to the Client's stated objectives. Specifically, SAI failed to identify the discrepancy between the Client's investment objective, stated time horizon, and the long-term illiquid nature of the BDCA investment purchase. In addition, on an April 19, 2013 Alternative Investment Purchase Acknowledgement form, the Client's net worth was listed as $700,000. Three weeks later, on May 7, 2013, on another Alternative Investment Purchase Acknowledgement form, the Client's net worth was listed as $600,000. The Defendants have no documentation indicating there was an inquiry or any supervision by SAI of the broker-dealer agent regarding the $100,000 difference in the Client's net worth within one month of the purchase of the BDCA shares.

The Division further alleges that SAA violated Rule 21 VAC 5-80-200 (A) (1) of the Commission's Rules Governing Investment Advisors, 21 VAC 5-80-10 *et seq.* ("IA Rules") by recommending the Client purchase the BDCA shares without reasonable grounds to believe that the recommendation was suitable for the Client based on the Client's investment objective, financial situation, risk tolerance and needs, and any other information known or acquired by the investment advisor after reasonable examination of the Client's financial records, thereby violating their fiduciary duty.

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, within thirty (30) days of the entry of this Order, will purchase the remaining shares the Client holds in BDCA for the full purchase price of $50,000;

(2) The Defendants, within sixty (60) days of the entry of this Order, will provide the Division with proof of the purchase of the BDCA shares from the Client as outlined above in Paragraph (1);

(3) The Defendants, contemporaneously with the entry of this Order, will pay, jointly and severally, to the Treasurer of Virginia the amount of Twenty Thousand Dollars ($20,000) in monetary penalties;

(4) The Defendants, contemporaneously with the entry of this Order, will pay, jointly and severally, to the Treasurer of Virginia the amount of Five Thousand Dollars ($5,000) to defray the costs of investigation in this matter; 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 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-2021-00010
JULY 12, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
OYO HOTELS, INC.,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Oyo Hotels, Inc. ("OYO") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq*. of the Code of Virginia ("Code").

OYO is a Delaware company formed on November 29, 2018 as a limited liability company. On or around May 2019, OYO converted to a Delaware corporation. The principal business address for OYO is 2633 McKinney Avenue, Suite 130-524 Dallas, Texas 75204. OYO is in the business of providing revenue management services and licensing hotel owners to operate hotel outlets under the OYO trademark.

The Division alleges OYO offered and sold ten (10) unregistered franchises in the Commonwealth of Virginia beginning in July 2019. The Division further alleges that OYO offered the unregistered franchises to the franchisees through Marketing, Consulting, and Revenue Management Agreements for the franchise outlets to be located and operated in Virginia. The Division alleges the Marketing, Consulting, and Revenue Management Agreements constitute the definition of a franchise under the Act. In addition to the unregistered sales, the Division alleges that OYO failed to provide the franchisees with a franchise disclosure document approved by the Division as required by the Act.

Based on the investigation, the Division alleges that OYO violated § 13.1-560 of the Act on at least ten (10) occasions without being registered or exempt from registration, as required; and further violated § 13.1-563 (4) of the Act when OYO offered and sold the franchises to be located and operated in Virginia without providing the prospective franchisees with a franchise disclosure document approved by the Division in connection with these alleged sales.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke an entity'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 an entity make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

OYO neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order.

To settle all matters arising from these allegations, OYO agrees to abide and comply with the following terms and undertakings:

(1) OYO will send a copy of this Settlement Order ("Order") to all currently and formerly operating alleged franchisees in Virginia, including the alleged franchisees referenced above, within ten (10) days of the entry of this Order;

(2) OYO will pay to the Treasurer of Virginia a penalty in the amount of Thirty-Five Thousand Dollars ($35,000) as follows: $2,000 shall be paid within thirty (30) days after the entry of this Order, followed by eleven (11) consecutive monthly payments of $3,000 to be paid on or before the fifteenth (15th) day of the month starting in August 2021;

(3) OYO will pay to the Treasurer of Virginia the amount of One Thousand Dollars ($1,000) to defray the costs of investigation in this matter, within thirty (30) days after the entry of this Order, and

(4) OYO is enjoined from violating the Act in the future.

The Division has recommended that the Commission accept the settlement as presented.

NOW THE COMMISSION, having considered this matter, is of the opinion that the settlement should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The settlement terms and undertakings and other matters set forth herein are hereby accepted.

(2) OYO 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 OYO's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC-2021-00011
MARCH 25, 2021

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 March 9, 2021, with attached exhibits. The application requested that NCP's 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 officers of NCP 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) 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 $150,000,000 on terms and conditions 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 other securities previously exempted by the Commission upon the grant of exemption for the offering of the Certificates described herein.

Based on the facts asserted by NCP 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 NCP are exempt from the agent registration requirements of § 13.1-504 of the Act.

CASE NO. SEC-2021-00014
JUNE 10, 2021

APPLICATION OF
THE SOLOMON FOUNDATION

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

On April 5, 2021, and as amended on June 1, 2021, the Solomon Foundation ("Foundation") submitted to the Virginia State Corporation Commission ("Commission") a written application with attached exhibits ("Application") requesting 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.

In support of its Application, the Foundation asserts, among other things that: (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 Application 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 the Foundation will discontinue issuer transactions for all securities previously exempted by the Commission.

CASE NO. SEC-2021-00015
MAY 11, 2021

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

On April 7, 2021, the Virginia State Corporation Commission ("Commission") received the written application of Mission Investment Fund of the Evangelical Lutheran Church in America ("Mission Fund"), with attached exhibits ("Application"). Mission Fund requests through its Application that its Demand Investments, Fixed and Adjustable Interest Term Investments, MIF4KIDZ Investments, and the 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.

In support of its Application, Mission Fund asserts, among other things that: (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 Application, 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-2021-00016
MAY 11, 2021

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

On April 7, 2021, the Virginia State Corporation Commission ("Commission") received the written application of Columbia Union Revolving Fund ("CURF"), with attached exhibits ("Application"). CURF requests through its Application 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.

In support of its Application, CURF asserts, among other things, the following: (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 its Application, 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 securities previously exempted by the Commission.

CASE NO. SEC-2021-00020
JULY 9, 2021

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 29, 2021, with attached exhibits, ("Application") 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, are asserted by Capital: (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 $150,000,000. 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, and only by such persons who are registered broker-dealers under the Act.

CASE NO. SEC-2021-00023
JULY 2, 2021

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

On June 2, 2021, the Board of Church Extension of Disciples of Christ, Inc. ("Board of Church Extension") submitted to the Virginia State Corporation Commission ("Commission") a written application with attached exhibits ("Application") requesting that the Board of Church Extension's Flexible Demand Notes, Fixed Rate Term Notes (12 Month to 60 Month Term), Kid Builder Notes (36 Month), Variable Rate Term Notes (3 and 5 year Terms), Variable Rate Term Educational Growth Notes (1-20 Years), and 180-Day Term Notes (collectively, 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.

In support of its Application, the Board of Church Extension asserts, among other things that: (i) the Board of Church Extension is an Indiana corporation operating not for private profit but exclusively for religious purposes; (ii) the 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 employees and officers of the Board of Church Extension who will not be compensated for their sales efforts; and (iv) the 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 upon the facts asserted by the Board of Church Extension in the Application 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, upon entry of this Order of Exemption, the Board of Church Extension will discontinue issuer transactions for all securities previously exempted by the Commission.

CASE NO. SEC-2021-00025
AUGUST 13, 2021

APPLICATION OF
ASSURED INFORMATION SECURITY, INC.

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 Assured Information Security, Inc. ("AIS"), dated May 3, 2021, as amended, and with attached exhibits, ("Application") requesting that common stock be registered by qualification pursuant to § 13.1-510 of the Virginia Securities Act, § 13.1-501 *et seq*. of the Code of Virginia. The requisite fee of $250 has been paid.

Based upon the information submitted, the following facts, in addition to others not enumerated herein, are asserted by AIS: (i) AIS is a New York corporation formed on June 7, 2001 that provides government and commercial customers with cyber information security capabilities; and (ii) AIS intends to offer and sell the common stock for an aggregate amount of up to $9,350 on terms and conditions as more fully described in the North American Securities Administrators Association's Small Company Offering Registration ("NASAA SCOR") filed as a part of the Application. The common stock will be offered and sold by a registered agent of the issuer.

NOW THE COMMISSION, based on the facts asserted by AIS 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 NASAA SCOR, a copy of which is filed as a part of the record, and only by a registered agent of the issuer.

CASE NO. SEC-2021-00027
OCTOBER 8, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RBC CAPITAL MARKETS, LLC
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of RBC Capital Markets, LLC ("RBC" 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").

RBC is a Minnesota limited liability company with an address of Three World Financial Center, 200 Vesey Street, 5th Floor, New York, New York 10281. RBC is a federal covered advisor that has notice filed as an investment advisor in Virginia.

Based on the investigation, the Division alleges that from December 1, 2017 through November 27, 2020, RBC employed an unregistered investment advisor representative that, while registered in the District of Columbia, was not duly registered in the Commonwealth of Virginia ("Virginia") ("Unregistered Advisor") in violation of § 13.1-504 (C) of the Act. During this time, the Unregistered Advisor met with RBC clients and provided them with investment advisory services, among other things.

The Division further alleges that the Defendant violated 21 VAC 5-80-170 D of the Commission's rules governing Investment Advisors, 21 VAC 5-80-10 *et seq.* of the Virginia Administrative Code, by failing to enforce its written supervisory procedures in allowing the Unregistered Advisor to perform advisory functions and provide investment advisory services to clients without being registered in Virginia as an investment advisor representative from December 1, 2017 to November 27, 2020.

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 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:

(1) The Defendant, contemporaneously with the entry of this Order, will pay to the Treasurer of Virginia the amount of Ten Thousand Dollars ($10,000) in monetary penalties; and

(2) 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 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 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-2021-00028
AUGUST 13, 2021

APPLICATION OF
CENTURY HOUSING CORPORATION

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

On June 28, 2021, Century Housing Corporation ("Century Housing") submitted to the Virginia State Corporation Commission ("Commission") a written application with attached exhibits ("Application") requesting that the Century Sustainable Impact 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.

In support of its Application, Century Housing asserts, among other things that: (i) Century Housing is a California corporation operating not for private profit but exclusively for charitable and educational purposes; (ii) Century Housing intends to offer and sell the Notes in an approximate aggregate amount of up to $150 million 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 registered broker-dealers; and (iv) Century Housing 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 upon the facts asserted by Century Housing in the Application 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, upon entry of this Order of Exemption, Century Housing will discontinue issuer transactions for all securities previously exempted by the Commission.

CASE NO. SEC-2021-00029
NOVEMBER 16, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
U.S. DATA MINING GROUP, INC.,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of U.S. Data Mining Group, Inc. ("Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

Defendant is a Nevada corporation formed on December 4, 2020. Defendant registered as a foreign profit corporation in Florida on February 10, 2021, with a last known address of 1221 Brickell Avenue, Suite 900, Miami, Florida 33131.

On June 14, 2021, the Defendant, by counsel, self-reported five unregistered security sales to Virginia investors ("Virginia Investors"). The sales took place during the time period of December 5, 2020 through March 17, 2021.

Based on the investigation, and the self-reported information provided by the Defendant, the Division alleges that between December 5, 2020 and March 17, 2021, the Defendant violated § 13.1-507 of the Act by offering to sell and by selling unregistered securities to the Virginia Investors.

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 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 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:

(1) Within thirty (30) days of the entry of this Order, the Defendant will make a written offer of rescission ("Rescission Offer") to the Virginia Investors as follows:

(a) The Defendant will send the Rescission Offer to each of the five Virginia Investors. The Rescission Offer will include an offer to repay the purchase price for each of the above-referenced unregistered securities sales.

(b) The Defendant will provide the Division with a copy of the Rescission Offer, for the Division's review and comment, at least ten (10) days prior to sending it to each of the Virginia Investors.

(c) The Defendant will include a copy of this Order with the Rescission Offer sent to each of the Virginia Investors.

(d) If a Rescission Offer is accepted by a Virginia Investor, the Defendant will forward payment to the Virginia Investor within fifteen (15) days of receipt of the acceptance.

(2) Within ninety (90) days from the date of entry of this Order, the Defendant will submit to the Division an affidavit, executed by the Defendant, that contains the date on which each Virginia Investor received the Rescission Offer, each Virginia Investor's response, and, if applicable, the payment amount and the date that payment was sent to each Virginia Investor.

(3) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Five Thousand Dollars ($5,000) in monetary penalties;

(4) The Defendant 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

(5) The Defendant will not violate the Act in the future.

The Division has recommended that the Commission accept the Defendant's offer of settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

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

(2) The Defendant shall fully comply with the terms 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 of the settlement.

NOTE: A copy of the Admission and Consent 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-2021-00033
SEPTEMBER 27, 2021

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

On August 27, 2021, Lutheran Church Extension Fund - Missouri Synod ("LCEF") submitted to the Virginia State Corporation Commission ("Commission") a written application, as subsequently amended, with attached exhibits ("Application") requesting that the LCEF's Young Investor ("Y.I.") Stamps, Dedicated Certificates, Family Emergency StewardAccount Certificates, StewardAccount Certificates, Gold Tier StewardAccount Certificates, FlexPlus Certificates, Fixed-Rate Term Notes, Floating-Rate Term Notes, Congregation Demand Certificates, Congregation StewardAccount Certificates, and Y.I. 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.

In support of its Application, LCEF asserts, among other things, that: (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 upon the facts asserted by LCEF in the Application, 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, upon entry of this Order of Exemption, LCEF will discontinue issuer transactions for all securities previously exempted by the Commission.

CASE NO. SEC-2021-00037
OCTOBER 25, 2021

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

On September 20, 2021, Local Initiatives Support Corporation ("LISC") submitted to the Virginia State Corporation Commission ("Commission") a written application with attached exhibits ("Application") requesting that LISC's 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.

In support of its Application, LISC asserts, among other things, that: (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 $200,000,000 on terms and conditions more fully described in the Prospectus filed as a part of the Application; (iii) the Notes are to be offered and sold only by broker-dealers registered under the Act; and (iv) LISC 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 LISC in the Application, 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, upon entry of this Order of Exemption, LISC will discontinue issuer transactions for all securities previously exempted by the Commission.

CASE NO. SEC-2021-00038
OCTOBER 29, 2021

APPLICATION OF
MOUNT CALVARY BAPTIST CHURCH, INC.

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

On July 1, 2021, Mount Calvary Baptist Church, Inc. ("MCBC") submitted to the Virginia State Corporation Commission ("Commission") a written application, as subsequently amended, with attached exhibits ("Application") requesting that MCBC's First Mortgage Bonds Series 2021 ("2021 Bonds") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia.

In support of its Application, MCBC asserts, among other things, that: (i) MCBC was originally founded as Mount Calvary Baptist Church on November 11, 1953, and was incorporated on March 1, 2021 as a Virginia corporation operating not for private profit but exclusively for religious purposes; (ii) MCBC intends to offer and sell the 2021 Bonds up to a maximum aggregate amount of $1,300,000 on terms and conditions more fully described in the Prospectus filed as a part of the Application; and (iii) the 2021 Bonds are to be offered and sold only by broker-dealers registered under the Act.

Based on the facts asserted by MCBC in the Application, 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-2021-00040
NOVEMBER 4, 2021

APPLICATION OF
GREEN BAY PACKERS, INC.

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

On October 13, 2021, Green Bay Packers, Inc. ("GBP") submitted to the Virginia State Corporation Commission ("Commission") a written application, with attached exhibits, ("Application") requesting that GBP's Common Stock ("Common Stock") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia.

In support of its Application, GBP asserts, among other things, that: (i) GBP is a Wisconsin corporation operating not for private profit but exclusively for charitable purposes; (ii) GBP intends to offer and sell the Common Stock in an approximate aggregate amount of up to $90,000,000 on terms and conditions as more fully described in the Offering Document filed as a part of the Application; and (iii) said securities are to be offered and sold by a registered agent of the issuer.

Based upon the facts asserted by GBP in the Application, 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-2021-00042
DECEMBER 7, 2021

APPLICATION OF
CALVARY CHAPEL NEWPORT NEWS

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

On October 18, 2021, Calvary Chapel Newport News ("CCNN") submitted to the Virginia State Corporation Commission ("Commission") a written application, with attached exhibits ("Application"), requesting that CCNN's First Mortgage Bonds, 2021 Series ("Bonds") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia.

In support of its Application, CCNN asserts, among other things, that: (i) CCNN is a Virginia nonstock corporation operating not for private profit but exclusively for religious, charitable and educational purposes; (ii) CCNN intends to offer and sell the Bonds in an approximate aggregate amount of up to $5,980,000 on terms and conditions as more fully described in the Prospectus filed as a part of the Application; and (iii) said securities are to be offered and sold by registered broker-dealers.

Based upon the facts asserted by CCNN in the Application, 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.

DIVISION OF UTILITY AND RAILROAD SAFETY

CASE NO. URS-2017-00073
SEPTEMBER 29, 2021

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

FINAL ORDER

On August 1, 2017 the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Bernard Joyner ("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, 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 August 22, 2016, the Defendant damaged a three-quarter-inch steel gas service line operated by Virginia Natural Gas, Inc., at or near 1004 Emporia Avenue, Virginia Beach, Virginia, while excavating, and on this occasion: failed to notify the notification center before beginning excavation, in violation of § 56-265.17 A of the Code.

On April 5, 2021, Staff filed its Motion to Dismiss Rule to Show Cause ("Motion"). In support of its Motion, the Staff stated that the Defendant has been unresponsive to communication attempts. Staff further stated that no further violations of the Act by the Defendant have been alleged since the hearing and there is no evidence the Defendant still operates in the Commonwealth.

On April 13, 2021, the report of Mathias Roussy, Jr., Hearing Examiner ("Report") was filed, finding that the Division's Motion should be granted and recommending that the Commission issue an Order granting the Motion and dismissing the Rule without prejudice.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Hearing Examiner's Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report are hereby adopted.

(2) The Staff's Motion to Dismiss Rule to Show Cause is hereby granted.

(3) This case is hereby dismissed.

CASE NO. URS-2017-00201
JANUARY 28, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
OVERSTREET ENTERPRISE & LANDSCAPE LLC,
Defendant

FINAL ORDER

On January 22, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Overstreet Enterprise & Landscape LLC ("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 November 10, 2016, the Defendant damaged a one-inch plastic gas service line operated by the City of Richmond, located at or near 2900 Noble Avenue, Richmond, Virginia, while excavating. The Rule alleged that the Defendant failed to provide notice to the notification center with proper information, in violation of § 56-265.18 of the Code; and failed to notify the notification center for the area that markings locating the underground utility lines became illegible, in violation of § 56-265.24 B of the Code.

On October 13, 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 hearing, the Defendant has been unresponsive to Staffs attempts at communication. Further, the inspector who was Staffs witness in this matter is no longer employed by the Commission. Staff also notes that the Defendant has not been alleged to have committed any further violations of the Act since the issuance of the Rule to Show Cause in this matter. Accordingly, Staff believes that an alternative enforcement action will effectively advance safety in this matter.[1]

[1] Motion at 1.

On October 14, 2020, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that the Division's motion should be granted, and 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 that this case should be dismissed without prejudice.

Accordingly, IT IS SO ORDERED.

[2] Report at 2.

CASE NO. URS-2019-00260
JANUARY 22, 2021

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

NELSON URUGHART, INDIVIDUALLY AND D/B/A NGUYEN CONSTRUCTION,
Defendant

FINAL ORDER

On November 9, 2020, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Nelson Urughart, individually and d/b/a Nguyen Construction ("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 May 1, 2019, Nelson Urughart, individually and d/b/a Nguyen Construction ("Defendant"), damaged a one-half-inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 13521 Greyfield Drive, Chesterfield County, Virginia, while excavating. The Rule alleged that the Defendant failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 A; failed to expose the underground utility line to its extremities by hand digging, in violation of Code § 56-265.24 A; 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 Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et al*.; and failed to promptly report the damage to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to excavation, in violation of 20 VAC 5-309-200.

On January 12, 2021, the Division filed its Motion to Dismiss Rule to Show Cause ("Motion"). In support of its Motion, the Division stated that both prior to and subsequent to the issuance of the Rule, the Division has been unable to contact the Defendant. The Motion further states that the Division has found no evidence that the Defendant continues to operate in the Commonwealth. The Division states that it is uncertain whether the Defendant can be satisfactorily served with process, and that Staff believes that an alternate enforcement method is appropriate.[1]

On January 12, 2021, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that the Division's motion should be granted, and 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 that this case should be dismissed without prejudice.

Accordingly, IT IS SO ORDERED.

[1] Motion at 1.

[2] *Id.*

CASE NO. URS-2019-00379
JANUARY 28, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ASPEN HILL LANDWORKS LLC,
Defendant

FINAL ORDER

On November 9, 2020, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Aspen Hill Landworks LLC ("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 May 1, 2019, the Defendant damaged a four-inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 10705 Monocacy Way, Prince William County, Virginia, while excavating. The Rule alleged that the Defendant failed to expose the underground utility line to its extremities by hand digging, in violation of Code § 56-265.24 A; and 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 al.*

On January 12, 2021, the Division filed its Motion to Dismiss Rule to Show Cause ("Motion"). In support of its Motion, the Division stated that subsequent to the issuance of the Rule, the Division discussed the circumstances surrounding the May 23, 2019, incident with the Defendant wherein the Defendant agreed to take the Division's training course on underground damage prevention. The Motion further states that after these discussions, Staff believes that an alternative enforcement mechanism is appropriate.[1]

On January 14, 2021, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that the Division's motion should be granted, and 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 that this case should be dismissed without prejudice.

Accordingly, IT IS SO ORDERED.

[1] Motion at 1.

[2] Report at 2.

CASE NO. URS-2019-00388
FEBRUARY 8, 2021

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 April 9, 2019, and September 9, 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 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, as described in Attachment A to this Order.

(b) Failing to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A, as described in Attachment A to this Order.

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 $27,700 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 shall be docketed and assigned Case No. URS-2019-00388.

(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 $27,700 tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent 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
JULY 7, 2021

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 "Call Center") 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]

On May 20, 2020, the Commission entered an Order in this proceeding which amended the Call Centers performance standards.[2]

On June 2, 2021, the Staff filed its Motion to Amend Notification Call Center Performance Standards ("Motion"). With its Motion Staff seeks only to reinstate the previous average speed of answer ("ASA") ordered in PUE-2002-00525, which required the Call Center to achieve an average monthly ASA of no more than 30 seconds,[3] the Common Ground Alliance Best Practices Guide Customer Quality of Service Performance Measure standard, but allows for the submission of a 30-second ASA based upon a 90-day rather than a 30-day average.[4] Staff further asserts that the Call Center has represented that it generally does not object to the Motion, but reserved the right to comment in this proceeding. The Call Center filed no response to the Staff Motion.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this docket will be opened for the limited purpose of addressing the proposed amendment to ASA standard established in the May 2020 Order and that the Motion should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The Notification Center performance standard which states "The Notification Center shall report monthly ASA metrics to the Commission on a quarterly basis," is hereby replaced with the following:

> Average Speed of Answer: VUPS is required to report its 30-second ASA metrics to the Commission as a quarterly average, on a quarterly basis. The Call Center may remove 1 day per quarter where exigent circumstances, such as an act of God or other unavoidable occurrence outside of the Call Center's control and not otherwise able to be mitigated, skews the Call Center's quarterly ASA beyond the targeted 30 second average for the quarter.[5] When such data is removed, the Call Center shall submit a detailed description and analysis to the Division explaining why the unavoidable occurrence was not able to be mitigated.

(2) All other provisions of the Commission's May 2020 Order in this proceeding remain in full force and effect.

(3) This case is dismissed.

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[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] 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, Case No. URS-2019-00389, Doc. Con. Cen. No. 200540161, Order (May 20, 2020) ("May 2020 Order"). Only VUPs and the Staff of the Commission ("Staff") participated in this proceeding.

[3] Currently, the Notification Center is required "to report monthly ASA metrics to the Commission on a quarterly basis" without a defined speed of answer standard. May 2020 Order at 3.

[4] Motion at 2.

[5] Exigent circumstances do not include circumstances entirely within the Call Center's control such as poor forecasting and scheduling, understaffing on days after holidays, or the failure to implement critical ASA procedure when needed.

CASE NO. URS-2020-00052
MAY 13, 2021

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

Ex Parte: In the matter of adopting new rules of the State Corporation Commission requiring licensed professional engineers to exercise responsible charge over certain pipeline projects under § 56-257.2:1 of the Code of Virginia

ORDER ADOPTING REGULATIONS

During its 2020 Session, the Virginia General Assembly enacted Chapter 822 (SB 385) of the 2020 Virginia Acts of Assembly ("Act"), which became effective on July 1, 2020. The Act, *inter alia*, amended the Code of Virginia ("Va. Code") by adding a section, § 56-257.2:1, to require the State Corporation Commission ("Commission") to promulgate regulations requiring that a licensed professional engineer exercise responsible charge over engineering projects that (i) involve gas pipeline facilities, as defined in the federal regulations promulgated under 49 U.S.C. § 60101 *et seq.*, as amended and adopted by the Commission, and the federal pipeline safety laws, and (ii) may present a material risk to public safety. These regulations are in furtherance of the Act's related amendment to a provision of the Va. Code that, *inter alia*, had generally exempted employees of Commission-regulated public service corporations from professional engineer licensing, when those employees provided engineering services in connection with public service corporations' facilities regulated by the Commission. The Act further required the Commission to convene a stakeholder group ("Stakeholder Group"), including representatives of natural gas utilities in the Commonwealth, and to direct such stakeholder group to develop and propose to the Commission recommendations concerning such regulations no later than December 1, 2020. Pursuant to the Commission's May 29, 2020, Order in Case No. URS-2020-00052, the Staff of the Commission ("Staff") filed the Staff Report which included recommendations and proposed regulations compiled as a result of the greater Stakeholder Group.

On December 9, 2020, the Commission entered an Order for Notice and Comment in this proceeding which, among other things, permitted the filing of comments on the proposed regulations ("Proposed Rules") by interested persons and the Staff. The Proposed Rules were attached to the Commission's Order for Notice and Comment. Rebecca Golden, representing the Virginia Society of Professional Engineers, Joseph Hines, and the American Gas Association filed separate comments on January 26, 2021, February 2, 2021, and February 3, 2021, respectively. Washington Gas Light Company, Appalachian Natural Gas Distribution Company, Atmos Energy Corporation, Columbia Gas of Virginia, Inc., Roanoke Gas Company, Southwestern Virginia Gas Company, and Virginia Natural Gas (collectively the "LDCs" or "Joint Commenters"), filed joint comments on the Proposed Rules on February 2, 2021.

On February 25, 2021, Staff filed its comments, ("Staff Comments") including certain revisions to the Proposed Rules, offered by Staff in response to the comments provided by interested persons and the LDCs.

On April 6, 2021, the Joint Commenters filed their Motion for Leave to File Supplemental Comments and Withdraw the Request for a Hearing ("Motion for Leave and to Withdraw Request for Hearing").[1]

NOW THE COMMISSION, upon consideration of the foregoing, finds that we should adopt the Proposed Rules appended hereto as Attachment A effective July 1, 2021 ("Rules") and also grant the Motion for Leave and to Withdraw Request for Hearing. As an initial matter, the Commission expresses appreciation to the Stakeholder Group and to those who have submitted written comments for our consideration. We have carefully reviewed and considered all comments filed in this matter. The Rules adopted today are intended to enhance pipeline safety in the Commonwealth. As experience is gained and lessons are learned in the regulation of pipeline safety, the Commission may update and revise these Rules as needed. In this regard, we further note that the Rules permit requests for waiver.[2]

The Rules we adopt herein contain modifications to the regulations that were first proposed by Staff and published in the *Virginia Register of Regulations* on January 4, 2021. Consideration of all comments filed in this proceeding informed our modification of those regulations as emphasized below. Although we will not comment on each Rule in detail, there are several provisions that we will address further herein.

20 VAC 5-360-30 C 2

As proposed by the Joint Commenters, we find that exempting from professional engineer review certain routine operating adjustments and like-kind component replacements, performed at district regulator stations, compressor stations, or gate stations that alter or modify the configuration or overpressure of equipment is reasonable where the operator specifies in detail the meaning of "like-kind" components within their respective Operations and Maintenance manuals required by the Commission's Pipeline Safety Standards.

20 VAC 5-360-30 C 5

We accept as reasonable the alternative language as proposed by the Joint Commenters, and the LCDs commitment to define in detail "minor adjustments" and "routine maintenance" within their respective Operations and Maintenance manuals required by the Commission's Pipeline Safety Standards.

20 VAC 5-360-30 C 7

We support the amended definition of "Public Right-of-Way", finding reasonable the amended language proposed by the Staff and endorsed subsequently by Joint Commenters.

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[1] The Joint Commenters attached their supplemental comments to the Motion for Leave and to Withdraw Request for Hearing.

[2] 20 VAC 5-360-50.

20 VAC 5-360-30 C 8

We agree with the Staff's clarification to Rule C8 which is also supported by the Joint Commenters. We therefore endorse the following language:

Installation or abandonment of service lines connecting to transmission lines or installation or abandonment of service lines connecting to high-pressure distribution mains with a MAOP that exceeds 100 p.s.i.g.

20 VAC 5-360-30 C 10

We reject amendments to this section as proposed by Joint Commenters, finding persuasive and reasonable Staff's Comments relative to existing standards in the Code of Federal Regulations.

Accordingly, IT IS ORDERED THAT:

(1) The Rules requiring that a licensed professional engineer exercise responsible charge over certain pipeline projects under Va. Code § 56-257.2:1, 20 VAC 5-360-10 *et seq*., as shown in Attachment A to this Order Adopting Regulations ("Order"), are hereby adopted and are effective as of July 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) The Joint Commenters' Motion for Leave to File Supplemental Comments and Withdraw the Request for a Hearing is granted.

(4) An electronic copy of this Order with Attachment A shall be made available on the Division of Utility and Railroad Safety's section of the Commission's website: scc.virginia.gov/pages/Rulemaking

(5) This docket is dismissed.

NOTE: A copy of the attachment entitled "CH 360 Natural Gas Engineering Projects" 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-2020-00052
JUNE 3, 2021

COMMONWEALTH OF VIRGINIA, *ex rel*.

Ex Parte: In the matter of adopting new rules of the State Corporation Commission requiring licensed professional engineers to exercise responsible charge over certain pipeline projects under § 56-257.2:1 of the Code of Virginia

ORDER GRANTING RECONSIDERATION

On May 13, 2021, the State Corporation Commission ("Commission") issued an Order Adopting Regulations in this docket, promulgating new regulations requiring that a licensed professional engineer exercise responsible charge over certain engineering projects involving gas pipeline facilities ("Rules"). On June 1, 2021, Virginia Natural Gas, Inc., Washington Gas Light Company, Appalachian Natural Gas Distribution Company, Atmos Energy Corporation, Columbia Gas of Virginia, Inc., Roanoke Gas Company, and Southwestern Virginia Gas Company (collectively, the "Joint Commenters") filed a Limited Petition for Reconsideration. Specifically, the Joint Commenters seek to continue the effective date of the Rules from July 1, 2021, to January 1, 2022.

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition for Limited Reconsideration. The Order Adopting Regulations 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 for considering the Limited Petition for Reconsideration.

(2) Pending the Commission's reconsideration, the Order Adopting Regulations is suspended.

(3) This matter is continued generally.

CASE NO. URS-2020-00052
JUNE 24, 2021

COMMONWEALTH OF VIRGINIA, *ex rel*.

Ex Parte: In the matter concerning regulations required by Chapter 822 of the 2020 Acts of Assembly

ORDER ON RECONSIDERATION

On May 13, 2021, the State Corporation Commission ("Commission") issued an Order Adopting Regulations in this docket, promulgating new regulations requiring that licensed professional engineers exercise responsible charge over certain engineering projects involving gas pipeline facilities in Virginia ("Rules").

On June 1, 2021, Virginia Natural Gas, Inc., Washington Gas Light Company, Appalachian Natural Gas Distribution Company, Atmos Energy Corporation, Columbia Gas of Virginia, Inc., Roanoke Gas Company, and Southwestern Virginia Gas Company (collectively, the "Joint Commenters") filed a Limited Petition for Reconsideration ("Petition"). Specifically, the Joint Commenters sought to continue the effective date of the Rules from July 1, 2021, to January 1, 2022.

On June 3, 2021, the Commission issued an Order Granting Reconsideration for purposes of continuing Commission jurisdiction over the matter while considering the Petition, and on June 10, 2021, issued an Order scheduling additional pleadings attendant to the Petition.[1]

On June 14, 2021, Commission Staff filed a letter in response to the Petition stating that Staff did not object to the request for relief in the Petition.

On June 17, 2021, the Joint Commenters filed a reply to Staff letter, noting Staff's lack of objection.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the Limited Petition for Reconsideration should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The Limited Petition for Reconsideration is granted.

(2) Ordering Paragraph (1) of the Order Adopting Regulations is amended to reflect the implementation date of the Rules as January 1, 2022. The remainder of the May 13, 2021 Order Adopting Regulations remains in full force and effect.

(3) The Order Adopting Regulations is no longer suspended.

(4) This case is dismissed.

[1] On June 16, 2021, the American Gas Association filed comments supporting the request for relief in the Petition.

CASE NO. URS-2020-00207
JANUARY 15, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, 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 15, 2019, and May 8, 2020, listed in the Attachment A, involving Virginia Natural Gas, 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) within two feet of either side of the underground utility line, in violation of Code § 56-265.19 A.

(b) Failing on nine 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 $10,550 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-2020-00207.

(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 Five Hundred Fifty Dollars ($10,550) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent 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-2020-00209
AUGUST 5, 2021

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 September 10, 2019, and April 13, 2020, 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 four 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 ten 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 $14,400 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-2020-00209.

(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 Dollars ($14,400) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent 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-2020-00210
APRIL 13, 2021

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 September 20, 2019, and June 18, 2020, 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 thirty-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 forty-two 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 one occasion to provide markings extending a reasonable distance beyond the boundaries of the specific location of the proposed work, in violation of 20 VAC 5-309-110 I of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act

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 $69,050 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-2020-00210.

(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 Sixty-nine Thousand Fifty Dollars ($69,050) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent 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-2020-00235
JULY 16, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CABLE PROTECTION SERVICES, 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 10, 2019, and June 18, 2020, listed in Attachment A, involving Cable Protection Services, 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 one occasion 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.

(b) Failing on three 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.

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-2020-00235.

(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 the Admission and Consent 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-2020-00236
MARCH 19, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CITY CONCRETE CORP.,
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 August 23, 2019, City Concrete Corp. ("Company"), damaged a three-quarter-inch plastic gas service stub operated by Washington Gas Light Company, located at or near 3841 Military Road, Arlington County, Virginia, while excavating.

(2) On or about August 27, 2019, the Company damaged a one-half-inch plastic gas service line operated by Washington Gas Light Company, located at or near 1605 Hunting Avenue, Fairfax County, Virginia, while excavating.

(3) On or about January 20, 2020, the Company damaged a three-quarter-inch steel gas service line operated by Washington Gas Light Company, located at or near 10420 Darby Street, Fairfax County, Virginia, while excavating.

(4) On or about March 5, 2020, the Company damaged a one-half-inch copper gas service line operated by Washington Gas Light Company, located at or near 3845 North Chesterbrook Road, Arlington County, Virginia, while excavating.

(5) On or about March 26, 2020, the Company damaged a two-inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 9107 Owens Drive, Prince William County, Virginia, while excavating.

(6) On the occasions set out in paragraphs (1) through (5) above, the Company failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 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 $10,900 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-2020-00236.

(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 The Thousand Nine Hundred Dollars ($10,900) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent 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-2020-00242
JANUARY 25, 2021

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"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between November 20, 2019, and April 28, 2020, listed in the Attachment A, involving Washington Gas Light 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 six occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet either side of the underground utility lines, in violation of Code § 56-265.19 A.

(b) Failing on twelve 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 $16,750 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-2020-00242.

(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 Sixteen Thousand Seven Hundred Fifty Dollars ($16,750) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent 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-2020-00329
OCTOBER 14, 2021

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 March 16, 2020, and August 20, 2020, 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 twelve 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 eighteen 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.

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 $27,800 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-2020-00329.

(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 Twenty-Seven Thousand Eight Hundred Dollars ($27,800) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent 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-2020-00337
MAY 13, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
EWT, 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"), after having conducted an investigation of this matter, alleges that:

(1) On or about June 5, 2020, EWT, Inc. ("Company"), damaged a one-half-inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 2000 James Overlook Drive, Chesterfield County, Virginia, while excavating.

(2) On or about June 5, 2020, the Company excavated at or near 1912 James Overlook Drive, Chesterfield County, Virginia.

(3) On or about June 5, 2020, the Company excavated at or near 2508 Channelmark Place, Chesterfield County, Virginia.

(4) On or about June 11, 2020, the Company excavated at or near 13737 Bastian Drive, Chesterfield County, Virginia.

(5) On the occasions set out in paragraphs (1) through (4) above, the Company failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 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 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 $6,100, to be paid contemporaneously with the entry of this Order.

(2) The Company will undertake a training session for its employees on the subject of underground utility damage prevention conducted by the Division and submit documentation evidencing the training session to the Commission 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.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case hereby is docketed and assigned Case No. URS-2020-00337.

(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 One Hundred Dollars ($6,100) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent 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-2020-00378
JUNE 11, 2021

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

Ex Parte: 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

ORDER ADOPTING REGULATIONS

During its 2020 Session, the Virginia General Assembly enacted Chapter 666 (HB 723) of the 2020 Virginia Acts of Assembly ("Act"), which became effective on July 1, 2020. The Act, *inter alia*, amended the Code of Virginia by adding a section, § 56-257.5 to require the State Corporation Commission ("Commission") to establish rules by which operators are required to remove topsoil from certain planned construction sites and either redistribute it or store it for later redistribution on the disturbed area ("Proposed Rules").

On November 17, 2020, the Commission entered an Order for Notice and Comment in this proceeding, which among other things, permitted the filing of comments by interested persons and the Commission Staff ("Staff"). The Proposed Rules were attached to the Commission's Order for Notice and Comment. Washington Gas Light Company, Virginia-American Water Company, Virginia Natural Gas ("VNG"), and Virginia Electric and Power Company filed comments on the Proposed Rules.

Staff filed comments in the case on January 19, 2021 and filed Supplemental Comments on February 25, 2021.

NOW THE COMMISSION, upon consideration of the foregoing, finds that we should adopt the Rules appended hereto as Attachment A effective July 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 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 December 7, 2020, as well as those proposed in Comments and Supplemental Comments. These modifications follow our consideration of the entire record in this proceeding. Although we will not comment on each Rule in detail here, all modifications are made for clarity and to further implement and support the statute.

Accordingly, IT IS ORDERED THAT:

(1) The rules governing operator's responsibilities to redistribute topsoil under § 56-257.5 of the Code of Virginia, as shown in Attachment A to this Order, are hereby adopted and are effective as of July 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 Utility and Railroad Safety'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 "Rules Governing Operator's Responsibilities to Redistribute Topsoil" 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-2020-00426
OCTOBER 14, 2021

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"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between May 11, 2020, and July 15, 2020, listed in Attachment A, involving Washington Gas Light Company ("Company"), the Defendant, and alleges that:

(1) During the aforementioned period, the Company violated the Act by the following conduct:

(a) 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.

(b) Failing on one occasion 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.

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 $5,850 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 accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case hereby is docketed and assigned Case No. URS-2020-00426.

(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 Eight Hundred Fifty Dollars ($5,850) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent 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-2020-00428
DECEMBER 27, 2021

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 April 29, 2020, and September 28, 2020, 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 four 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 eighteen 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 one occasion to report the report the marking status of the underground utility line to the excavator-operator information exchange system 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 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 $22,350 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-2020-00428.

(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 Twenty-Two Thousand Three Hundred Fifty Dollars ($22,350) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent 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.

URS-2020-00439
JANUARY 11, 2021

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

Ex Parte: Reporting related to the Underground Utility Damage Prevention Act.

CLARIFYING ORDER

In 1979 the Underground Utility Damage Prevention Act ("Act") was enacted into Virginia law.[1] Among other provisions, § 56-265.30 A of the Act directs the State Corporation Commission ("Commission") to enforce its provisions.

In December of 2020, the Commission revised its DPA-1 Incident Report Form that serves as the Commissions mechanism for learning about probable violations of the Act.

In order to further implement the Commission's enforcement authority under the Act, the Commission hereby orders that, effective January 1, 2021, Virginia jurisdictional gas and hazardous liquid operators shall report to the Commission all probable violations of the Act, [2] and any incident involving damage, dislocation, or disturbance of any gas or hazardous liquid pipeline on the Commission's DPA-1 Incident Report Form Revised December 2020 ("DPA-1"). Virginia jurisdictional gas and hazardous liquid operators also may report the near miss of any gas or hazardous liquid pipeline on the Commission's DPA-1.

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

[1] § 56-265.14 *et seq*. of the Code of Virginia.

[2] Discretionary reporting to the Commission, where the operator may address a probable violation with additional education and training rather than mandatory reporting, shall be determined pursuant to the operator's damage prevention program, required by 49 C.F.R. § 192.614.

CASE NO. URS-2021-00028
OCTOBER 13, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LAKESIDE CONCRETE ENTERPRISES, 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"), after having conducted an investigation of this matter, alleges that:

(1) On or about November 2, 2020, Lakeside Concrete Enterprises, Inc. ("Company"), damaged a three-quarter-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 304 Quaint Ridge Road, Williamsburg, 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 immediately notify the operator of the damage, in violation of Code § 56-265.24 D.

(4) On the occasion set out in paragraph (1) above, the Company failed to take immediate steps reasonably calculated to safeguard life, health and property, in violation of Code § 56-265.24 E.

(5) On the occasion set out in paragraph (1) above, the Company failed to promptly report the damage to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to excavation, in violation of 20 VAC 5-309-200 of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*.

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 $7,500 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-2021-00028.

(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 Seven Thousand Five Hundred Dollars ($7,500) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent 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-2021-00048
OCTOBER 29, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOSE AGUIRRE,
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 August 13, 2020, Jose Aguirre ("Excavator"), damaged a one-half-inch plastic gas service line operated by Atmos Energy Corporation, located at or near 1317 Pickett Street, Montgomery County, Virginia, while excavating.

(2) On the occasion set out in paragraph (1) above, the Excavator failed to immediately notify the operator of the damage, in violation of Code § 56-265.24 D.

(3) On the occasion set out in paragraph (1) above, the Excavator failed to take immediate steps reasonably calculated to safeguard life, health and property, in violation of Code § 56-265.24 E.

As evidenced in the attached Admission and Consent document, the Excavator 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 Excavator represents and undertakes that he will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,000 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-2021-00048.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Excavator hereby is accepted.

(3) The sum of Five Thousand Dollars ($5,000) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent 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-2021-00117
SEPTEMBER 20, 2021

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 24, 2020, and March 5, 2021, 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 seven 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 twenty-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 $27,450 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-2021-00117.

(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 Twenty-Seven Thousand Four Hundred Fifty Dollars ($27,450) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent 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-2021-00148
NOVEMBER 12, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
POWER HOME SOLAR 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"), after having conducted an investigation of this matter, alleges that:

(1) On or about October 7, 2020, Power Home Solar LLC ("Company"), excavated at or near 27294 Summer Drive, Caroline County, Virginia.

(2) On the occasion set out in paragraph (1) above, the Company failed to request the re-marking of lines three working days before the end of the fifteen-working-day period, or at any time when line-location markings on the ground became illegible, in violation of Code § 56-265.17 D.

(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 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 Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-20 *et seq*.

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 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 $5,000, to be paid contemporaneously with the entry of this Order.

(2) The Company will undertake a training session for its employees on the subject of underground utility damage prevention conducted by the Division and submit documentation evidencing the training session to the Commission 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.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case hereby is docketed and assigned Case No. URS-2021-00148.

(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 Dollars ($5,000) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent 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-2021-00171
DECEMBER 1, 2021

PETITION OF
VIRGINIA NATURAL GAS, INC.

For rulemaking to revise requirement for trenchless excavation set forth in 20VAC5-309-150 of the Rules for Enforcement of the Underground Utility Damage Prevention Act

ORDER ADOPTING REGULATIONS

On May 6, 2021, Virginia Natural Gas, Inc. ("Petitioner"), filed a Petition for Rulemaking ("Petition") requesting that the State Corporation Commission ("Commission") initiate a rulemaking for the limited purpose of revising 20 VAC 5-309-150 B 4 ("Rule 150 B 4") of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act that prescribes requirements for post excavation inspection. The Petition included proposed language ("Proposed Rule") to be considered by the Commission.

The Petitioner states that the Proposed Rule would provide for greater safety, efficiency, and flexibility when conducting post-drill inspections of certain trenchless excavations.[1] The Petitioner states 20 VAC 5-309-150 establishes the requirements for trenchless excavation. Subsection B, in particular, provides that "any person conducting trenchless excavation crossing any gravity fed sewer main or combination storm-sanitary sewer system utility lines need not expose such utility lines by hand digging" if certain steps are taken, including obtaining appropriate documentation from the utility line operator, appropriately locating the utility line and ensuring proper clearance, and conducting a post-excavation inspection to ensure no cross bore or other damage has occurred.[2]

The Petitioner seeks the amendment of the rule regarding the post-excavation inspection set forth in subsection B 4. Rule 150 B 4 currently requires the same excavator who performed the pre-excavation inspection and trenchless excavation work to also perform the post-excavation inspection using the same type of video equipment.[3]

With its Petition, the Petitioner proposes the revision of Rule 150 B 4 to allow a qualified contractor other than the one who performed the trenchless excavation to conduct the post-excavation inspection of that work. The Proposed Rule would still require a post-excavation video inspection of the sewer lines but provides an alternative to the current requirement that the excavator inspect his or her own excavation work.[4]

On May 27, 2021, the Commission entered an Order Establishing Proceeding ("Procedural Order") which, among other things, directed that notice of the Proposed Rule be given to interested persons and that such interested persons and the Commission Staff ("Staff") be provided an opportunity to file written comments on, propose modifications or supplements to, or request a hearing on the Proposed Rule. The Procedural Order directed the Commission's Division of Information Resources to provide a copy thereof to the Registrar of Regulations for publication in the *Virginia Register of Regulations*.[5] The Procedural Order further directed the Petitioner: (i) to serve a copy thereof upon each member of the Commission's Underground Utility Damage Prevention Advisory Committee and each entity listed in Attachment B of the Procedural Order.[6]

On August 25, 2021, Staff filed a letter in lieu of comments stating that Staff does not oppose the proposed revision. On September 3, 2021, the Petitioner filed a letter in lieu of rebuttal testimony acknowledging the Staff's comments and requesting that the Commission approve its Petition. No other comments or requests for hearing were filed in the docket.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Proposed Rule as submitted for Commission consideration should be approved subject to our findings discussed herein. The Rules we adopt herein contain modifications to those that were first proposed by Petitioner and published in the Virginia Register of Regulations on June 21, 2021. These modifications are for clarification and follow our consideration of the entire record in this proceeding.

The Petitioners request that, among other things, 20 VAC 5-309-150 B 4 be revised to remove the term "excavator" and replace it with the term "qualified contractor." The Commission finds that it is more appropriate to add the term "qualified contractor" while also retaining the permissibility of the excavator also performing the requisite post excavation inspections.

20 VAC 5-309-150 B 5 ("Rule 150 B 5") states "[t]he excavator shall immediately notify the utility line operator of any damage found." The Commission finds that by approving the Proposed Rule as revised herein, the language of Rule 150 B 5 should also be revised to allow for the qualified contractor who may ultimately perform the post excavation inspection to immediately notify the utility line operator of any damage found.

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[1] Petition at 1.

[2] *Id.* at 2.

[3] *Id.*

[4] *Id.*

[5] The Order Establishing Proceeding and the proposed regulation were published in the June 21, 2021 issue of the *Virginia Register of Regulations*.

[6] On July 1, 2021, the Petitioner filed a Certificate of Service stating that it had mailed a copy of the Procedural Order to each member of the Underground Damage Prevention Advisory Committee as well as each Virginia Local Natural Gas Distribution Company.

20 VAC 5-309-150 B 6 ("Rule 150 B 6") states "[a]fter the bore has been completed, the excavator shall make all video documentation available to the utility line operator and the division upon request. Such video documentation shall be maintained and made available for 12 months from the time of notice of excavation." The Commission finds that here also, Rule 150 B 6 should be revised to allow for the qualified contractor to make all video documentation available to the utility line operator and the division upon request.

Accordingly, IT IS ORDERED THAT:

(1) The Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*., hereby are adopted as shown in Attachment A to this Order and shall become effective as of January 1, 2022.

(2) A copy of these regulations as set out in Attachment A of this Order Adopting Regulations shall be forwarded to the Registrar of Regulations for publication in the *Virginia Register*.

(3) This case is dismissed.

NOTE: A copy of Attachment A entitled "Underground Damage Prevention Act" 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-2021-00227
OCTOBER 5, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
APPALACHIAN NATURAL GAS DISTRIBUTION 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 Appalachian Natural Gas Distribution Company ("ANGD" or "Company"), 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. § 192.199 (g) Failure of the Company to install a pressure limiting device in such a manner as to prevent any single incident from affecting the operation of both the overpressure protective device and the district regulator.

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").

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[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.

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 Twelve Thousand Dollars ($12,000), of which Two Thousand Dollars ($2,000) shall be paid contemporaneously with the entry of this Order. The remaining Ten Thousand Dollars ($10,000) 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:

> The Company shall confirm that all of its pressure control and regulation stations in Virginia have more than one pressure relieving and/or pressure limiting device by no later than September 1, 2021.[3] At the completion of the Company's assessment of its existing stations, the Company shall provide Staff a list of all stations assessed, to include the station name/identifier, the date of the review/inspection undertaken to comply with this agreement, any corrective actions taken, and a description of the methods of overpressure protection at the station.[4]

(3) On or before September 1, 2021, the Company shall tender to the Clerk of the Commission, with a copy to the Division, an affidavit detailing its Compliance with Undertaking Paragraph (2) executed by the Vice President of the Company, certifying that the Company completed the remedial actions set forth herein. Such affidavit should reference Case No. URS-2021-00227.

(4) Upon timely receipt of said affidavit, the Commission may vacate up to Ten Thousand Dollars ($10,000) 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 Ten Thousand Dollars ($10,000) 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 reason for said failure justifies a payment lower than Ten Thousand Dollars ($10,000), 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.

(6) Although the civil penalty in this Order is assessed to ANGD, the probable violations can be attributed to ANGD and its contractors. However, ANGD 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 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 case is hereby docketed and assigned Case No. URS-2021-00227.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by ANGD 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).

(4) The sum of Two Thousand Dollars ($2,000) tendered contemporaneously with the entry of this Order is accepted. The remaining Ten Thousand Dollars ($10,000) is hereby suspended and vacated, as the Company has timely undertaken the action required in Undertaking Paragraph (2) of this Order and timely filed certification of the remedial action as required by Undertaking Paragraph (3).

(5) Undertaking Paragraphs (4), (5), (6), and (7) are hereby incorporated by reference.

(6) This case is dismissed.

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[3] *E.g.*, multiple regulators, a regulator and a relief device, etc.

[4] *E.g.*, worker-monitor regulators, single regulator with downstream relief device, worker-monitor with additional relief device, etc.

CASE NO. URS-2021-00286
NOVEMBER 1, 2021

COMMONWEALTH OF VIRGINIA, *ex rel.*
PETITION OF COMMISSION STAFF

For Order regarding Washington Gas Light Company's replacement of mercury service regulators pursuant to Va. Code § 56-36

FINAL ORDER

On September 8, 2021, the Division of Utility and Railroad Safety ("Division" or "Staff") of the State Corporation Commission ("Commission"), pursuant to § 56-36 of the Code of Virginia, and 5 VAC 5-20-100 of the Commission's Rules of Practice and Procedure,[1] filed a petition ("Petition") moving the Commission to enter an Order directing Washington Gas Light Company ("WGL" or the "Company") to, among other things, undertake certain reporting requirements relative to the replacement of mercury service regulators ("MSRs") throughout its natural gas system located within Virginia.[2]

In its Petition, the Division stated that MSRs present an increased risk of failure as they age due to components such as leather diaphragms and rubber valve seats that are subject to age-related deterioration and can cease to work properly over time.[3] The Commission recognized the need for WGL to replace its MSRs in its Final Order issued in Case No. PUE-2002-00364,[4] and supported WGL's proposed mercury service regulator replacement program ("MSRRP").[5] By Report Number PAR-19/01,[6] adopted by the National Transportation Safety Board ("NTSB") on April 24, 2019, the NTSB recommended and WGL took actions to:[7]

(i) implement an audit program to verify the data on the service forms used to determine the location and condition of [MSRs] to ensure the accuracy of this safety-critical data. (P-19-009);

(ii) [r]evise [the Company's] procedures and field forms to require technicians to verify the integrity of vent lines following the testing of indoor service regulators throughout the [Company's] network. (P-19-010);

(iii) [e]stablish a time frame with specific dates and milestones for the replacement of [MSRs] throughout the [Company's] network that recognizes the need to expedite this program and that prioritizes multifamily dwellings where [MSRs] are located inside the property. (P-19-011);

(iv) [i]nstall all new service regulators outside occupied structures. (P-19-012); and

(v) [r]elocate existing interior service regulators outside occupied structures whenever the gas service line, meter, or regulator is replaced. In addition, multifamily structures should be prioritized over single-family dwellings. (P-19-013).

The Division stated that the NTSB further recommended that following WGL's successful completion of Safety Recommendation P-19-009, the Commission should:[8]

(i) audit and verify the performance of [WGL]'s [MSRRP], including its recordkeeping. (P-19-003) (*See* section 2.3.9.); and

(ii) [o]versee the replacement process for the [MSRs] that [WGL] has in service. (P-19-004) (*See* section 2.3.10.).

The Staff requested, without objection from the Company,[9] that the Commission enter an Order directing the Company to, among other things, establish certain milestones and audit requirements for the enhanced program.[10]

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[1] 5 VAC 5-20-10 *et seq.*

[2] Petition at 1.

[3] *Id.* Pipeline and Hazardous Materials Safety Administration ("PHMSA"), 85 Fed. Reg. 61101, 61102 n.1 (Sept. 29, 2020).

[4] *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, Final Order (Dec. 18, 2003).

[5] Petition at 1.

[6] NTSB Report PAR-19/01 (Apr. 24, 2019).

[7] Petition at 2.

[8] *Id.*

[9] *Id.*

[10] *Id.* at 3.

Specifically, the Division requested that the Commission enter an Order directing the Company to complete the following undertakings:[11]

(1) The Company will make a reasonable effort[12] to identify all multifamily MSRs within one (1) year from the start of the MSRRP. Second, the Company will make a reasonable effort to survey all non-multifamily MSRs within three (3) years of the start of the MSRRP. The start of the MSRRP was March 1, 2021;

(2) Document any mercury service regulators found, to ensure the prompt and proper prioritization of removal of any and all mercury service regulators in Virginia at minimum in accordance with the timeframes WGL established in response to NTSB Recommendation P-19-011;

(3) By October 15, 2021, ensure that any and all WGL employees and contractors performing replacements pursuant to the Accelerated Mercury Regulator Replacement Program ("AMRRP") are listed on the daily crew information provided to the Division, in the format, and with the details, specified by the Division;

(4) Beginning January 15, 2022, file a quarterly Report of Action fifteen days from the end each quarter, containing the following information:

a. The number of MSRs, delineated by multi-family and non-multi-family service lines replaced in Virginia, to date, through the AMRRP;

b. The number of MSRs, delineated by multi-family and non-multi-family service lines replaced in Virginia, to date, for any non-AMRRP reason (e.g. environmental remediation, SAVE replacement, leak repair, etc.);

c. The number of surveyed service lines in Virginia identified as of the date of each quarterly report, delineated by multi-family and non-multi-family service lines for which the Company has successfully completed remediation of known MSRs;

d. The number of service lines identified in undertaking paragraph (1) as potentially having a mercury service regulator, delineated by multi-family and non-multi-family service lines, surveyed through the AMRRP in Virginia, as of the date of each quarterly report; for which the Company has not yet completed replacement;

e. The number of current employees, delineated by whether they are Company or contractor personnel, and operator qualified ("Qualified") to subpart N of Part 192 of the Commission's Pipeline Safety Standards and assigned to perform an AMRRP survey at any point during the reporting period; and

f. The number of current employees delineated by whether they are Company or contractor personnel; qualified to perform a regulator replacement; qualified under the Company's specific training to remove a mercury regulator from service; and assigned to remove mercury regulators from service at any point during the reporting period.

(5) Promptly notify Staff when WGL encounters issues that affect its ability to perform the AMRRP's surveys and/or remediation projects, in accordance with the elements and terms as set forth herein.

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 Division's Petition is approved as discussed herein.

(2) The Company is hereby Ordered to complete the undertakings outlined in paragraphs (1) through (5) above, herein incorporated by reference.

(3) This case is continued.

[11] Petition at 3-4. Deadlines indicated in undertaking paragraphs one (1) through five (5) are subject to potential administrative extension for circumstances beyond the Company's control, which may be granted by the URS Director upon the timely request thereof.

[12] Herein, "reasonable effort" refers to the Company's adherence to its procedures for reattempting access to physical locations in which the Company, or its contractor, "cannot gain access" during the undertakings directed by this Order. The Company shall document attempts to gain access to carry out all provisions of this Order".

JUDITH WILLIAMS JAGDMANN
COMMISSIONER

JEHMAL T. HUDSON
COMMISSIONER

ANGELA L. NAVARRO
COMMISSIONER

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

BERNARD LOGAN
CLERK OF THE COMMISSION
P.O. BOX 1197
RICHMOND, VIRGINIA 23218-1197

September 1, 2021

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,

Judith Williams Jagdmann
Chairman

Jehmal T. Hudson
Commissioner

Angela L. Navarro
Commissioner

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

September 1, 2021

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"). The Regulation Act has expanded in recent years with new programs and requirements that fall within the Commission's purview. This report summarizes the Commission's efforts to implement the Regulation Act for incumbent electric utilities[1] as well as the electric cooperatives.

Key highlights from the report include:

A. Current Status of the Regulation Act

- Over the last three years, the Regulation Act has 17 new or expanded programs and rulemakings that apply to two of the Commonwealth's incumbent electric utilities and two new programs that apply to the Commonwealth's electric cooperatives. These programs include the requirements of the Virginia Clean Economy Act ("VCEA"),[2] which establishes a new Renewable Energy Portfolio Standard ("RPS") and Energy Efficiency Resource Standard ("EERS"). The relevant Commission dockets to implement these programs, as well as the dockets that continue to provide oversight of the utility's existing operations, are summarized in Section IV, below.

- According to its 2020 RPS Plan, Dominion Energy Virginia ("DEV" or "Dominion") estimates that by 2045, it may have 28,433 megawatts ("MW") of solar resources, 5,112 MW of offshore wind resources, and 316 MW of hydroelectric resources that it will use toward meeting its capacity obligations in the PJM Interconnection, L.L.C. regional transmission organization

[1] Code § 56-580 G suspends application of the Regulation Act, with the exception of Code § 56-594, to Kentucky Utilities d/b/a Old Dominion Power Company ("KU/ODP"), which is an investor-owned incumbent electric utility whose service territory is located entirely within Dickenson, Lee, Russell, Scott, and Wise Counties.

[2] 2020 Va. Acts chs. 1193, 1194.

("PJM").[3] DEV also anticipates developing 2,730 MW of energy storage through a mix of company-owned and third party power purchase agreements ("PPAs") by 2035.[4] On April 30, 2021, the Commission found DEV's RPS Plan reasonable and prudent for the limited purpose of its first annual plan, approved 498 MW of new renewable generation capacity in the Commonwealth, and approved a rate adjustment clause ("RAC") for cost recovery associated with approved company-owned solar facilities. Among other things, as part of its Order, the Commission required DEV to file a least cost plan that meets applicable carbon regulations and the mandatory RPS Program requirements of the VCEA in future RPS Plans.[5]

- According to its 2020 RPS Plan, Appalachian Power Company ("APCo") anticipates adding, through a mix of company-owned resources and PPAs, 3,452 MW of solar, 2,200 MW of onshore wind, and 400 MW of energy storage to meet the requirements of the VCEA through 2050.[6] On April 30, 2021, the Commission found that for purposes of filing its first annual plan, APCo's RPS Plan is reasonable and prudent. APCo did not request approval of any generation capacity or recovery of costs.[7] Among other things, as part of its Order, the Commission also required APCo to file a least cost plan that meets applicable carbon regulations and the mandatory RPS Program requirements of the VCEA in future RPS Plans.[8]

- The VCEA also established a mandatory EERS. On July 29, 2021, the Commission approved APCo's application for approval of five new energy

[3] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company,* Case No. PUR-2020-00134, Doc. Con. Cen. No. 201060058, RPS Plan at 9 (Filed Oct. 30, 2020). For additional information on renewable deployment, on or before December 1 of each year, the Commission files an annual report to the General Assembly on the construction of new solar and wind projects pursuant to Enactment Clause 14 of the Grid Transformation and Security Act, 2018 Va. Acts ch. 296 ("GTSA"), as amended by 2020 Va. Acts ch. 1190.

[4] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company,* Case No. PUR-2020-00134, Doc. Con. Cen. No. 201060058, RPS Plan at Figure 7 (Filed Oct. 30, 2020).

[5] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company,* Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order (April 30, 2021).

[6] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Appalachian Power Company*, Case No. PUR-2021-00135, Doc. Con. Cen. No. 201110019, RPS Plan at 5 (Filed Nov. 2, 2020).

[7] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Appalachian Power Company*, Case No. PUR-2021-00135, Doc. Con. Cen. No. 210440238, Final Order (April 30, 2021).

[8] *Id.*

efficiency programs and one new energy efficiency pilot, and for continuance of one demand response program and one energy efficiency program.[9] DEV seeks approval of 11 new energy efficiency and demand response programs, expansion and modification of certain existing programs, and approval of cost recovery through associated RACs.[10] A Commission decision on this application is due by September 7, 2021.

B. Rate and Capital Outlook

DEV

- DEV's typical[11] residential bill has increased by $30.69 to $121.28 (a 33.88% increase) from July 1, 2007,[12] to July 1, 2021.

- In DEV's 2020 Integrated Resource Plan ("2020 IRP") proceeding, DEV quantified the typical residential bill impact of the 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 between $628.80 to $660.24). The Commission found that it could not conclude, based on the record in the proceeding, that Dominion's 2020 IRP, as filed, was reasonable and in the public interest for purposes of a planning document.[13] The Commission further found Dominion's proposal to include in future IRPs and updates a least cost VCEA plan that would meet (i) applicable carbon regulations, and (ii) the mandatory RPS Program requirements of the VCEA, to be reasonable.[14] The Commission has directed DEV to file additional

[9] *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-2020-00251, Doc. Con. Cen. No. 210730134, Order Approving Rate Adjustment Clause (July 29, 2021).

[10] *Application of Virginia Electric and 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, Doc. Con. Cen. No. 201210054, Application (Filed Dec. 2, 2020), *supplemented by* Doc. Con. Cen. No. 210110129, Supplemental Direct Testimony (Filed Jan. 7, 2021).

[11] For purposes of this report, a typical residential bill is based on usage of 1,000 kilowatt-hours ("kWh") per month.

[12] Enactment Clause 7 of 2007 Va. Acts chs. 888 and 933 requires the Commission, in consultation with the Office of the Attorney General, to "submit a report to the Governor and General Assembly by November 1, 2012, and every five years thereafter, assessing the rates and terms and conditions of incumbent electric utilities in the Commonwealth." The first five-year window for this rate assessment was 2007-2012. The Commission begins its rate analysis with the year 2007 in this report to coincide with this window.

[13] *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. 210210007, Final Order (Feb. 1, 2021).

[14] *Id*.

updated billing analyses in future proceedings as well.[15] The Commission also found that DEV should address environmental justice in future IRPs and updates, as appropriate.[16]

- DEV has filed its first triennial review application, which is currently pending before the Commission.[17] The Commission will report on its determinations resulting from its review of this filing in next year's report.

- The Commission's 2020 report included an account of anticipated growth capital investment as identified by Dominion Energy, Inc. ("DEI") in a May 2020 presentation to investors. In a subsequent February 2021 presentation to investors, DEI identified DEV capital investments of approximately $24 billion for the five-year period 2021 – 2025 including investments in wind and solar generation, energy storage, nuclear facility relicensing, transmission, distribution undergrounding, grid transformation and renewable enabling combustion turbines ("CTs"). These investments would reflect an 80% increase in DEV's rate base by 2025, with 63% being recovered from customers through RACs.

- The February 2021 presentation also forecasted DEI potential environmental capital investments of $72 billion through 2035. While DEV-specific investment for this period was not shown as a separate number, applying the same ratio of DEV to consolidated DEI five-year growth capital investments results in DEV potential environmental capital investments of $53 billion through 2035. This is within the range of total potential DEV capital investments of $50-$59 billion through 2035 identified in a presentation to investors in May 2020.

[15] *Id*.

[16] The Commonwealth has adopted a policy to promote environmental justice in the evaluation of energy resources throughout the Commonwealth. *See, e.g.,* the Commonwealth's Clean Energy Policy, Code § 67-101.1 (Repealed effective October 1, 2021); Code § 45.1-1706.1 (effective October 1, 2021). The Commission recognizes this commitment to environmental justice and will fully support this environmental justice policy in fulfilling its responsibilities of energy regulation in the Commonwealth.

[17] *Application of Virginia Electric and Power Company, For a 2021 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-2021-00058, Doc. Con. Cen. No. 210340128, Application (Filed Mar. 31, 2021). On May 18, 2021, DEV filed an amended application, supplemental testimony and filing schedules reflecting a revision to its earned return in the combined earnings test analysis.

APCo

- APCO's typical residential bill has increased by $50.48 to $117.09 (a 75.79% increase) from July 1, 2007, to July 1, 2021.

- The Commission issued a Final Order in APCo's first triennial review, covering the period 2017 – 2019. The Commission found APCo earned a return on common equity ("ROE") of 9.48%, which is six basis points ($1.99 million in revenue) above the authorized ROE of 9.42%.[18] Both APCo and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"), have appealed the Commission's decision to the Supreme Court of Virginia.

- As reported by APCo, its base rate financial results for 2020 reflect an actual earned ROE of 4.76%, which is below its authorized ROE of 9.20%.[19] APCo's 2020 financial results will be audited as part of its next triennial review, which will be filed in 2023 and will cover the period 2020 – 2022.

- APCo did not file an IRP in 2020 or 2021. In keeping with Code § 56-599, APCo's next IRP will be due by May 1, 2022. The Commission directed APCo to file its own revised bill analysis as part of its 2021 RPS Plan[20] and in its next IRP.[21]

[18] *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, 2020 S.C.C. Ann. Rept. 421, Final Order (Nov. 24, 2020).

[19] The authorized ROE of 9.2% was set in the Commission's Final Order in Case No. PUR-2020-00015. *See id*.

[20] *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Appalachian Power Company*, Case No. PUR-2021-00135, Doc. Con. Cen. No. 210440238, Final Order (April 30, 2021).

[21] *See 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-2019-00058, 2020 S.C.C. Ann. Rept. 254, Final Order (Jan. 28, 2020), *modified*, Doc. Con. Cen. No. 210630141, Order (June 16, 2021) (requiring APCo's May 1, 2022 IRP filing to contemplate and fully account for the VCEA, the Clean Energy and Community Flood Preparedness Act, and the Virginia Environmental Justice Act).

I.
INTRODUCTION

COVID-19

Like all government agencies, the Commission has been impacted by the ongoing public health concern related to the spread of the coronavirus, or COVID-19. The Commission has implemented changes to its operating procedures to protect the public and Commission employees, including increased employee teleworking and increased use of electronic filings and remote hearings in Commission proceedings.

The Commission also provided relief for customers financially impacted by the health emergency. Through several orders, the Commission directed regulated electric, natural gas and water companies in Virginia to suspend service disconnections through October 5, 2020, affording the General Assembly and the Governor time to address the economic impact on utility customers legislatively.[22] The General Assembly subsequently enacted legislation further extending utility shut-offs during the emergency, subject to certain conditions and limitations.[23] The Commission also carried out a mandate from the General Assembly to distribute $100 million of Virginia's portion of funds received under Public Law 116-136: Coronavirus Aid, Relief, and Economic Security Act, to electric, gas, water and sewer utilities, including municipal utilities,

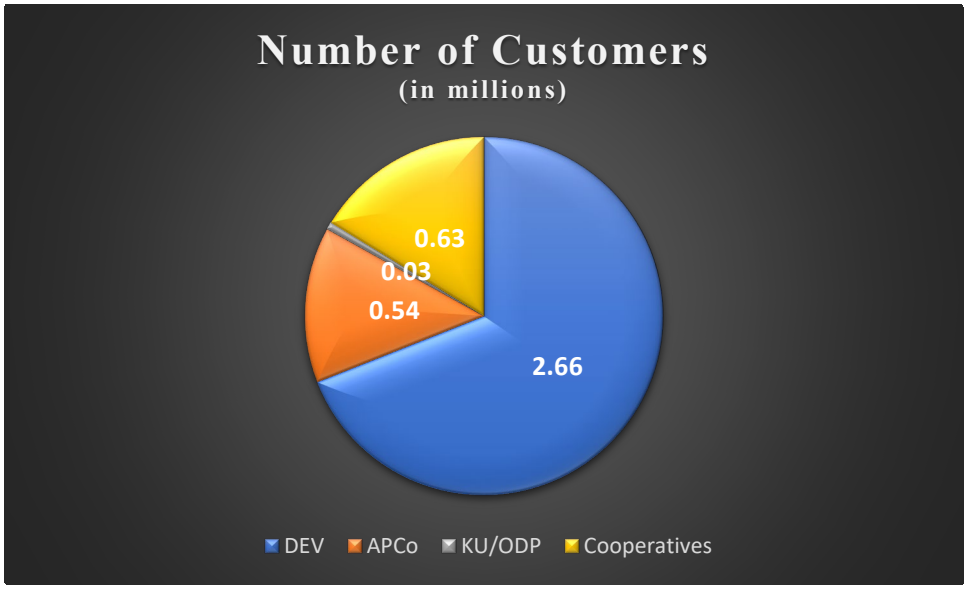
[22] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, 2020 S.C.C. Ann. Rept. 467, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (Mar. 16, 2020); 2020 S.C.C. Ann. Rept. 467, Order Extending Suspension of Service Disconnections (Apr. 9, 2020); 2020 S.C.C. Ann. Rept. 469, Order on Suspension of Service Disconnections (June 12, 2020); 2020 S.C.C. Ann. Rept. 473, Order on Moratorium (Aug. 24, 2020); 2020 S.C.C. Ann. Rept. 475, Additional Order on Moratorium (Sept. 15, 2020).

[23] *See, e.g.*, House Bill 5005, 2020 Va. Acts, Special Session I, ch. 56; House Bill 1800, 2021 Va. Acts, Special Session I, ch. 552.

throughout the Commonwealth to offset utility customer billing arrearages due to COVID-19.[24]

Composition of the Electric Industry in Virginia

The Commission's responsibilities include regulating 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.[25] The number of Virginia jurisdictional customers by utility is shown below:[26]



[24] *See* House Bill 1800, 2021 Va. Acts, Special Session I, ch. 552.

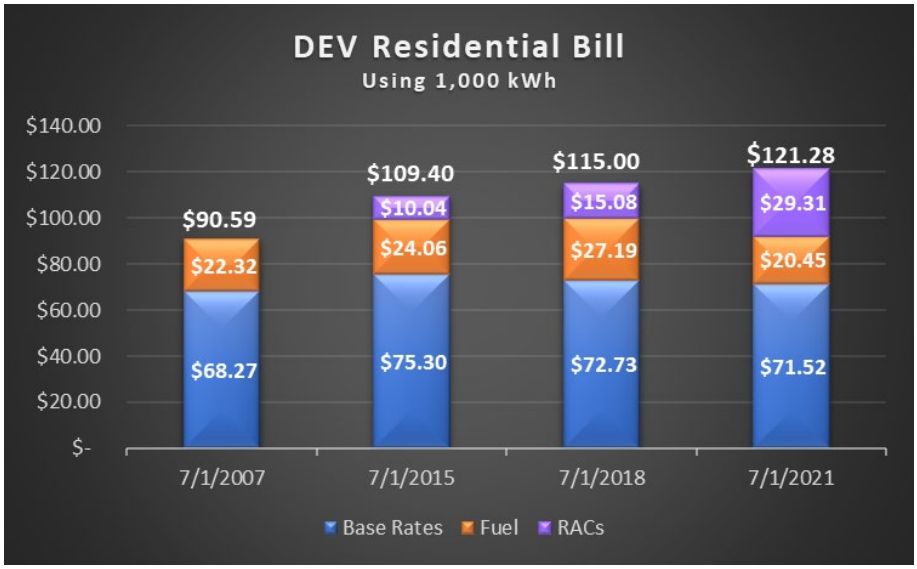
[25] Non-jurisdictional utilities, such as municipal electric utilities, also provide service in Virginia.

[26] Total Virginia customer numbers were reported in Federal Energy Regulatory Commission ("FERC") Form 1 and Annual Operating Reports.

II.
RATE AND CAPITAL OUTLOOK

DEV Typical Residential Bill

Below is a chart that reflects the magnitude of the three financial components of DEV customer bills as of the effective dates of the Regulation Act (July 1, 2007),[27] the Transitional Rate Period (July 1, 2015),[28] the Grid Transformation and Security Act (July 1, 2018), and the current year (July 1, 2021) for a typical residential customer using 1,000 kWh per month.

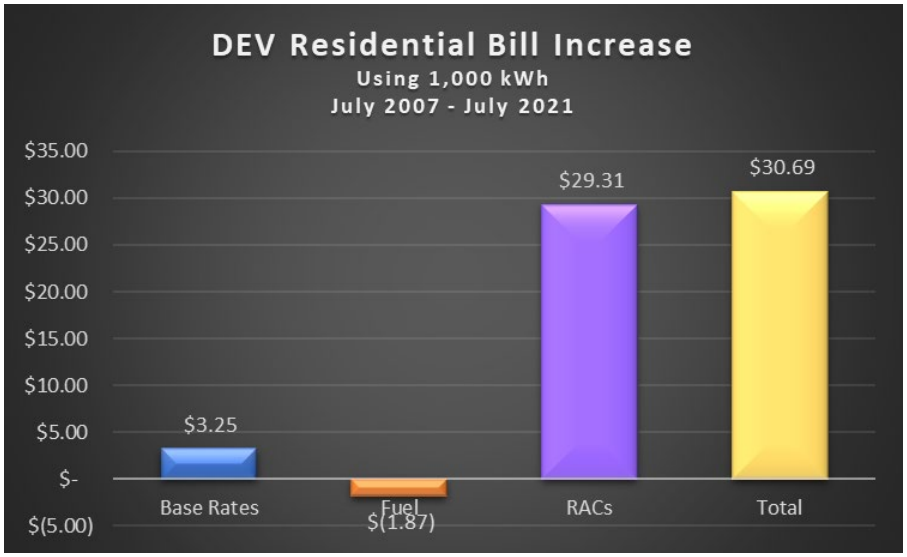


As the chart above indicates, DEV's monthly residential bill was $90.59 as of July 1, 2007. The bill has increased by $30.69 (33.88%) to $121.28 per month as of July 1,

[27] 2007 Va. Acts. chs. 888 and 933.

[28] *See* Code § 56-585.1:1 for the specific transitional rate periods for Dominion and APCo. Both utilities were in their transitional rate period on July 1, 2015.

2021. As reflected on the chart below, the RAC component of the bill experienced the largest increase over this period.



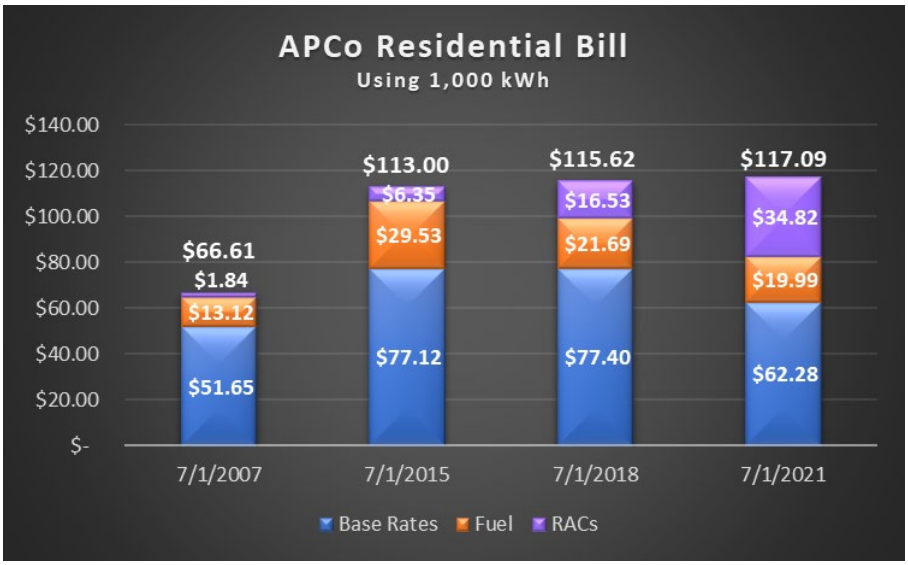
The following chart itemizes a typical residential customer's bill by rate recovery mechanism as of July 1, 2021.

DEV Electric Utility Residential Bills
As of July 1, 2021

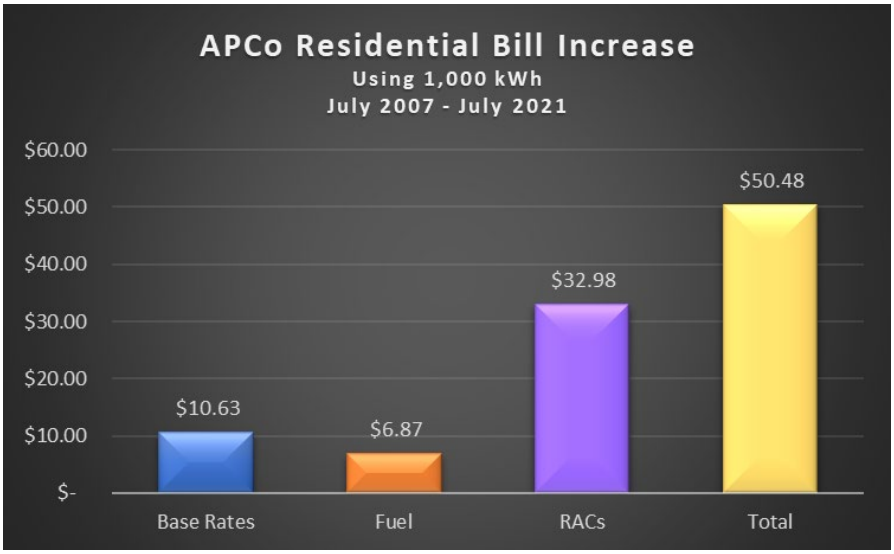
Recovery Mechanism	Description	Current Residential Bill	Proposed Increase if Pending	Proposed Bill	Requested Eff. Date
Base Rates	Base	$ 71.52	$ (0.30)	$ 71.22	1/1/2022
Fuel Factor	Fuel	$ 20.45		$ 20.45	-
Rider T1	Transmission	$ 10.59	$ (3.69)	$ 6.90	9/1/21
Rider B	Biomass	$ 0.45	$ (0.15)	$ 0.30	4/1/22
Rider BW	Brunswick Gas CC	$ 1.95	$ 0.15	$ 2.10	9/1/21
Riders C1A/C2A/etc.	Energy Efficiency	$ 1.47	$ (0.10)	$ 1.37	9/1/21
Rider CCR	Coal Ash	$ -	$ 2.94	$ 2.94	12/1/21
Rider CE	Solar	$ 0.19	$ -	$ 0.19	-
Rider E	Environmental	$ 1.67	$ (0.42)	$ 1.25	11/1/21
Rider GV	Greensville Gas CC	$ 2.85	$ (0.10)	$ 2.75	4/1/22
Rider R	Bear Garden Gas CC	$ 1.07	$ 0.07	$ 1.14	4/1/22
Rider RBB	Rural Broadband	$ -	$ 0.03	$ 0.03	8/1/21
Rider RGGI	RGGI	$ -	$ 2.39	$ 2.39	8/1/21
Rider RPS	RECs	$ -	$ 0.18	$ 0.18	8/1/21
Rider S	VCHEC	$ 3.61	$ 0.09	$ 3.70	4/1/22
Rider U	Strategic Undergrounding	$ 2.14	$ 0.39	$ 2.53	4/1/22
Rider US-2	Solar	$ 0.19	$ (0.01)	$ 0.18	9/1/21
Rider US-3	Solar	$ 0.71	$ -	$ 0.71	-
Rider US-4	Solar	$ 0.19	$ -	$ 0.19	-
Rider W	Warren Gas CC	$ 2.23	$ 0.11	$ 2.34	4/1/22
Total		**$ 121.28**	**$ 1.58**	**$ 122.86**	

APCo Typical Residential Bill

Below is a chart that reflects the magnitude of the three financial 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, 2021) 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 by $50.48 (75.79%) to $117.09 per month as of July 1, 2021. As reflected on the chart below, the RAC component of the bill experienced the largest increase over this period.



The following chart itemizes a typical residential customer's bill by rate recovery mechanism as of July 1, 2021.[29]

APCo Electric Utility Residential Bills
As of July 1, 2021

Recovery Mechanism	Description	Current Residential Bill	Proposed Increase if Pending	Proposed Bill	Requested Eff. Date
Base Rates	Base	$ 65.40	$ -	$ 65.40	-
TRR Rider Credit	Tax Reform	$ (3.12)	$ -	$ (3.12)	-
Fuel Factor	Fuel	$ 19.99	$ -	$ 19.99	-
T-RAC	Transmission	$ 31.55	$ -	$ 31.55	-
BC-RAC	Rural Broadband	$ -	$ 0.54	$ 0.54	12/1/21
DR-RAC	Demand Response	$ -	0.22	$ 0.22	8/1/21
E-RAC	Environmental	$ -	$ 2.50	$ 2.50	10/1/21
EE-RAC	Energy Efficiency	$ 0.80	$ 0.39	$ 1.19	7/1/21
G-RAC	Dresden Gas CC	$ 2.53	$ 0.08	$ 2.61	5/1/22
RPS-RAC (legacy)	Voluntary RPS	$ (0.06)	$ 0.89	$ 0.83	3/1/22
Total		**$ 117.09**	**$ 4.62**	**$ 121.71**	

Rate and Capital Outlook

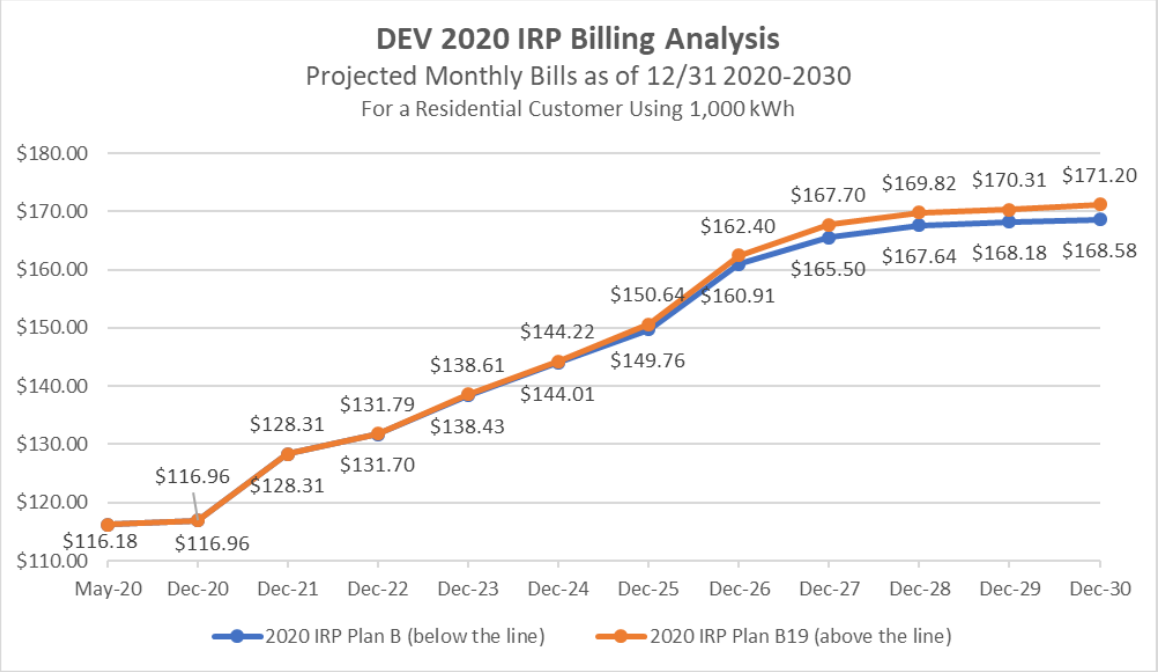
2020 Integrated Resource Plan

In an Order issued in DEV's 2020 IRP proceeding, the Commission directed DEV to model the costs and reliability impacts of the VCEA and other relevant legislation in DEV's 2020 IRP.[30] As required by the Commission, 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 incorporating the requirements of the VCEA. Based on DEV's Billing Analysis, the monthly bill of a Virginia residential customer

[29] The TRR Rider Credit is a temporary base rate rider credit to return to customers the impacts of the 2018 Tax Cuts and Jobs Act.

[30] *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).

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).[31] [32] The following chart shows the projected monthly residential bills for each year from 2020 through 2030 as presented in DEV's Billing Analysis.[33]



In its Final Order on DEV's 2020 IRP, the Commission found that it "cannot conclude, based on the record in this proceeding and issues discussed further below, that

[31] *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 § 56-597 et seq.,* Case No. PUR-2020-00035, Doc. Con. Cen. No. 200530102, Supplement at 5 (Filed May 14, 2020).

[32] 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 id*. at 1.

[33] *See id.* Plan B at 2 of 2 and Plan B_{19} at 2 of 2; *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. 200620032, Virginia Addendum 1 (Filed June 3, 2020).

[DEV's] 2020 IRP, as filed, is reasonable and in the public interest for purposes of a planning document."[34] The Commission identified certain shortcomings with the 2020 IRP and directed certain revisions to future IRPs and IRP updates. With respect to DEV's Billing Analysis, the Commission stated that "[g]iven the issues identified [ ] regarding the Company's 2020 Plan, and the uncertainty attendant to the precise resources that will be added in the future, the Commission will require [DEV] to file an updated bill analysis by plan in future IRPs and updates . . . ."[35] The Commission also directed DEV to include actual bill information as each year passes.[36] Further, the Commission found that DEV should address environmental justice in future IRPs and updates, as appropriate.[37] DEV is expected to file an IRP update on or before September 1, 2021. DEV's next comprehensive IRP is required to be filed on or before May 1, 2023.[38]

APCo did not file an IRP in 2020 or 2021. In keeping with Code § 56-599, APCo's next IRP will be due by May 1, 2022. The Commission directed APCo to file its own revised bill analysis as part of its 2021 RPS Plan[39] and in its next IRP.[40]

[34] *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. 210210007, Final Order at 5 (Feb. 1, 2021) (internal footnote omitted).

[35] *Id.* at 15-16.

[36] *Id.* at 16. The Commission further directed that in addition to residential bills, the Company should include a billing analysis of small general service and large general service customer bills. *Id.*

[37] *Id*. at 14-15.

[38] Code § 56-599 A.

[39] *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Appalachian Power Company*, Case No. PUR-2021-00135, Doc. Con. Cen. No. 210440238, Final Order (April 30, 2021).

[40] *See 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-2019-

2020 RPS Plan

On October 30, 2020, DEV submitted its first RPS Plan to develop new solar and onshore wind generation capacity and energy storage as required by the VCEA pursuant to Code § 56-585.5 D 4. Among other things, DEV's 2020 RPS Plan calls for 3,421 MW of solar and onshore wind development and the development of 190 MW of energy storage resources through 2024.[41] DEV estimates that by 2045, it may have 28,433 MW of solar resources, 5,112 MW of offshore wind resources, and 316 MW of hydroelectric resources that it will use toward meeting its capacity obligations in PJM.[42]

The Commission issued its Final Order on April 30, 2021, wherein it: (i) found DEV's RPS Plan was reasonable and prudent for the limited purpose of its first annual plan; (ii) approved 498 MW of new renewable generation capacity in the Commonwealth including both company-owned resources and PPAs; and (iii) approved a RAC for cost recovery associated with approved company-owned solar facilities.[43] The Commission further directed DEV to file a consolidated bill analysis in its IRP and RPS Plan

00058, 2020 S.C.C. Ann. Rept. 254, Final Order (Jan. 28, 2020), *modified*, Doc. Con. Cen. No. 210630141, Order (June 16, 2021) (requiring APCo's May 1, 2022 IRP filing to contemplate and fully account for the VCEA, the Clean Energy and Community Flood Preparedness Act, and the Virginia Environmental Justice Act).

[41] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company,* Case No. PUR-2020-00134, Doc. Con. Cen. No. 201060058, RPS Plan at 4, 6 (Filed Oct. 30, 2020). For additional information on renewable deployment, on or before December 1 of each year, the Commission files an annual report to the General Assembly on the construction of new solar and wind projects pursuant to Enactment Clause 14 of the GTSA, as amended by 2020 Va. Acts ch. 1190.

[42] *Id*. at 9.

[43] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company,* Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order (April 30, 2021).

proceedings with information through 2035.[44] DEV has filed a notice of intent to file its 2021 RPS Plan on or after September 1, 2021.

On November 2, 2020, APCo also submitted its first RPS Plan to develop new solar and onshore wind generation capacity required by the VCEA. APCo requested approval of its RPS Plan only; it did not request approval of any new generation facilities or any associated RAC.[45]

According to its 2020 RPS Plan, APCo anticipates adding, through a mix of company-owned resources and PPAs, 3,452 MW of solar, 2,200 MW of onshore wind, and 400 MW of energy storage to meet the requirements of the VCEA through 2050.[46] On April 30, 2021, the Commission issued its Final Order on APCo's 2020 RPS Plan, wherein the Commission found that for purposes of filing its first annual plan under Code § 56-585.5 D 4, APCo's RPS Plan is reasonable and prudent.[47] Among other things, the Commission directed APCo to undertake a billing analysis to include the effects of retirements, the effects of tax credits, offsets related to outside model additions, and any changes to customer class allocation factors in its next RPS filing.[48]

[44] *Id.* at 8.

[45] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Appalachian Power Company,* Case No. PUR-2020-00135, Doc. Con. Cen. No. 201110019, RPS Plan (Filed Nov. 2, 2020).

[46] *Id.* at 5.

[47] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Appalachian Power Company,* Case No. PUR-2020-00135, Doc. Con. Cen. No. 210440238, Final Order at 4 (April 30, 2021).

[48] *Id*. at 6.

2021 Investor Presentations

The Commission's 2020 report included an account of anticipated growth capital investment as identified by DEI in a May 2020 presentation to investors. DEI similarly presented its fourth quarter earnings to investors on February 12, 2021.[49] [50] This 2021 presentation to investors identified approximately $24 billion in anticipated growth capital expenditures for DEV over the period 2021 – 2025.[51] DEI identified the primary drivers as zero-carbon generation and storage, grid transformation, and customer growth, as outlined in the chart below.

[49] Slides for the February 12, 2021 presentation ("Fourth Quarter Presentation Slides") are available at: https://s2.q4cdn.com/510812146/files/doc_financials/2020/q4/2021-02-12-DE-IR-4Q-2020-earnings-call-slides-vTC1.pdf. DEI is the parent company of DEV.

[50] DEI also gave an investor presentation on May 4, 2021, for the first quarter of 2021, and August 6, 2021, for the second quarter of 2021. These presentations did not include the same level of DEV-specific capital investment information as the 2020 fourth quarter presentation. Slides for the May 4, 2021 presentation are available at: https://s2.q4cdn.com/510812146/files/doc_downloads/2021/05/2021-05-04-DE-IR-1Q-2021-earnings-call-slides-vTCI.pdf. Slides for the August 6, 2021 presentation are available at https://s2.q4cdn.com/510812146/files/doc_financials/2021/q2/2021-08-06-DE-IR-2Q-2021-earnings-call-slides-vF.pdf

[51] *See* Fourth Quarter Presentation Slides 56-58.

February 12, 2021 Investor Presentation
DEV Identified Capital Investments
Five Year Outlook 2021 through 2025

	Growth Capex 2021-2025
Offshore Wind	$6.5 Billion
Solar	$5.0 Billion
Transmission	$4.2 Billion
Customer Growth	$2.1 Billion
Energy Storage	$1.8 Billion
Nuclear Relicensing	$1.3 Billion
Grid Transformation	$1.1 Billion
Strategic Undergrounding	$0.9 Billion
Renewable-enabling CTs	$0.7 Billion
Total Growth Capex 2021-2025	**~$24 Billion**
DEV Net Rate Base as of 2025	**~$45 Billion**

In its February 2021 presentation to investors, DEI estimated that by 2025, 87% of the $24 billion of growth capex would be eligible to be recovered through RACs.[52] As a result, by 2025, DEI projected that a total of 63%, or approximately $28 billion, of DEV's $45 billion net rate base would be eligible to be recovered through RACs.[53] DEV's projected $45 billion net rate base in 2025 would reflect an increase of 80% when compared to 2020.

The February 2021 presentation to investors also forecasted DEI potential environmental capital investments of $72 billion through 2035.[54] While DEV-specific

[52] *See* Fourth Quarter Presentation Slides 18 and 55.

[53] *See* Fourth Quarter Presentation Slide 59.

[54] *See* Fourth Quarter Presentation Slide 42.

investment for this period was not shown as a separate number, applying the same ratio of DEV to consolidated DEI five-year growth capital investments results in DEV potential environmental capital investments of $53 billion through 2035.[55] This is within the range of total potential DEV capital investments of $50-$59 billion through 2035 identified in DEI's May 2020 investor presentation as referenced in the Commission's 2020 report.[56] Finally, as with the Commission's 2020 report, the totality of these projected capital investments reflect DEI's presentation to investors and have not been independently reviewed by Commission Staff or as part of a Commission proceeding.

[55] *See* Fourth Quarter Presentation Slide 18. DEV five-year growth capital investment is approximately 74% of total consolidated DEI.

[56] *See* https://s2.q4cdn.com/510812146/files/doc_financials/2020/q1/2020-05-05-DE-IR-Q1-2020-earnings-call-slides-vTCIII.pdf at slides 17-21.

III.
BASE RATE FINANCIAL RESULTS

DEV 2017-2020 Triennial Review

On March 31, 2021, DEV filed its application for the 2021 triennial review provided for by Code § 56-585.1 A, docketed as Case No. PUR-2021-00058, which is currently pending before the Commission.[57] The evidentiary hearing is scheduled to begin on October 25, 2021, and the statutory deadline for the Commission to issue a final order is January 18, 2022.[58] The Commission will report on its determinations of DEV's triennial review in next year's report.

APCo 2017-2019 Triennial Review

On March 31, 2020, APCo filed with the Commission its first triennial review, docketed as Case No. PUR-2020-00015.[59] As filed, APCo presented a combined generation and distribution base rate earned ROE of 8.24% for the combined test periods

[57] *Application of Virginia Electric and Power Company, For a 2021 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-2021-00058, Doc. Con. Cen. No. 210340128, Application (Filed Mar. 31, 2021), *amended by* Doc. Con. Cen. No. 210530106, Amended Application (May 18, 2021) (including an amended application, supplemental testimony and filing schedules reflecting a revision to its earned return in the combined earnings test analysis).

[58] In granting DEV's Motion for Leave to File Supplemental Direct Testimony and Filing Schedules and to Modify the Procedural Schedule, the Commission agreed with DEV that the eight-month statutory deadline provided by Code § 56-585.1 A 8 should begin on the date of the amended application, resulting in a final order being due on or before January 18, 2022. *Application of Virginia Electric and Power Company, For a 2021 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-2021-00058, Doc. Con. Cen. No. 210610126, Order Modifying Procedural Schedule and for Supplemental Notice at n.5, n.8 (June 4, 2021).

[59] *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, Doc. Con. Cen. No. 201140127, Application (Filed Mar. 31, 2020).

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.[60] APCo's earned return was driven in large part by the impairment of the unrecovered balances of several coal fired generating units it had retired in 2015, which it claimed was a period expense subject to the provisions of Code § 56-585.1 A 8.

The evidentiary hearing for the case was held on September 14 – 18, 2020. On November 24, 2020, the Commission issued its Final Order in APCo's triennial review.[61] Based on the Commission's findings, APCo earned an ROE of 9.48% for the 2017 – 2019 triennial period.[62] As noted above, the fair ROE for purposes of APCo's triennial review was 9.42%. Thus, for the 2017 – 2019 triennial period under review, Appalachian earned six basis points above the fair ROE, which equates to $1,992,987 in excess earnings for the triennial period and is within the statutory range.[63] As such, the Commission found APCo's proposed rate increase was not allowed under the law.[64] The Commission also

[60] *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).

[61] *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, 2020 S.C.C. Ann. Rept. 421, Final Order (Nov. 24, 2020).

[62] Among other findings, the Commission found that APCo had not met its burden to establish it was reasonable to conclude that its unrecovered retired generating unit balances were no longer probable of future recovery and, as such, it was improper for APCo to record such costs as an asset impairment in December 2019. *Id.* at 422-425.

[63] The statutory range is 70 basis points above and below the fair ROE. *See* Code § 56-585.1.

[64] *See* Code § 56-585.1 A 8 a (allowing the Commission to order an increase in rates only if it finds APCo has earned "more than 70 basis points below a fair combined rate of return on its generation and distribution services, ...").

found a 9.20% ROE was fair and reasonable for the 2021 – 2023 period that will be the subject of APCo's next triennial review.[65]

APCo and Consumer Counsel filed petitions for reconsideration of certain elements of the Commission's Final Order. On March 26, 2021, the Commission issued its Order on Reconsideration that did not modify its finding of an earned ROE of 9.48% for the 2017 – 2019 period.[66] APCo and Consumer Counsel have both filed notices of appeal of the Commission's decision to the Supreme Court of Virginia.

APCo 2020 Base Rate Financial Results

During 2020, in response to requests from Staff pursuant to Code § 56-36, APCo provided certain analyses of its combined generation and distribution base rate financial results for calendar year 2020 on a regulatory accounting basis. Calendar year 2020 is the first year of APCo's second triennial review, which will be filed with the Commission in 2023 and will cover the period 2020 – 2022.

APCo's analysis reflects a combined base rate generation and distribution ROE of 4.76% for 2020.[67] [68]

[65] *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, 2020 S.C.C. Ann. Rept. 421, 430-433, Final Order (Nov. 24, 2020).

[66] *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, Doc. Con. Cen. No. 210330171, Order on Reconsideration (Mar. 26, 2021).

[67] A 0.01 percentage point of ROE was worth approximately $172,000 in combined generation and distribution annual revenues for APCo in 2020 provided by its customers through payment of their electric bills.

[68] This 2020 earned ROE is based on information provided by APCo. The Commission did not conduct an audit or investigation of the financial information provided by APCo. The Commission will conduct an audit of APCo's 2020 earnings as part of its 2023 triennial review. Interested parties will have an

APCo 2020 Earned Return on Equity

Generation	Distribution	Combined
8.29%	1.32%	4.76%

APCo's reported 2020 combined generation and distribution unaudited earned ROE is below the 9.20% base ROE approved by the Commission in Case No. PUR-2020-00015 to be used for the 2021 – 2023 period. The following table provides a breakdown of APCo's 2020 earnings in both percentage points and revenues:

APCo 2020 Earnings in Excess of or Below a 9.20% ROE
(Revenues in Millions of Dollars)

	Generation	Distribution	Combined
Percentage Points	-0.91%	-7.88%	-4.42%
Revenues	($7.7)	($68.7)	($76.0)

As discussed above, Code § 56-585.1 A 8, as amended by the GTSA, states that certain costs are deemed fully recovered in the test period in which they were recorded per books by the company for financial reporting purposes. APCo stated it recorded costs in base rates related to severe weather events of $3.5 million during 2020 that are subject to Code § 56-585.1 A 8. These costs reduced APCo's reported 2020 earned return by 0.02 percentage points.

APCo also reported that it incurred and deferred $3.5 million in COVID-19-related expenses in 2020, which consisted primarily of bad debt expense and protective materials and supplies.

opportunity to participate in that proceeding. The 2020 earned ROE determined by the Commission in the 2023 triennial review may differ from the information provided by APCo and included in this report.

IV.
CURRENT STATUS OF PROCEEDINGS UNDER THE REGULATION ACT

The Regulation Act has undergone a number of amendments over the last few years resulting in 17 new programs, requirements and rulemakings that apply to two of the Commonwealth's incumbent electric utilities and two new programs and requirements that apply to the electric cooperatives. Since the Commission's 2020 CEUR Report, the Commission has conducted additional proceedings brought pursuant to the Regulation Act. This section provides a high-level summary of certain proceedings decided by the Commission since August 18, 2020, the date of the 2020 CEUR Report, or pending at the time of this report.[69]

Renewable Energy Cases

Below is a table summarizing the renewable energy cases decided by or pending with the Commission at the time of this report. A description of the proceedings follows the table.

Company	Topic	Pending or Resolved?	Code Section	Case No.
DEV	US-3 Solar Projects (Update)	Resolved	§ 56-585.1 A 6	PUR-2020-00122
DEV	US-4 Solar Project (Update)	Resolved	§ 56-585.1 A 6	PUR-2020-00123

[69] 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.

DEV, KU/ODP	Regulations for a multi-family shared solar program	Resolved	§ 56-585.1:12	PUR-2020-00124
DEV	Regulations for a shared solar program	Resolved	§ 56-594.3	PUR-2020-00125
DEV	2020 RPS Plan Filing	Resolved	§ 56-585.5 D	PUR-2020-00134
APCo	2020 RPS Plan Filing	Resolved	§ 56-585.5 D	PUR-2020-00135
DEV	Rider RPS	Resolved	§ 56-585.1 A 5	PUR-2020-00170
Cavalier Solar A, LLC	Solar Project	Resolved	§ 56-580 D	PUR-2020-00235
APCo	RPS-RAC	Pending	§ 56-585.2 E	PUR-2021-00048
Axton Solar, LLC	Solar Project	Pending	§ 56-580 D	PUR-2021-00085
DEV, APCo	Accelerated Renewable Energy Buyers	Pending	§ 56-585.5 G	PUR-2021-00089
DEV	US-3 Solar Projects (Update)	Pending	§ 56-585.1 A 6	PUR-2021-00118
DEV	US-4 Solar Project (Update)	Pending	§ 56-585.1 A 6	PUR-2021-00119
DEV	100% Renewable Tariff (Update)	Pending	§ 56-577 A 5	PUR-2021-00138

Decisions

- DEV US-3 Solar Projects and Associated RAC: The Commission approved an annual update to DEV's RAC for cost recovery associated with its US-3 Solar Projects. (Final Order, Mar. 30, 2021).

- DEV US-4 Solar Project and Associated RAC: The Commission approved an annual update to DEV's RAC for cost recovery associated with its US-4 Solar Project. (Order Approving Rate Adjustment Clause, Mar. 30, 2021).

- Regulations for a multi-family shared solar program (DEV and KU/ODP): As required by legislation passed by the 2020 General Assembly,[70] the Commission adopted regulations affording eligible DEV and KU/ODP customers the opportunity to participate in a subscription-based multi-family shared solar program. (Order Adopting Rules, Dec. 23, 2020).

- Regulations for a shared solar program (DEV): As required by legislation passed by the 2020 General Assembly,[71] the Commission adopted regulations affording DEV customers the opportunity to participate in a subscription-based shared solar program. (Order Adopting Rules, Dec. 23, 2020).

- DEV 2020 RPS Plan Filing and Associated RAC: The Commission approved DEV's first annual plan for the development of new solar, onshore wind, and energy storage resources under the RPS program established by the VCEA. The Commission also approved construction of three solar facilities totaling 82 MW, and an associated RAC, as well as six PPAs totaling 416 MW. The Commission directed that future filings include a least cost plan that meets applicable carbon regulations and the mandatory RPS Program requirements of the VCEA. The Commission considered environmental justice impacts when approving the new renewable generation capacity in the Final Order and also directed Dominion to evaluate and rank the potential environmental justice impacts of different renewable options and include the results of its evaluation in its next RPS filing. (Final Order, Apr. 30, 2021).

- APCo 2020 RPS Plan Filing: The Commission approved APCo's first annual plan for the development of new solar, onshore wind, and energy storage resources under the RPS program established by the VCEA. APCo's plan did not include any specific resource proposals. The Commission directed that future filings include a least cost plan that meets applicable carbon regulations and the mandatory RPS Program requirements of the VCEA. The Commission also directed APCo to identify in future RPS filings how requests for proposals

[70] 2020 Va. Acts chs. 1187, 1188, 1189, 1239.

[71] 2020 Va. Acts chs. 1238, 1264.

assessed environmental justice considerations, including any non-price considerations that were included in the Company's RFP analysis. (Final Order, Apr. 30, 2021).

- DEV Rider RPS: The Commission approved DEV's request for approval of Rider RPS to recover projected and actual costs related to compliance with the mandatory RPS Program established by the VCEA. (Final Order, July 1, 2021).

- Cavalier Solar A, LLC, Solar Project: The Commission granted approval to Cavalier to construct solar facilities totaling 240 MW in Surry County and Isle of Wight County as well as the necessary transmission lines to interconnect the solar facilities to the transmission grid, subject to certain conditions. (Final Order, May 27, 2021).

Pending Cases

- APCo RPS-RAC: APCo seeks approval to revise its RPS-RAC to recover residual, incremental costs related to APCo's participation in its voluntary RPS program that was in place prior to the passage of the VCEA. (Filed May 3, 2021).

- Axton Solar Project: Axton seeks Commission approval to construct a 201.1 MW solar generating facility to be constructed in Henry and Pittsylvania Counties. (Filed Apr. 28, 2021).

- Accelerated Renewable Energy Buyers (DEV, APCo): The Commission has established a proceeding for the purpose of determining whether rules and regulations are necessary to implement the provisions of the VCEA related to accelerated renewable energy buyers, and if so, the appropriate rules and regulations that should be adopted. (Order Establishing Proceeding, May 12, 2021).

- DEV US-3 Solar Projects and Associated RAC: DEV seeks approval of an annual update to its RAC for cost recovery associated with its US-3 Solar Projects. (Filed August 2, 2021).

- DEV US-4 Solar Project and Associated RAC: DEV seeks approval of an annual update to its RAC for cost recovery associated with its US-4 Solar Project. (Filed August 2, 2021).

- DEV 100% Renewable Tariff Update (Rider TRG): DEV has filed for annual update of its previously approved 100% renewable tariff, Rider TRG. DEV requests no change to the approved rate or to the portfolio of renewable resources providing service under Rider TRG. Rider TRG limits the ability of customers in DEV's service territory to purchase renewable energy from competitive suppliers under Code § 56-577 A 5. The update filing indicates that approximately 2,400 DEV customers have enrolled in Rider TRG so far. (Filed July 1, 2021).

Energy Storage Cases

Below is a table summarizing the energy storage cases decided by or pending before the Commission at the time of this report. A description of the proceedings follows the table.

Company	Topic	Pending or Resolved?	Code Section	Case No.
DEV, APCo	Energy Storage Regulations	Resolved	§ 56-585.5 E 5	PUR-2020-00120
Pigeon Run Solar, LLC	Energy Storage Project	Resolved	n/a	PUR-2021-00035
Shockoe Solar, LLC	Energy Storage Project	Resolved	n/a	PUR-2021-00041

Decisions

- Energy Storage Regulations: As required by the VCEA, the Commission approved regulations related to energy storage targets. Among other things, the new rules include interim targets; address behind-the-meter incentives, non-wires alternatives programs and peak demand reduction programs; and the permitting of non-utility energy storage facilities. (Order Adopting Regulations, Dec. 18, 2020).

- Pigeon Run Solar, Energy Storage Project: The Commission approved the application of Pigeon Run Solar to construct, own and operate a 20 MW battery energy storage system in Campbell County. (Final Order, Aug. 13, 2021).

- Shockoe Solar, Energy Storage Project: The Commission approved the application of Shockoe Solar to construct, own and operate a 20 MW battery energy storage system in Pittsylvania County. (Final Order, Aug. 13, 2021).

Environmental Cases

Below is a table summarizing the environmental cases decided by or pending before the Commission at the time of this report. A description of the proceedings follows the table.

Company	Topic	Pending or Resolved?	Code Section	Case No.
DEV	Rider E (Update)	Resolved	§ 56-585.1 A 5	PUR-2020-00003
DEV	Rider RGGI	Resolved	§ 56-585.1 A 5	PUR-2020-00169
APCo	Environmental RAC	Resolved	§ 56-585.1 A 5	PUR-2020-00258
DEV	Rider E (Update)	Pending	§ 56-585.1 A 5	PUR-2021-00013
DEV	Rider CCR	Pending	§ 10.1-1402.03	PUR-2021-00045

Decisions

- DEV Rider E: The Commission approved an annual update to Rider E to recover certain coal ash-related environmental costs and actual and projected costs associated with additional projects at DEV's Chesterfield and Bremo Power Stations. (Final Order, Sept. 4, 2020).

- DEV Rider RGGI: The Commission approved DEV's request for approval of Rider RGGI to recover projected and actual costs related to the purchase of allowances through the Regional Greenhouse Gas Initiative market-based trading program for carbon dioxide emissions. (Order Approving Rate Adjustment Clause, Aug. 4, 2021).[72]

- APCo Environmental RAC: The Commission partially approved APCo's request for approval of an environmental RAC (E-RAC) to recover costs of state and federal environmental regulations at its Amos and Mountaineer generating facilities located in West Virginia. (Order Granting Rate Adjustment Clause, Aug. 23, 2021).

Pending Cases

- DEV Rider E: DEV seeks approval of an annual update to its Rider E to recover certain environmental compliance costs. (Filed Jan. 19, 2021).

[72] On August 24, 2021, Appalachian Voices filed a Petition for Reconsideration or Clarification of the Order Approving Rate Adjustment Clause. On August 25, the Commission granted reconsideration for purposes of continuing the Commission's jurisdiction over the matter and considering the petition. *Petition of Virginia Electric and Power Company, For approval of a rate adjustment clause, designated Rider RGGI, under § 56-585.1 A 5 e of the Code of Virginia*, Case No. PUR-2020-00169, Doc. Con. Cen. No. 210830260, Order Granting Reconsideration (Aug. 25, 2021).

- DEV Rider CCR: DEV seeks approval of Rider CCR to recover costs incurred to comply with Senate Bill 1355,[73] codified at Code § 10.1-1402.03, related to the removal of coal ash from several DEV power stations. (Filed Feb. 26, 2021).[74]

Retail Access Cases

Below is a table summarizing the retail access cases decided by or pending before the Commission at the time of this report. A description of the proceedings follows the table.

Company	Topic	Pending or Resolved?	Code Section	Case No.
APCo	RPS Cost Allocation Proceeding	Resolved	§ 56-585.5 F	PUR-2020-00165
DEV	Aggregation Pilot	Pending	n/a	PUR-2020-00114
DEV	RPS Cost Allocation Proceeding	Pending	§ 56-585.5 F	PUR-2020-00164

Decisions

- APCo RPS Cost Allocation Proceeding: The Commission approved a placeholder tariff for APCo to recover the non-bypassable costs associated with Code § 56-585.5 F, net of benefits, from customers electing to take electric supply service from a competitive service provider. (Final Order, Dec. 21, 2020).

Pending Cases

- DEV Aggregation Pilot: Pursuant to legislation passed by the 2020 General Assembly,[75] the Commission established a pilot program through which non-residential customers that had previously sought to aggregate their load pursuant to Code § 56-577 A 4 in DEV's service territory would be permitted to purchase

[73] 2019 Va. Acts ch. 651.

[74] Through Rider CCR, Dominion recovers the costs of certain environmental projects specifically involving coal combustion residual removal at its Bremo Power Station, Chesterfield Power Station, Possum Point Power Station, and Chesapeake Energy Center. Through Rider E, Dominion recovers other environmental compliance costs at multiple power stations.

[75] 2020 Va. Acts ch. 796.

electric energy from a competitive service provider, subject to an overall cap of 200 MW of load participating in the Pilot. On December 3, 2020, the Commission issued an Order providing additional notice of the pilot. (Order on Pilot Status, Dec. 3, 2020).[76]

- DEV RPS Cost Allocation Proceeding: DEV seeks approval of its proposal to recover the non-bypassable costs associated with Code § 56-585.5 F, net of benefits, from customers electing to take electric supply service from a competitive service provider. (Order Establishing Proceeding, Aug. 31, 2020).

Energy Efficiency Cases

Below is a table summarizing the energy efficiency cases decided by or pending before the Commission at the time of this report. A description of the proceedings follows the table.

Company	Topic	Pending or Resolved?	Code Section	Case No.
DEV, APCo	Large General Service Exemption from Participation in Energy Efficiency Programs Rulemaking	Resolved	§ 56-585.1 A 5	PUR-2020-00172
DEV	Evaluation, Measurement and Verification (EM&V) Methodologies	Pending	n/a	PUR-2020-00156
APCo	Energy Efficiency RAC and New Programs	Resolved	§ 56-585.1 A 5	PUR-2020-00251
DEV	Energy Efficiency RAC and Phase IX Programs	Pending	§ 56-585.1 A 5	PUR-2020-00274

Decisions

- Large General Service Exemption from Participation in Energy Efficiency Programs Rulemaking (DEV, APCo): As required by the VCEA, the

[76] The Commission has also issued a decision in a declaratory judgment proceeding involving the implementation of retail access under Code § 56-577. *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 No. PUR-2020-00044, Doc. Con. Cen. No. 210320197, Final Order (Mar. 17, 2021).

Commission promulgated rules by which large general services customers may be exempted from participation in energy efficiency programs. These rules went into effect on June 30, 2021. (Order Adopting Regulations, Jan. 29, 2021).

- APCo Energy Efficiency RAC and New Programs: The Commission approved APCo's application for approval of five new energy efficiency programs and one new energy efficiency pilot, and for continuation of one demand response program and one energy efficiency program. The Commission also approved an updated EE-RAC for cost recovery associated with APCo's energy efficiency programs. (Order Approving Rate Adjustment Clause, July 29, 2021).

Pending Cases

- DEV EM&V "Dashboard" proceeding: The Commission established a proceeding to determine the baseline for each of DEV's currently active demand-side management ("DSM") programs, including energy efficiency and peak-shaving programs, as well as the basis for measuring energy savings related to each program and measure. (Order Initiating Proceeding, Aug. 28, 2020).

- DEV Energy Efficiency RAC and Phase IX Programs: DEV seeks approval of 11 new energy efficiency and demand response programs, the expansion and modification of certain existing programs, and approval of cost recovery through associated RACs. (Filed Dec. 2, 2020).

Distribution Cases

Below is a table summarizing the distribution cases decided by or pending before the Commission at the time of this report. A description of the proceedings follows the table.

Company	Topic	Pending or Resolved?	Code Section	Case No.
DEV	Rider U (Update)	Resolved	§ 56-585.1 A 6	PUR-2020-00096
DEV	Broadband Pilot	Resolved	§ 56-585.1:9	PUR-2020-00197
APCo	Broadband Pilot	Pending	§ 56-585.1:9	PUR-2020-00259
DEV	Rider GT	Pending	§ 56-585.1 A 6	PUR-2021-00083
DEV	Rider U (Update)	Pending	§ 56-585.1 A 6	PUR-2021-00110

DEV	Grid Transformation Plan	Pending	§ 56-585.1 A 6	PUR-2021-00127

Decisions

- DEV Rider U Strategic Undergrounding Program: The Commission approved DEV's requested update to Rider U. (Final Order, Feb. 26, 2021).

- DEV Broadband Pilot: The Commission approved DEV's proposed pilot programs to make available and provide broadband capacity to unserved areas in Surry County, Botetourt County, and the Northern Neck region, together with a rate adjustment clause, Rider RBB, to recover costs for the Surry and Botetourt pilots. The Commission also permitted DEV to defer the costs of the Northern Neck pilot for recovery in a future proceeding. (Final Order, June 9, 2021).

Pending Cases

- APCo Broadband Pilot: APCo seeks approval of a rate adjustment clause, BC-RAC, for cost recovery of providing broadband capacity through its previously approved Grayson County broadband pilot. (Filed Jan. 28, 2021).

- DEV Rider GT: DEV seeks approval of a new rate adjustment clause, designated Rider GT, to recover certain costs of its grid modernization plan. (Filed August 13, 2021).

- DEV Rider U Strategic Undergrounding Program: DEV seeks an annual update to Rider U. (Filed June 8, 2021).

- DEV Grid Transformation Plan: DEV seeks approval of its third grid modernization proposal, which includes requested approval of $669.4 million of capital investments and $109.5 million of operations and maintenance expense. The plan includes the following proposed projects in 2022 and 2023: advanced metering infrastructure, grid improvement projects, physical and cyber security, telecommunications and customer education. (Filed June 21, 2021).

Integrated Resource Plan Cases

Below is a table summarizing the IRP cases decided by or pending before the Commission at the time of this report. A description of each proceeding follows the table.

Company	Topic	Pending or Resolved?	Code Section	Case No.
DEV	Integrated Resource Plan	Resolved	§ 56-597 *et seq.*	PUR-2020-00035

Decisions

- DEV 2020 IRP: The Commission ruled that it "cannot conclude … that [DEV's] 2020 IRP, as filed, is reasonable and in the public interest for purposes of a planning document." The Commission directed DEV to include additional analyses in future IRPs to address deficiencies in the 2020 IRP. DEV is expected to file an IRP update on or before September 1, 2021. (Final Order, Feb. 1, 2021).

- APCo did not file an IRP in 2020 or 2021. In keeping with Code § 56-599, APCo's next comprehensive IRP will be due by May 1, 2022.

Financial Review Cases

Below is a table summarizing the financial review cases decided by or pending before the Commission at the time of this report.

Company	Topic	Code Section	Case No.
APCo	Triennial Review	§ 56-585.1 A	PUR-2020-00015
DEV	Triennial Review	§ 56-585.1 A	PUR-2021-00058

See Section III, Base Rate Financial Results, of this report for details on these cases.

Miscellaneous Cases

Below is a table summarizing miscellaneous cases decided by or pending before the Commission at the time of this report. A description of the proceedings follows the table.

Company	Topic	Code Section	Case No.
DEV	Universal Service Fee/Rider PIPP	§ 56-585.6	PUR-2020-00109
APCo	Universal Service Fee/Rider PIPP	§ 56-585.6	PUR-2020-00117

Decisions

- Percentage of Income Payment Program (DEV/APCo): The VCEA requires the Commission to determine the universal service fees to be collected from customers of APCo and DEV to fund the Percentage of Income Payment Program, or PIPP, established by statute. PIPP eligible utility customers are persons or households whose income does not exceed 150 percent of the federal poverty level.[77]

- The Commission authorized DEV and APCo to begin collecting a universal service fee from the statutorily designated customers as soon as practicable, effective for service rendered on and after September 1, 2021, at a level designed to fund the estimated start-up costs of Department of Social Services ("DSS") needed to establish the PIPP. The Commission also continued the proceedings to determine the rates, terms and conditions of a "non-bypassable universal service fee" to be charged to DEV and APCo's customers to fund the PIPP, instructing both utilities to file within 60 days after DSS rules or guidelines are promulgated. (Orders, July 29, 2021).

[77] Code § 56-576.

V.
STAKEHOLDER MEETINGS

The Staff has been involved in multiple stakeholder meetings over the last year as required by recent legislation. Staff has attended these meetings 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 Meetings: (required by SB 966,[78] SB 1605,[79] and HB 2293[80]) held on March 4, 2021, and May 3, 2021, for APCo; and, January 28, 2021, February 8, 2021, March 2, 2021, April 28, 2021, June 1, 2021, June 8, 2021, June 11, 2021, June 14, 2021, and July 14, 2021, for DEV.

- Shared Solar Meetings: (required by HB 1634[81]) held on November 16, 2020, for the Shared Solar/Multi-Family Rules and held on multiple dates between February and April 2021 regarding the Low-Income Shared Solar Working Group. An additional meeting occurred on August 16, 2021.

- Energy Storage Meetings: (required by HB 1183[82]) Large group meetings held on February 25, 2021, March 18, 2021, April 15, 2021, and June 30, 2021. Subgroup meetings held on April 13, 2021, April 14, 2021, April 23, 2021, April 27, 2021, June 3, 2021, July 29, 2021, and July 30, 2021.

- Electric Vehicle Stakeholder Group Meetings: (required by HB 2282[83]) The Commission issued an Order on June 28, 2021, directing that copies of its Order establishing an Electric Vehicle Stakeholder group be provided to interested persons and entities as well as the Department of Mines, Minerals and Energy, the Department of Transportation, and the Department of Environmental Quality. The Commission is in the process of hiring a facilitator for the stakeholder meetings and anticipates meetings occurring throughout Fall 2021.

[78] 2018 Va. Acts ch. 296.

[79] 2019 Va. Acts ch. 398.

[80] 2019 Va. Acts ch. 397.

[81] 2020 Va. Acts ch. 1238.

[82] 2020 Va. Acts ch. 863.

[83] 2021 Va. Acts, Special Session I, ch. 268.

VI.
PJM / FERC STATUS

DEV and APCo are members of PJM, a regional transmission organization that coordinates the movement of wholesale electricity across all or parts of the District of Columbia and 13 states.[84] 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.[85] Following a FERC technical conference on wholesale market reform in March 2021, during which the FERC Chairman indicated FERC would take action to address deficiencies in the Minimum Offer Price Rule ("MOPR") (including concerns that the MOPR could cause undue burden to resources supported by state policies) by year-end if PJM did not, PJM initiated an accelerated stakeholder process, or Critical Issue Fast Path ("CIFP"), which began meetings in April 2021. The PJM Board accepted the CIFP recommended amendments to the PJM MOPR on July 8, 2021, and directed PJM staff to file the proposed tariff revisions at FERC.

- In April 2021, DEV announced that it would elect to procure its capacity through the Fixed Resource Requirement alternative to the PJM capacity market auction.[86]

- 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."[87] The NOPR intends to replace the current policy of limiting incentives to the base rate of ROE zone of reasonableness with a 250-basis-point cap on total ROE incentives. In April 2021, FERC revised its March NOPR and proposed to limit its 50-basis-point incentive for joining a regional transmission organization to just the first three years of an entity's membership.

[84] Specifically, the 13 states consist of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia.

[85] *Calpine Corp. v. PJM Interconnection, LLC,* 163 FERC ¶ 61,236 (2018).

[86] APCo has always chosen the Fixed Resource Requirement alternative.

[87] *Electric Transmission Incentives Policy under Section 219 of the Federal Power Act*, 170 FERC ¶ 61,204 (Mar. 19, 2020).

- In September 2020, FERC issued Order 2222, which adopted reforms to allow distributed energy resource aggregations to participate in the regional transmission organization markets.[88] FERC defined distributed energy resources as "any resource located on the distribution system, any subsystem thereof or behind a customer meter. These resources may include, but are not limited to, electric storage resources, distributed generation, demand response, energy efficiency, thermal storage, and electric vehicles and their supply equipment."

- On June 30, 2021, the transmission owners ("Transmission Owners") in the PJM region submitted a consolidated filing at FERC that proposed revisions to the PJM Tariff to provide Transmission Owners with the option to elect to fund the capital cost of network upgrades necessary to accommodate generator interconnections.[89] The proposed revisions would allow the PJM Transmission Owners the opportunity to earn a return of and on the costs of network upgrades that are necessary to interconnect generation resources to the PJM transmission system. Under the current tariff, those costs must be paid by the interconnecting generator.

- On July 19, 2021, PJM filed a brief in a Pennsylvania federal court case challenging the Pennsylvania Public Utility Commission's rejection of a transmission line. PJM claims that the Pennsylvania state agency does not have authority to reject a line on the grounds that the line is not needed where PJM has concluded the line is necessary under mechanisms approved by FERC.

- On July 15, 2021, FERC issued an Advanced Notice of Proposed Rulemaking seeking comment on the potential need for change to existing regulations on electric regional transmission planning, cost allocation, and generator interconnection processes. Unless extended by FERC, comments are due on October 12, 2021, with replies to be filed by November 9, 2021.

[88] *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 172 FERC ¶ 61,247 (Sept. 19, 2020).

[89] *PJM Tariff Revisions to Implement Transmission Owners' Funding of Network Upgrades*, Docket No. ER21-2282 (June 30, 2021).

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 twelfth year of building awareness of the value of energy efficiency.

VES program highlights in the last year are as follows:

- The VES website achieved 76,881 site visits and 93,280 page views in 2020;
- Facebook and Twitter follower growth remained strong with 3.8 million video impressions on Facebook and 2.2 million video impressions on Google in 2020;
- The VES television advertising campaign featuring "Jack," an animated electrical outlet, was seen on cable channels in seven Virginia markets, generating over 2.1 million impressions;
- Despite COVID-19 restrictions, VES representatives attended three community events and two virtual events across the Commonwealth in 2020. VES had to cancel participation in 15 community events and festivals in 2020;
- VES conducted 10 radio and TV media interviews and secured a 12-minute interview segment on a major cable TV system; and
- The Commission completed a competitive procurement for a new team of companies to continue the implementation of VES for three years.

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
CIFP	Critical Issue Fast Path
Code	Code of Virginia
CTs	Combustion Turbines
Commission	Virginia State Corporation Commission
Consumer Counsel	Office of the Attorney General, Division of Consumer Counsel
DEI	Dominion Energy, Inc.
DEV	Virginia Electric and Power Company d/b/a Dominion Energy Virginia
Dominion	Virginia Electric and Power Company d/b/a Dominion Energy Virginia
DSM	Demand-side Management
DSS	Department of Social Services
EERS	Energy Efficiency Resource Standard
FERC	Federal Energy Regulatory Commission
GTSA	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
MOPR	Minimum Offer Price Rule
MW	Megawatt
NOPR	Notice of Proposed Rulemaking
PJM	PJM Interconnection, L.L.C.
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
RPS	Renewable Energy Portfolio Standard
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 2020 and 2021.

CORPORATIONS

	12/31/20	12/31/21
Virginia Corporations		
Certificates of Incorporation issued	12,686	13,086
Voluntary terminations	2,470	2,371
Involuntary terminations	0	0
Automatic terminations (Assessment/AR/RA Resignation)	13,656	20,359
Reinstatements of corporate existence	9,802	10,202
Charters amended	1,868	1,939
On Record		
Active Stock Corporations	118,996	117,132
Active Non-Stock Corporations	51,544	53,637
Total Active Virginia Corporations	170,540	170,769
Foreign Corporations		
Certificates of Authority to do business in Virginia issued	3,169	3,854
Voluntary withdrawals from Virginia	912	920
Automatic Revocations (Assessment/AR/RA Resignation)	2,301	3,380
Reinstatement of surrendered or revoked certificates	1,794	2,165
Charters Amended	539	533
On Record		
Active Stock Corporations	35,389	36,074
Active Non-Stock Corporations	3,043	3,130
Total Active Foreign Corporations	38,432	39,204
Total Active Corporations (Virginia and Foreign)	208,972	209,973

LIMITED LIABILITY COMPANIES

Virginia Limited Liability Companies		
Certificates of Organization issued	95,564	116,115
Voluntary cancellations	10,105	11,987
Automatic cancellations (Assessment/RA Resignation)	59,725	65,472
Reinstatements of existence	20,695	21,240
Articles of Organization amended	4,398	5,822
On Record		
Active Virginia Limited Liability Companies	439,955	476,016
Foreign Limited Liability Companies		
Certificates of Registration issued	5,692	7,022
Voluntary cancellations	1,108	1,254
Automatic cancellations (Assessment/RA Resignation)	2,786	2,685
Reinstatement of canceled certificates	1,055	1,167
Certificates of Registration amended	317	399
On Record		
Active Foreign Limited Liability Companies	37,009	38,785
Total Active Limited Liability Companies (Virginia and Foreign)	476,964	514,801

BUSINESS TRUSTS

Virginia Business Trusts	12/31/20	12/31/21
Certificates of Trust issued	138	162
Voluntary cancellations	10	18
Automatic cancellations (Assessment/RA Resignation)	29	60
Reinstatements of existence	13	9
Articles of Trust amended	13	16
On Record		
Active Virginia Business Trusts	370	456
Foreign Business Trusts		
Certificates of Registration issued	18	16
Voluntary cancellations	0	6
Automatic cancellations (Assessment/RA Resignation)	1	38
Reinstatement of canceled certificates	3	3
Certificates of Registration amended	1	6
On Record		
Active Foreign Business Trusts	114	93
Total Active Business Trusts (Virginia and Foreign)	484	549

LIMITED PARTNERSHIPS

Virginia Limited Partnerships		
Certificates of Limited Partnership filed	215	294
Voluntary cancellations	104	124
Automatic cancellations (Assessment/RA Resignation)	239	207
Reinstatements of existence	124	69
Certificates of Limited Partnership amended	228	132
On Record		
Active Virginia Limited Partnerships	3,981	3,877
Foreign Limited Partnerships		
Certificates of Registration issued	78	108
Voluntary cancellations	62	51
Automatic cancellations (Assessment/RA Resignation)	61	57
Reinstatement of canceled certificates	26	33
Certificates of Registration amended	70	41
On Record		
Active Foreign Limited Partnerships	1,275	1,337
Total Active Limited Partnerships (Virginia and Foreign)	5,256	5,214

GENERAL PARTNERSHIPS

General Partnership Statements filed	256	219
On Record		
Active Virginia General Partnerships	517	719
Active Foreign General Partnerships	66	60
Total Active General Partnerships (Virginia and Foreign)	583	779

REGISTERED LIMITED LIABILITY PARTNERSHIPS

Statement of Registration as a Virginia Registered Limited Liability Partnerships filed	251	90
Statement of Registration as a Foreign Registered Limited Liability Partnerships filed	5	32
Total Active Registered Limited Liability Partnerships (Virginia and Foreign)	1,207	1,202

COMPARISON OF REVENUES DEPOSITED BY THE CLERK'S OFFICE FOR THE FISCAL YEARS ENDING JUNE 30, 2020 AND JUNE 30, 2021

General Fund	**2020**	**2021**	**(Difference)**
Charter Fees	1,437,869.50	1,883,018.00	445,148.50
Entrance Fees	1,474,995.00	2,114,707.80	639,712.80
Filing Fees	580,580.00	719,490.00	138,910.00
Registered Name	3,020.00	2,480.00	-540.00
Registered Office and Agent	0.00	0.00	0.00
Service of Process	39,360.00	42,300.00	2,940.00
Copy and Recording Fees	402,040.50	416,680.50	14,640.00
SCC Annual Report Sales	0.00	0.00	0.00
Uniform Commercial Code Revenues	2,130,860.00	2,400,330.00	269,470.00
Excess Fees Transferred to Unclaimed Property	346,967.26	1,035,977.66	689,010.40
Miscellaneous Sale	0.00	0.00	0.00
TOTAL	**$6,415,692.26**	**$8,614,983.96**	**$2,199,291.70**
Special Fund			
Domestic-Foreign Corp. Registration Fee	30,874,884.41	32,410,428.00	1,535,543.59
Limited Partnership Registration Fee	288,744.00	284,125.00	-4,619.00
Reserved Name - Limited Partnership	9,650.00	12,350.00	2,700.00
Certificate Limited Partnership	16,675.00	26,725.00	10,050.00
Application Reg. Foreign LP	8,319.00	10,300.00	1,981.00
Reinstatement LP	9,650.00	18,300.00	8,650.00
Registration Fee LLC	18,279,868.04	20,441,609.00	2,161,740.96
Application For. Reg. LLC	506,388.00	640,700.00	134,312.00
Art. of Org. Dom. LLC	7,712,872.50	11,760,724.00	4,047,851.50
AMEND, CANC., CORR. RAC, etc. LLC	578,934.00	863,140.00	284,206.00
SCC Bad Check Fee	30,122.50	43,679.00	13,556.00
Interest on Del. Tax	0.00	0.00	0.00
Penalty on Non-Pay Fees by Due Date	2,534,698.00	3,240,099.00	705,401.00
Statement of Reg. as Domestic LLP	7,775.00	14,325.00	6,550.00
LLP Annual Continuation	32,000.00	81,200.00	49,200.00
Statement of Partnership Authority GP Dom.	4,975.00	5,650.00	675.00
Statement of Partnership Authority GP For.	75.00	175.00	100.00
Statement of Amendments - GP	1,200.00	950.00	-250.00
Statement of Reg. as Foreign LLP	2,200.00	3,100.00	900.00
Statement of Amendment LLP	300.00	575.00	275.00
Reinstatement LLC, BT	1,549,910.00	2,318,610.00	768,700.00
Tape Sales, Misc. Fees	-1,500.00	0.00	1,500.00
Copies, Recording Fees	402,040.50	416,681.00	14,640.50
Recovery of Prior Yr. Expenses	67,163.44	24,009.45	-43,153.99
LLP Reinstatement	1,200.00	3,100.00	1,900.00
Expedite Fee Collected	1,045,589.00	1,103,579.00	57,990.00
TOTAL	**$63,963,733.89**	**$73,724,133.45**	**$9,760,399.56**
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	$276,000.00	$40,000.00	-$236,000.00
Debt Set Off Collections	0.00	0.00	0.00
TOTAL	**$276,000.00**	**$40,000.00**	**-$236,000.00**
GRAND TOTAL	**$70,655,426.15**	**82,379,117.41**	**$11,723,691.26**

COMPARISON OF FEES COLLECTED BY THE BUREAU OF FINANCIAL INSTITUTIONS FOR FISCAL YEARS ENDING JUNE 30, 2020 AND JUNE 30, 2021

	2020		2021	
Banks	$9,529,389		$9,960,633	
Savings Institutions and Savings Banks	8,418		8,379	
Consumer Finance Licensees	425,422		476,650	
Credit Unions	1,991,563		1,170,703	(1)
Trust Subsidiaries and Trust Companies	33,660		10,684	
Industrial Loan Associations	2,400		2,400	
Money Order Sellers and Transmitters	1,048,997		1,132,009	(2)
Credit Counseling Agency Licensees	37,223		58,692	
Mortgage Lenders and Mortgage Brokers	956,455	(3)	351,134	(3)
Mortgage Loan Originators	2,293,680		3,593,800	
Check Cashers	81,100		87,400	
Payday/Short-Term Lenders	211,971		48,035	
Motor Vehicle Title Lenders	588,928		455,074	
Qualified Education Loan Servicers	--		11,500	
Debt Settlement Services Providers	--		5,000	
Miscellaneous Collections	86,131		39,107	
TOTAL	$17,295,337		$17,411.200	

Notes:
(1) The credit union assessment was reduced 50% in Fiscal 2021.
(2) The money transmitter assessment was reduced 10% in Fiscal 2021.
(3)The mortgage lender and broker assessment was reduced 55% in Fiscal 2020 and 100% in Fiscal 2021.

CONSUMER SERVICES

The Bureau received and acted upon 577 formal written complaints during 2021 and recovered $107,060 on behalf of Virginia consumers.

COMPARISON OF FEES AND TAXES COLLECTED BY THE BUREAU OF INSURANCE FOR THE FISCAL YEARS ENDING JUNE 30, 2020 AND JUNE 30, 2021

General Fund	2020	2021	Increase or (Decrease)
Gross Premium Taxes of Insurance Companies	$0.00	$0.00	$0.00
Fraternal Benefit Societies Licenses	0.00	0.00	0.00
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	$22,500.00	$13,000.00	($9,500.00)
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	12,200.00	12,400.00	200.00
Fraternal Benefit Societies Licenses	0.00	0.00	0.00
Agent Appointment Fees	16,958,270.00	19,058,590.00	2,100,320.00
Surplus Lines Broker Licenses	143,800.00	30,590.00	(113,210.00)
Pharmacy Benefits Manager Licensing Fees	0.00	8,500.00	8,500.00
Home Service Contract Providers License Fees	0.00	0.00	0.00
Title Settlement Agent Fees	40,870.00	12,865.00	(28,005.00)
Producer License Application Fees	1,268,730.00	2,120,595.00	851,865.00
Surety Bail Bondsmen License Fees	0.00	0.00	0.00
P&C Consultant License Fees	75,500.00	17,005.00	(58,495.00)
Recording, Copying, and Certifying Public Records Fees	133.00	0.00	(133.00)
SCC Bad Check Fees	4,655.00	4,340.00	(315.00)
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	11,336,082.00	12,087,340.54	751,258.54

Reinsurance Intermediary Broker Fees	1,500.00	1,500.00	0.00
Reinsurance Intermediary Manager Fees	0.00	0.00	0.00
Managing General Agent Fees	7,500.00	7,500.00	0.00
Viatical Settlement Provider License Fees	6,500.00	6,500.00	0.00
Viatical Settlement Broker License Fees	9,050.00	1,665.00	(7,385.00)
MCHIP Assessment	0.00	0.00	0.00
Public Adjusters	26,885.00	37,145.00	10,260.00
Appointment Fee Penalty	43,250.00	118,500.00	75,250.00
Miscellaneous Revenue	9,584.00	27,463.47	17,879.47
Recovery of Prior Year Expenses	537,717.00	205,223.87	(332,493.13)
Fire Programs Fund	43,861,438.00	46,610,098.15	2,748,660.15
Fire Programs Fund Interest	78,467.00	28,519.64	(49,947.36)
DMV Uninsured Motorist Transfer	7,234,319.00	5,190,384.83	(2,043,934.17)
Flood Assessment Fund	474,484.00	797,910.20	323,426.20
Heat Assessment Fund	2,451,798.00	2,532,210.62	80,412.62
Fines Imposed by State Corporation Commission	1,476,130.00	1,306,520.65	(169,609.35)
Fraud Assessment Fund	7,190,396.00	7,326,795.96	136,399.96
Fraud Assessment Interest	17,533.68	8,008.97	(9,524.71)
TOTAL	$93,289,291.68	$97,571,171.90	$4,281,880.22

ASSESSMENT OF VALUE OF PUBLIC SERVICE CORPORATIONS TAX YEARS 2020 AND 2021

VALUE OF ALL TAXABLE PROPERTY INCLUDING ROLLING STOCK

Class of Company	**2020**	**2021**	**Increase or (Decrease)**
Electric Light & Power Corporations	$36,674,618,417	$36,653,412,198	$(21,206,219)
Gas Corporations	3,519,821,231	3,704,897,490	185,076,259
Motor Vehicle Carriers (Rolling Stock only)	40,127,841	38,915,112	(1,212,729)
Telecommunications Companies	7,535,557,731	7,268,778,935	(266,778,796)
Water Corporations	313,019,096	335,139,901	22,120,805
TOTAL	$48,083,144,316	$48,001,143,636	$(82,000,680)

STATE TAXES OF PUBLIC SERVICE COMPANIES TAX YEARS 2020 AND 2021

Class of Company	**2020**	**2021**	**Increase or (Decrease)**
Electric Companies	$89,122,282	$89,006,546	$(115,736)
Gas Companies	12,744,592	11,896,555	(848,037)
Motor Vehicle Carriers	55,973	34,560	(21,413)
Railroad Companies	3,053,013	2,688,934	(364,079)
Telecommunications Companies	8,254,906	9,876,045	1,621,139
Virginia Pilots Association	40,034	47,509	7,475
Water Corporations	2,529,720	2,546,751	17,031
TOTAL	$115,800,520	$116,096,900	$(296,380)

Railroad Companies assessed at eighteen-hundredths of one percent and all other companies assessed at two-tenths of one percent for Tax Year 2021.

ASSESSED VALUE OF PROPERTY OF PUBLIC SERVICE COMPANIES FOR LOCAL TAXATION BY CITIES TAX YEARS 2020 AND 2021

Cities	2020	2021	Increase or (Decrease)
Alexandria	$499,862,481	$516,682,083	$16,819,602
Bristol	15,404,564	16,519,034	1,114,470
Buena Vista	19,895,191	21,824,316	1,929,125
Charlottesville	143,203,332	147,953,086	4,749,754
Chesapeake	983,254,993	972,567,048	(10,687,945)
Colonial Heights	36,555,127	33,534,905	(3,020,222)
Covington	265,994,486	248,290,623	(17,703,863)
Danville	48,137,756	47,390,659	(747,097)
Emporia	19,335,667	18,257,098	(1,078,569)
Fairfax	116,742,932	121,901,913	5,158,981
Falls Church	29,612,087	33,914,831	4,302,744
Franklin	6,400,887	4,691,868	(1,709,019)
Fredericksburg	106,191,344	106,711,575	520,231
Galax	15,987,318	22,409,348	6,422,030
Hampton	373,486,179	395,754,417	22,268,238
Harrisonburg	49,362,437	53,030,093	3,667,656
Hopewell	362,786,066	380,121,668	17,335,602
Lexington	19,781,066	19,959,318	178,252
Lynchburg	221,088,722	215,227,179	(5,861,543)
Manassas	115,765,866	119,649,251	3,883,385
Manassas Park	29,509,598	36,582,904	7,073,306
Martinsville	25,832,248	28,900,556	3,068,308
Newport News	521,447,213	517,870,407	(3,576,806)
Norfolk	713,499,443	705,732,490	(7,766,953)
Norton	23,478,849	25,462,807	1,983,958
Petersburg	159,715,848	168,872,433	9,156,585
Poquoson	21,361,594	23,089,851	1,728,257
Portsmouth	367,673,563	350,397,152	(17,276,411)
Radford	19,245,696	18,840,803	(404,893)
Richmond	836,394,132	863,245,986	26,851,854
Roanoke	346,781,352	337,663,026	(9,118,326)
Salem	49,535,315	50,610,432	1,075,117
Staunton	95,716,849	102,202,077	6,485,228
Suffolk	390,541,000	392,138,598	1,597,598
Virginia Beach	1,110,259,453	1,129,594,651	19,335,198
Waynesboro	106,692,341	108,165,670	1,473,329
Williamsburg	52,886,186	53,573,532	687,346
Winchester	80,454,164	83,282,218	2,828,054
Total Cities	$8,399,873,345	$8,492,615,906	$92,742,561

ASSESSED VALUE OF PROPERTY OF PUBLIC SERVICE CORPORATIONS FOR LOCAL TAXATION BY COUNTIES TAX YEARS 2020 AND 2021

Counties	2020	2021	Increase or (Decrease)
Accomack	$462,646,577	$410,484,176	$(52,162,401)
Albemarle	486,082,198	542,163,716	56,081,518
Alleghany	146,952,018	144,567,845	(2,384,173)
Amelia	49,220,275	42,044,211	(7,176,064)
Amherst	97,200,313	106,343,885	9,143,572
Appomattox	68,239,516	70,245,676	2,006,160
Arlington	917,279,520	944,793,182	27,513,662
Augusta	440,550,093	443,573,361	3,023,268
Bath	1,375,505,464	1,268,740,330	(106,765,134)
Bedford	282,178,499	269,363,739	(12,814,760)
Bland	100,564,820	105,305,389	4,740,569
Botetourt	463,084,395	461,522,494	(1,561,901)
Brunswick	996,852,882	964,068,387	(32,784,495)
Buchanan	118,324,405	122,684,392	4,359,987

Buckingham	589,187,232	555,492,888	(33,694,344)
Campbell	376,183,073	364,146,223	(12,036,850)
Caroline	385,947,573	418,073,801	32,126,228
Carroll	123,698,231	129,574,623	5,876,392
Charles City	132,983,974	115,547,629	(17,436,345)
Charlotte	67,521,030	84,223,603	16,702,573
Chesterfield	1,731,180,877	1,700,642,522	(30,538,355)
Clarke	59,210,321	66,082,687	6,872,366
Craig	20,455,651	21,098,219	642,568
Culpeper	240,870,689	264,895,883	24,025,194
Cumberland	74,827,142	70,023,032	(4,804,110)
Dickenson	72,377,741	75,817,274	3,439,533
Dinwiddie	246,916,291	230,842,713	(16,073,578)
Essex	46,306,662	52,975,014	6,668,352
Fairfax	4,026,978,708	4,113,078,684	86,099,976
Fauquier	693,623,987	644,123,557	(49,500,430)
Floyd	69,950,158	71,603,756	1,653,598
Fluvanna	440,487,655	427,205,609	(13,282,046)
Franklin	184,749,602	177,683,822	(7,065,780)
Frederick	402,949,570	432,045,557	29,095,987
Giles	81,672,857	79,528,381	(2,144,476)
Gloucester	150,900,067	140,116,067	(10,784,000)
Goochland	128,246,133	130,933,448	2,687,315
Grayson	53,723,582	58,734,981	5,011,399
Greene	39,257,449	42,161,428	2,903,979
Greensville	1,030,907,342	1,017,226,259	(13,681,083)
Halifax	1,059,458,114	1,051,908,283	(7,549,831)
Hanover	762,913,878	737,345,855	(25,568,023)
Henrico	1,147,925,297	1,126,010,846	(21,914,451)
Henry	187,649,825	246,861,029	59,211,204
Highland	24,610,927	24,615,940	5,013
Isle of Wight	170,882,396	159,983,982	(10,898,414)
James City	527,444,274	468,363,600	(59,080,674)
King and Queen	34,308,578	41,000,447	6,691,869
King George	151,043,842	119,805,141	(31,238,701)
King William	55,996,143	54,038,590	(1,957,553)
Lancaster	78,250,287	86,652,632	8,402,345
Lee	59,346,157	58,013,034	(1,333,123)
Loudoun	3,048,594,204	3,187,697,177	139,102,973
Louisa	2,306,680,314	2,243,023,113	(63,657,201)
Lunenburg	73,900,844	67,747,367	(6,153,477)
Madison	49,961,803	47,178,581	(2,783,222)
Mathews	24,248,498	24,692,065	443,567
Mecklenburg	280,911,738	309,020,409	28,108,671
Middlesex	55,098,470	56,426,013	1,327,543
Montgomery	230,966,714	222,864,822	(8,101,892)
Nelson	106,020,233	114,594,010	8,573,777
New Kent	167,272,269	148,006,447	(19,265,822)
Northampton	59,628,880	58,286,723	(1,342,157)
Northumberland	54,223,039	54,854,982	631,943
Nottoway	73,818,169	72,432,616	(1,385,553)
Orange	151,451,877	150,404,065	(1,047,812)
Page	78,324,497	76,094,144	(2,230,353)
Patrick	64,635,026	66,098,358	1,463,332
Pittsylvania	248,532,146	229,120,872	(19,411,274)
Powhatan	107,507,967	99,431,164	(8,076,803)
Prince Edward	95,022,542	104,237,039	9,214,497
Prince George	181,747,397	206,129,856	24,382,459
Prince William	1,794,507,995	1,886,271,326	91,763,331
Pulaski	121,649,322	139,433,611	17,784,289
Rappahannock	58,581,558	56,711,431	(1,870,127)
Richmond	77,172,219	86,142,407	8,970,188
Roanoke	303,780,289	314,364,592	10,584,303
Rockbridge	244,437,072	248,397,848	3,960,776
Rockingham	322,181,093	297,255,695	(24,925,398)
Russell	279,185,633	270,821,503	(8,364,130)
Scott	$77,869,350	$75,561,583	$(2,307,767)
Shenandoah	219,397,106	214,477,965	(4,919,141)
Smyth	161,487,746	151,881,392	(9,606,354)

Southampton	216,535,876	200,481,502	(16,054,374)
Spotsylvania	442,052,426	451,213,720	9,161,294
Stafford	457,272,126	392,748,453	(64,523,673)
Surry	2,001,274,708	1,988,777,299	(12,497,409)
Sussex	92,404,338	88,469,803	(3,934,535)
Tazewell	212,888,321	210,618,362	(2,269,959)
Warren	964,846,741	857,394,764	(107,451,977)
Washington	227,049,734	244,040,024	16,990,290
Westmoreland	76,435,141	70,113,525	(6,321,616)
Wise	1,380,904,462	1,408,176,922	27,272,460
Wythe	306,314,059	311,822,632	5,508,573
York	410,744,898	411,718,614	973,716
Total Counties	$39,643,143,130	$39,469,612,618	$(173,530,512)
Total Cities & Counties	$48,043,016,475	$47,962,228,524	$(80,787,951)

COMPARISON OF FEES COLLECTED BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING FOR THE YEARS ENDING DECEMBER 31 , 2020 AND DECEMBER 31, 2021

Fee Type	2020	2021	Increase or (Decrease)
Securities Act	$13,657,674.04	$15,768,844.64	$2,111,170.60
Retail Franchising Act	$533,750.00	$617,359.15	$83,609.15
Trademarks-Service Marks	$27,510.00	$25,800.00	($1,710.00)
Penalties	$208,335.22	$162,425.71	($45,909.51)
Cost of Investigations	$63,800.00	$20,111.00	($43,689.00)
Total	$14,491,069.26	$16,594,540.50	$2,103,471.24

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 2021.

General Rate Cases/Biennial Reviews	
Electric Companies	2
Electric Cooperatives	3
Gas Companies	1
Water Companies	2
Other	0
Total General Rate Cases/Biennial Reviews	8
Certificates of Public Convenience and Necessity	2
Rate Adjustment Clauses	
Electric Companies	39
Water and Wastewater Infrastructure Service Charge (WWISC)	
Water Companies	0
Steps to Advance Virginia's Energy (SAVE) Plans/CARE Plans	
Gas Companies	13
Annual Informational Filings/Earnings Tests	
Electric Companies	0
Gas Companies	7
Water Companies	4
Total Annual Informational Filings/Earnings Tests	11
Fuel Factor Cases - Electric Companies	3
Depreciation Studies	
Electric Companies	2
Electric Cooperatives	0
Natural Gas Companies	3
Water Companies	1
Total Depreciation Studies	6
Prudency Reviews	1
Other Reviews and Studies	16

During 2021 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	12
Other Transactions	8
Total	20
Utility Transfers Act Cases	
Transfers of Control	20
Transfers of Assets	4
Total	24
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 2021, there were subject to the regulatory oversight of the Division:

15	Incumbent Local Exchange Telephone Companies
187	Competitive Local Exchange Telephone Companies
116	Intrastate Long Distance Telephone Companies
17	Payphone Service Providers
7	Operator Service Providers
3	Investor-Owned Electric Companies
13	Electric Cooperatives
7	Natural Gas Companies
32	Water/Sewer Companies

SUMMARY OF 2021 ACTIVITIES

Consumer Complaints and Inquiries Received	3,483
Written Public Comments Relative to Commission Cases Received	3,840
Testimony and Reports Filed by Staff	110
Affiliates Applications	16
Certificates of Convenience and Necessity Granted, Transferred, or Revised	42
Meters Tests Witnessed	2
Community Meetings and Presentations	0

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, qualified education loan servicers, money transmitter licensees, mortgage lenders and brokers, mortgage loan originators, credit counseling agencies, debt settlement services providers, check cashers, motor vehicle title lenders, and short-term 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 2021

	Received	Acted Upon
New Banks	1	2
Bank Branches	20	20
Bank Branch Office Relocations	3	4
Establish a Branch (Out-of-State Bank)	7	7
Bank Acquisitions Pursuant to § 6.2-704A	5	5
Bank Acquisitions Pursuant to § 6.2-704C	1	2
Bank Merger	3	3
Credit Union Mergers	1	1
Credit Union Service Facilities	4	3
Credit Union Office Relocations	3	3
Out of State Independent Trust Company Relocations	1	1
New Consumer Finance	27	11
Consumer Finance Offices	17	30
Consumer Finance Other Business	3	3
Consumer Finance Office Relocations	4	4
Qualified Education Loan Servicer-Federal Contractor	10	7
Qualified Education Loan Servicer	29	11
New Mortgage Lenders and/or Brokers	361	299
Acquisitions of Mortgage Lenders/Brokers	37	33
Mortgage Additional Offices	1,341	1,323
Exempt Mortgage Company Registrations	4	4
Mortgage Loan Originator Licensees	11,585	11,395
Bona Fide Non-Profit Designations	2	0
New Motor Vehicle Title Lender	0	1
Motor Vehicle Title Lender Office Relocations	0	1
New Money Order Sellers/Money Transmitters	36	27
Acquisitions of Money Order Sellers/Money Transmitters	11	5
Credit Counseling Agency Additional Offices	1	1
Credit Counseling Office Relocations	8	7
Debt Settlement Services Providers	13	4
New Check Cashers	38	38
New Payday Lenders	1	2

At the end of 2021, there were under the supervision of the Bureau 47 banks with 983 branches, 43 Virginia bank holding companies, 5 non-Virginia bank holding companies with a subsidiary Virginia bank, 2 subsidiary trust companies, 1 savings institution, 24 credit unions, 2 industrial loan associations, 16 consumer finance companies with 187 offices, 110 money transmitters, 33 credit counseling agencies, 370 check cashers, 205 mortgage lenders with 1,025 offices, 578 mortgage brokers with 762 offices, 326 mortgage lender/brokers with 2,923 offices, 31,115 mortgage loan originators, 5 private trust companies, 1 motor vehicle title lender with 1 office, 1 debt settlement services provider, 15 qualified education loan servicers, and 6 short-term lenders with 38 offices.

BUREAU OF INSURANCE REGULATION
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2021

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 2021 ACTIVITIES

Assessment audits	1,667
Insurance agents and agencies licensed	93,392
Property and Casualty insurance complaints received	1,956
Property and Casualty insurance rules, rates and form submissions	4,013
Property and Casualty Division market conduct examinations completed	4
Property and Casualty Division Market Regulation Continuum Actions completed	35
New insurance companies licensed to do business in Virginia	31
Insurance company financial statements analyzed	881
Financial examinations of insurance companies conducted	16
Life and Health insurance complaints received	1,331
Life and Health insurance policy forms and rates submissions	2,558
Life and Health Division market conduct examinations completed	2
Life and Health Division Market Regulation Continuum Actions completed	19
Ombudsman Office inquiries received	471
Ombudsman Office assisted individuals by in appealing MCHIP denials	163

EXTERNAL REVIEW FISCAL YEAR 2021

Number of External Review (ER) Requests Reviewed	442
Eligible (ER) Requests	142
Ineligible ER Requests	300
Final Adverse Decision Upheld by Reviewer	72
Final Adverse Decision Overturned by Reviewer	65
Final Adverse Decision Modified or Partially Overturned	2
Health Carrier Reversed Itself	1
Terminated or Withdrawn	2

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, 2021

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 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) by Plan Year 2024. 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 $8.58 million and $28.3 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 $34 million over four years. Exchange revenues for FY 2021 were approximately $3.4 million, generated through the collection of assessment fees on health carriers offering plans through the Exchange in accordance with § 38.2- 6510 of the Code. Exchange expenses for FY 2021 were approximately $3.25 million.

The Exchange oversees a Navigator program to help Virginians navigate, shop for, and enroll in health insurance coverage through HealthCare.gov. In support of the Navigator program, on August 30, 2020, the Commission awarded approximately $1.5 million in grant funds to the Virginia Poverty Law Center and $365,000 to BoatPeople SOS, Inc.

SUMMARY OF FISCAL YEAR 2021 ACTIVITIES

Navigators registered	41
Certified Application Counselor Designated Organizations (CDOs) designated	34
Carriers offering individual health coverage on Exchange	9
Carriers offering small business coverage on SHOP	3
Carriers offering Exchange-certified stand-alone dental plans on Exchange	8

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 2021 Activities

UNDER THE VIRGINIA SECURITIES ACT:

21	securities registrations approved
276,251	broker-dealer agent registrations and renewals approved
37,634	broker-dealer agent registrations and renewals denied, withdrawn, or terminated
19	securities registrations denied, withdrawn, or terminated
1,961	investment company notice filings originals and renewals accepted

574	investment company notice filings originals and renewals denied, withdrawn, or terminated
170	exemptions from registration approved
2	exemptions from registration denied, withdrawn, or terminated
7,674	exemption notice filings for federal-covered securities accepted
1,930	broker-dealer registrations and renewals approved
113	broker-dealer registrations and renewals denied, withdrawn, or terminated
24	investment advisor eras approved
217	investment advisor other amendments approved
42	investment advisor other amendments denied, withdrawn, or terminated
4,143	investment advisor registrations, renewals, and amendments approved
366	investment advisor registrations, renewals, and amendments denied, withdrawn, or terminated
75	investment advisor audits completed
323	audit violation deficiencies resolved
18,952	investment advisor representative registrations and renewals approved
3,622	investment advisor representative registrations and renewals denied, withdrawn, or terminated
74	agent of issuer registrations and renewals approved
7	agent of issuer registrations and renewals denied, withdrawn, or terminated
102	investigations completed

UNDER THE VIRGINIA TRADEMARK AND SERVICE MARK ACT:

715	trademarks and/or service marks approved, renewed, or assigned
441	trademarks and/or service marks denied, abandoned, expired, or withdrawn

UNDER THE VIRGINIA RETAIL FRANCHISING ACT:

1,940	franchise registrations, renewals, or post-effective amendments approved
465	franchise registrations, renewals, or post-effective amendments denied, withdrawn, non-renewed, or terminated
11	investigations completed

ORDERS, JUDGMENTS AND SETTLEMENTS:

10	orders granting exemptions and/or official interpretations
0	orders filing and/or canceling surety bonds
16	orders for subpoena of records by banks, corporations, and individuals
0	orders of show cause
19	judgments of compromise and settlement
14	final orders and/or judgments
0	temporary injunctions
1	special supervision

TELEPHONE CALLS, E-MAILS AND COMPLAINTS:

382	calls/e-mails regarding pending investigations
121	enforcement general inquiry calls/e-mails
740	calls/e-mails regarding pending enforcements
494	calls/e-mails regarding pending registrations
5,734	registration general inquiry calls/e-mails
618	calls/e-mails regarding pending audits
19	audit general inquiry calls/e-mails
1,867	examination general inquiry calls/e-mails
102	calls/e-mails regarding pending examinations
99	complaints resulting in investigations
65	complaints referred
72	complaints with no authority to investigate
4	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

	12/31/20	12/31/21
Financing/Subsequent Statements Filed	127,715	113,605
Federal Tax Liens/Subsequent Liens Filed	2,069	2,654
Reels of Microfilmed Documents Sold	69	0

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 2021, 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 22,142.5 miles of main piping and 19,810.5 miles of service pipeline. These 41,953 miles of natural gas distribution pipeline provide service to 1,317,216 Virginia customers based on 2020 federal reporting data (at the time of this report 2021 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 517 miles of intrastate transmission pipelines in the Commonwealth. Additionally, there are four gathering line companies who operate 39.91 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 2021 Activities

Gas safety inspection days conducted	1,029
Interstate gas safety inspection days conducted	48
Hazardous liquid safety inspection days conducted	217
Number of probable violations found during 2021	255
Number of probable violations submitted to PHMSA	1,003
Number of compliance actions taken	57
Pipeline Incidents[3] or Accidents[4] investigated	9
Number of citizen complaints investigated	12

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 4,100 miles of track, over 4,200 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 2021 Activities

Number of Hazmat Units[5] Inspected	9,173
Number of Track Units[6] Inspected	8,794
Number of Locomotive and Car Units[7] Inspected	30,455
Number of Operating Practice Units[8] Inspected	810
Number of Signal/Grade Crossing[9] Units Inspected	1,128
Number of Defects Noted	5,908
Number of Violations Cited	95
Number of Accidents/NRC Incidents Investigated	19
Number of Complaints Investigated	43

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 2021 Activities

Underground Utility Damage Reports Investigated	1,291
Number of Individuals Having Received Damage Prevention Training	464
Number of Damage Prevention Educational Material Disseminated	51,145
Number of Damage Prevention Field Audits Conducted	766

[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

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LIST OF CASES ESTABLISHED IN 2021

BFI/BAN	BUREAU OF FINANCIAL INSTITUTIONS
BAN20210001	The Financing LLC - To relocate a consumer finance office from 9842 Main Street, City of Fairfax, VA to 7021 Evergreen Court, Annandale, Fairfax County, VA
BAN20210002	First Sunshine LLC d/b/a The Country Mart - To open a check casher at 2765 Northwestern Pike, Winchester, VA
BAN20210003	SkyBridge Multi-Adviser Hedge Fund Portfolios - To acquire 25 percent or more of HomeXpress Mortgage Corp.
BAN20210004	Relo Group, Inc. - To acquire 25 percent or more of Premia Mortgage, LLC
BAN20210005	Winchester 151, LLC d/b/a Round Hill Shopping Center - To open a check casher at 2578 Northwestern Pike, Winchester, VA
BAN20210006	John R. Sherman - To acquire 25 percent or more of American Financial Network, Inc.
BAN20210007	OneMain Financial Group, LLC - To open a consumer finance office at 1253 Stafford Drive, Princeton, WV
BAN20210008	OneMain Financial Group, LLC - To open a consumer finance office at Peerless Plaza Shopping Center, 823 S. Main Street, Lexington, NC
BAN20210009	OneMain Financial Group, LLC - To open a consumer finance office at Madison Square, 805 N. Madison Boulevard, Roxboro, NC
BAN20210010	OneMain Financial Group, LLC - To open a consumer finance office at 300 Becker Drive, Roanoke Rapids, NC
BAN20210011	Mirasol Parent, LLC - To acquire 25 percent or more of RealPage Payments Services LLC
BAN20210012	First Bank and Trust Company, The - To open a branch at 237 Pinnacle Parkway, Bristol, TN
BAN20210013	Republic Finance, LLC - To open a consumer finance office at 2810 Coliseum Centre Drive, Suite 400, Charlotte, NC
BAN20210014	Trustar Bank - To open a branch at 7811 Montrose Road, Potomac, MD
BAN20210015	Select Bank - To open a branch at 166 Huffman Mill Road, Burlington, NC
BAN20210016	Mariner Finance of Virginia, LLC - To open a consumer finance office at 8211 Town Center Drive, Nottingham, MD
BAN20210017	APMC Financial Holding Corp. - To acquire 25 percent or more of American Pacific Mortgage Corporation
BAN20210018	Kevin Michael Kajy - To acquire 25 percent or more of Central Mortgage Funding, LLC
BAN20210019	Cal E Kee, II - To acquire 25 percent or more of BayPointe Mortgage Consultants LLC
BAN20210020	Community Bank of the Chesapeake - To open a branch at 5831 Plank Road, City of Fredericksburg, VA
BAN20210021	Capital Direct Holdings, LLC - To acquire 25 percent or more of Oaktree Funding Corp.
BAN20210022	Franklin Finance Company, Incorporated - To relocate a consumer finance office from 300B Old Franklin Turnpike, Rocky Mount, Franklin County, VA to 410 Tanyard Road, Rocky Mount, Franklin County, VA
BAN20210023	Ming Chou - To acquire 25 percent or more of The Rate Factory, LLC
BAN20210024	Garden State Consumer Credit Counseling, Inc. d/b/a Navicore Solutions - To relocate a credit counseling office from 1700 West Highway 36, Suite 301, Roseville, MN to 1915 Highway 36 W, Suite #157, Roseville, MN
BAN20210025	OneMain Financial Group, LLC - To open a consumer finance office at 900 W Enringhaus Street, Suite E, Elizabeth City, NC
BAN20210026	OpenRoad Lending, LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210027	John Marshall Bank - To open a branch at 12701 Marblestone Drive, Suite 150, Prince William County, VA
BAN20210028	GreenPath, Inc. d/b/a GreenPath Financial Wellness - To open an additional credit counseling office at 2850 McClelland Drive, Suite 3000 O, Fort Collins, CO
BAN20210029	BOVC Enterprise, Inc. d/b/a Express Line - To open a check casher at 1614 Richmond Boulevard, Danville, VA
BAN20210030	Possible Financial Inc. - For a license to engage in business as a short-term lender
BAN20210031	Farmers & Merchants Bank - To open a branch at 2701 W. Main Street, City of Waynesboro, VA
BAN20210032	German Florez - To acquire 25 percent or more of Cardinal Financial Company, Limited Partnership
BAN20210033	Newport News Shipbuilding Employees' Credit Union, Inc. d/b/a Bayport Credit Union - To open a credit union service office at 6723 Fox Centre Parkway, Gloucester, VA
BAN20210034	Newport News Shipbuilding Employees' Credit Union, Inc. d/b/a Bayport Credit Union - To open a credit union service office at 750 Independence Boulevard, Virginia Beach, VA
BAN20210035	Pendleton Community Bank, Inc. - To open a branch at 317 N. Main Street, Bridgewater, VA
BAN20210036	Pendleton Community Bank, Inc. - To open a branch at 2169 S. Main Street, Harrisonburg, VA
BAN20210037	Pendleton Community Bank, Inc. - To open a branch at 478 Frontier Drive, Staunton, VA
BAN20210038	Tunador Management, LLC - To acquire 25 percent or more of Atlantic Coast Mortgage, LLC
BAN20210039	First-Citizens Bank & Trust Company - To open a branch at 6802 Paragon Place, Henrico County, VA
BAN20210040	Tyler Technologies, Inc. - To acquire 25 percent or more of NIC Services, LLC
BAN20210041	Virginia Partners Bank - To open a branch at 1821 Michael Faraday Drive Suite 101, Reston, Fairfax County, VA
BAN20210042	Springboard Nonprofit Consumer Credit Management, Inc. d/b/a Credit.Org - To relocate a credit counseling office from 4351 Latham Street, Riverside, CA to 1450 Iowa Avenue, Suite 200, Riverside, CA
BAN20210043	Lendmark Financial Services, LLC - To open a consumer finance office at 147 Electric Road, City of Salem, VA

BAN20210044	Regional Management Issuance Trust 2021-1 - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210045	Regional Management Issuance Trust 2020-1 - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210046	Regional Management Issuance Trust 2019-1 - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210047	Regional Management Issuance Trust 2018-2 - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210048	Regional Management Receivables V, LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210049	Regional Management Receivables IV, LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210050	Regional Management Receivables III, LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210051	Regional Management Receivables II, LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210052	Regional Management Corp. - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210053	MATA'S INC. d/b/a MERCADO LA BUENA FE - To open a check casher at 116 Featherbed Lane, Winchester, VA
BAN20210054	Thomas Lee Payne - To acquire 25 percent or more of Luminate Home Loans, Inc.
BAN20210055	Taryn S. Reuter - To acquire 25 percent or more of Luminate Home Loans, Inc.
BAN20210056	AYKA LLC d/b/a Market Place#3 - To open a check casher at 4501 Nine Mille Road, Henrico, VA
BAN20210057	Hai Standard, LLC d/b/a Corner Store Mart 2 - To open a check casher at 2311 Oaklawn Boulevard, Hopewell, VA
BAN20210058	Towne Bank - To open a branch at 7100 Falls of Neuse Road, Raleigh, NC
BAN20210059	Flat Branch Mortgage, Inc. Retirement Savings Plan Trust - To acquire 25 percent or more of Flat Branch Mortgage, Inc.
BAN20210060	Atlantic Union Bank - To open a branch at 1000 Winchester Street, City of Fredericksburg, VA
BAN20210061	Hari Om Investments, Inc. - To open a check casher at 13001 Lankford Highway, Machipongo, VA
BAN20210062	PRAMUKHJI 01, LLC - To open a check casher at 215 S. East Street, Culpeper, VA
BAN20210063	First American ServiceMac Holdings, LLC - To acquire 25 percent or more of ServiceMac, LLC
BAN20210064	60MonthLoans, Inc. - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210065	First Bank and Trust Company, The - To open a branch at 8315 Red Oak Boulevard, Red Oak, NC
BAN20210066	Newport News Shipbuilding Employees' Credit Union, Inc. d/b/a Bayport Credit Union - To relocate a credit union office from 544 Battlefield Boulevard South, Chesapeake, VA to 1000 Cedar Road, Chesapeake, VA
BAN20210067	Garden State Consumer Credit Counseling, Inc. d/b/a Navicore Solutions - To relocate a credit counseling office from 2298 West Horizon Ridge Parkway, Suite 109, Henderson, NV to 11500 S. Eastern Avenue, #150, Henderson, NV
BAN20210068	Regional Finance Company of Virginia, LLC d/b/a Regional Finance - To relocate consumer finance office from 614 Albemarle Square, Albemarle County, VA to 480 Twenty-ninth Place Court, Albemarle County, VA
BAN20210069	Regional Finance Company of Virginia, LLC d/b/a Regional Finance - To open a consumer finance office at 400 Parker Square, Suite 275, Flower Mound, TX
BAN20210070	Regional Finance Company of Virginia, LLC d/b/a Regional Finance - To open a consumer finance office at 979 Batesville Road, Suite B, Greer, SC
BAN20210071	Priority Holdings, LLC - To acquire 25 percent or more of Finxera, Inc.
BAN20210072	Evergreen ATM LLC - To open a check casher at 400 W. Broad Street, Falls Church, VA
BAN20210073	United Bank - To open a branch at 250 M Street, SE, Washington, DC
BAN20210074	Behnood Dalaei - To acquire 25 percent or more of 4Ever Lending USA LLC
BAN20210075	Frontier Community Bank - To open a branch at 6000 Boonsboro Road, Suites I & J, Bedford County, VA
BAN20210076	Lendmark Financial Services, LLC - To relocate a consumer finance office from 534 E. Market Street, Leesburg, Loudoun County, VA to 510-H East Market Street, Leesburg, Loudoun County, VA
BAN20210077	Atlantic Union Bank - To relocate an office from 7019 F Three Chopt Road, Henrico County, VA to 7000 Three Chopt Road, City of Richmond, VA
BAN20210078	Tortilleria Lagos, Llc d/b/a Taco Lagos - To open a check casher at 14511-Q Lee Jackson Memorial Highway, Chantilly, VA
BAN20210079	Heas Energy Services EL, LLC d/b/a Express Lane 3 - To open a check casher at 4069 S. Amherst Highway, Madison Heights, VA
BAN20210080	3Lain Corp. d/b/a El Dorado Mini Market & Restaurant #2 - To open a check casher at 7734 Jefferson Davis Highway, North Chesterfield, VA
BAN20210081	El Compa Latino Market Inc. - To open a check casher at 9020 Quioccasin Road, Suite D, Henrico, VA
BAN20210082	Latinos Unidos, Corporation d/b/a Latinos Unidos - To open a check casher at 6830 Midlothian Turnpike, Richmond, VA
BAN20210083	First Bank - To merge into it Bank of Fincastle, The
BAN20210084	Omni Financial of Nevada, Inc. - To open a consumer finance office at 6655 W. Sahara Avenue, Suite C104, Las Vegas, NV
BAN20210085	Natasha's Money Svcs LLC - To open a check casher at 7122 Hull Street Road, North Chesterfield, VA

BAN20210086	Atlantic Union Bank - To open a branch at 1406 Roseneath Road, City of Richmond, VA
BAN20210087	Abnsingh LLC d/b/a country corner market - To open a check casher at 14 Doctors Road, Louisa, VA
BAN20210088	First National Corporation - To acquire Bank of Fincastle, The, Fincastle, VA
BAN20210089	SoFI Technologies, Inc - To acquire 25 percent or more of SoFI Lending Corp.
BAN20210090	Debt Negotiation Services Co. (Used in VA By: Touchstone Partners, Inc.) - For a license to engage in business as a debt settlement services provider
BAN20210091	JCAP Funding LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210092	Jefferson Capital Systems, LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210093	Alexander Mavroulis - To acquire 25 percent or more of AA Home Loans, LLC
BAN20210094	Burke & Herbert Bank & Trust Company - To open a branch at 2521 Cowan Boulevard, City of Fredericksburg, VA
BAN20210095	NRZ Acquisition LLC - To acquire 25 percent or more of Caliber Home Loans, Inc.
BAN20210096	Paysafe Group Holdings II Limited - To acquire 25 percent or more of Skrill USA, Inc.
BAN20210097	Freedom Bank of Virginia, The - To open a branch at 7900 Westpark Drive, Suite T102, McLean, Fairfax County, VA
BAN20210098	USV LLC d/b/a Salvador Express 2 - To open a check casher at 5852 A Columbia Pike, Falls Church, VA
BAN20210099	Chattha Livestock, Inc. d/b/a Cheriton Quick Mart - To open a check casher at 20194 Lankford Highway, Cape Charles, VA
BAN20210100	OneMain Financial Group, LLC - To make loans under Chapter 15, Title 6.2 of the Code of Virginia where the other business of Offering Credit Cards will also be conducted
BAN20210101	DebtBlue, LLC - For a license to engage in business as a debt settlement services provider
BAN20210102	VCC Social Enterprises - To acquire VCC Bank, Richmond, VA
BAN20210103	Progressive Debt Relief LLC - For a license to engage in business as a debt settlement services provider
BAN20210104	Pacific Debt, Inc. - For a license to engage in business as a debt settlement services provider
BAN20210105	JGW Debt Settlement, LLC - For a license to engage in business as a debt settlement services provider
BAN20210106	New Canco - To acquire 25 percent or more of Mazooma, Inc.
BAN20210107	Kristo Kaarmann - To acquire 25 percent or more of Wise US Inc.
BAN20210108	IDREES INC d/b/a SUNRISE MART #2 - To open a check casher at 937 South Main Street, Danville, VA
BAN20210109	CreditGuard of America, Inc. - To relocate a credit counseling office from 791 Park of Commerce Boulevard, Suite 500, Boca Raton, FL to 2755 NW 63rd. Court, Fort Lauderdale, FL
BAN20210110	John M. Schulte and Rachael C. Schulte Revocable Trust - To acquire 25 percent or more of Mid-Continent Funding, Inc.
BAN20210111	A1 MART LLC - To open a check casher at 815 E Market Street, Harrisonburg, VA
BAN20210112	GRT Financial, Inc. - For a license to engage in business as a debt settlement services provider
BAN20210113	Consumer Debt Help Association, LLC - For a license to engage in business as a debt settlement services provider
BAN20210114	National Debt Relief LLC - For a license to engage in business as a debt settlement services provider
BAN20210115	American Debt Relief, LLC - For a license to engage in business as a debt settlement services provider
BAN20210116	Beyond Finance, LLC - For a license to engage in business as a debt settlement services provider
BAN20210117	Citizens and Farmers Bank - To open a branch at 402 William Street, City of Fredericksburg, VA
BAN20210118	Tienda La Confianza LLC - To open a check casher at 13655 Lee Jackson Memorial Highway, Chantilly, VA
BAN20210119	1st Franklin Financial Corporation - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210120	VARIENDADES RUBI, INC. d/b/a VARIENDADES RUBI - To open a check casher at 902 Alabama Drive #104, Herndon, VA
BAN20210121	Money Management International, Inc. - To relocate a credit counseling office from 14141 Southwest Freeway, Suite 1000, Sugar Land, TX to 12603 Southwest Freeway, Suite 450, Stafford, TX
BAN20210122	Fiduciary Trust Company International - To relocate an independent trust company branch office from 3033 Wilson Boulevard Suite 700, Arlington, VA to 1818 Library Street, Suite 500, Reston, VA
BAN20210123	Oak View Bankshares, Inc. - To acquire Oak View National Bank
BAN20210124	United Bankshares, Inc. - To acquire Community Bankers Trust Corporation
BAN20210125	Ace Customer Services, LLC d/b/a Signature Servicing - For a license to engage in business as a debt settlement services provider
BAN20210126	DEANA FOODS INC - To open a check casher at 1167 Southwood Parkway, Richmond, VA
BAN20210127	Novedades K & J, Inc. - To open a check casher
BAN20210128	Pouya Ryan Akhavan - To acquire 25 percent or more of Clearpath Lending, Inc.
BAN20210129	United Bank - To merge into it Essex Bank
BAN20210130	Farmers & Merchants Bank - To open a branch at Intersection of 45 East Boscawen Street and 3 South Cameron Street, City of Winchester, VA
BAN20210131	El Nuevo Sabroson LLC d/b/a El Nuevo Sabroson - To open a check casher at 122 Waller Mill Road, Williamsburg, VA
BAN20210132	Tortilleria y Tienda Sol de Dia, LLC d/b/a Tortilleria y Tienda Sol de Dia - To open a check casher at 8909 Centreville Road, Manassas, VA
BAN20210133	Somerset Trust Company - To open a branch at 100 Maple Avenue East, Vienna, VA
BAN20210134	Elsker Inc. - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia

BAN20210135	Lendmark Financial Services, LLC - To open a consumer finance office at 5072 Ferrell Parkway, Suite 108, City of Virginia Beach, VA
BAN20210136	Skopos Financial, LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210137	Ian Patrick Gardner - To acquire 25 percent or more of Vellum Mortgage, Inc.
BAN20210138	G & J Grocery, Inc. d/b/a LA UNION GROCERY - To open a check casher at 4803 N. Lee Highway, Arlington, VA
BAN20210139	CIELITO LINDO LLC d/b/a Cielito Lindo LLC - To open a check casher at 14633 Richmond Road, Callao, VA
BAN20210140	Century Support Services, LLC - For a license to engage in business as a debt settlement services provider
BAN20210141	Freedom Merger Sub, Inc. - To open a bank at 10555 Main Street, City of Fairfax, VA
BAN20210142	Freedom Bank of Virginia, The - To merge into it Freedom Merger Sub, Inc.
BAN20210143	Freedom Financial Holdings, Inc. - To acquire The Freedom Bank of Virginia, City of Fairfax, VA
BAN20210144	Go Companies, LLC - To acquire 25 percent or more of GSF Mortgage Corporation
BAN20210145	Watercress Financial Group, LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210146	Mercado Latino Don Toro, Inc. - To open a check casher at 15 Weems Lane, Winchester, VA
BAN20210147	Avneet, Inc. - To open a check casher at 8412 Martinsville Highway, Danville, VA
BAN20210148	Salary Finance Inc - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210149	Salary Finance Inc - To make loans under Chapter 15, Title 6.2 of the Code of Virginia where consumer finance loans will also be made to residents of states other than Virginia
BAN20210150	Ottno, Inc. - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210151	Aurora Acquisition Corporation - To acquire 25 percent or more of Better Mortgage Corporation
BAN20210152	Regional Finance Company of Virginia, LLC d/b/a Regional Finance - To open a consumer finance office at 2101 Executive Drive, Suite 410, City of Hampton, VA
BAN20210153	Republic Finance, LLC - To open a consumer finance office at 3565 Electric Road, Suite A, Roanoke County, VA
BAN20210154	Chad Jampedro - To acquire 25 percent or more of GSF Mortgage Corporation
BAN20210155	Tony Ta - To acquire 25 percent or more of Today's Mortgage, Inc.
BAN20210156	CNB Bank d/b/a Ridge View Bank, a division of CNB Bank - To open a branch at 124 West Main Street, City of Salem, VA
BAN20210157	Simple Loans LLC - To acquire 25 percent or more of FBC Mortgage, LLC
BAN20210158	Simple Loans LLC - To acquire 25 percent or more of Jet HomeLoans, LLC
BAN20210159	Farmers Bank, Windsor, Virginia - To relocate an office from 1776 Princess Anne Road, Unit S, City of Virginia Beach, VA to 1804 Princess Anne Road, City of Virginia Beach, VA
BAN20210160	Celebrity Financial, Inc. - To acquire 25 percent or more of Apex Home Loans, Inc.
BAN20210161	Newport News Shipbuilding Employees' Credit Union, Inc. d/b/a Bayport Credit Union - To open a credit union service office at 770 Lynnhaven Parkway, Virginia Beach, VA
BAN20210162	Republic Finance, LLC - To open a consumer finance office at 3809 Princess Anne Road, Suite 108E, City of Virginia Beach, VA
BAN20210163	Convera Bidco Limited - To acquire 25 percent or more of Western Union Business Solutions (USA), LLC
BAN20210164	CuraDebt Systems LLC - For a license to engage in business as a debt settlement services provider
BAN20210165	Southern BancShares (N.C.), Inc. - To acquire more than five percent of the voting shares of Old Point Financial Corporation
BAN20210166	Tienda Latina San Jose, Inc. d/b/a Tienda Latina San Jose - To open a check casher at 8629 Seminole Trail, Suite B, Ruckersville, VA
BAN20210167	Princess Avneet, Inc. - To open a check casher at 12249 Martinsville Highway, Cascade, VA
BAN20210168	Loanme, LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210169	Archwell Operations, LLC - To acquire 25 percent or more of Freedom Loan Services Corporation
BAN20210170	Virginia Credit Union, Inc. - To relocate a credit union office from 13601 Midlothian Turnpike, Midlothian, VA to 14351 Winterview Parkway, Midlothian, VA
BAN20210171	Pioneer Acquisition Holdco LLC - To acquire 25 percent or more of HomeBridge Financial Services, Inc.
BAN20210172	New Horizon, Financial Advisors LLC - To open a check casher at 6150 Midlothian Turnpike, Richmond, VA
BAN20210173	American Advisors Group Holdings Inc - To acquire 25 percent or more of American Advisors Group Inc.
BAN20210174	Regional Finance Company of Virginia, LLC d/b/a Regional Finance - To open a consumer finance office at 5700 Lake Wright Drive, Suite 200, City of Norfolk, VA
BAN20210175	Vipul Hapani - To acquire 25 percent or more of VEMA MORTGAGE LLC
BAN20210176	Chirag Rachhadia - To acquire 25 percent or more of VEMA MORTGAGE LLC
BAN20210177	BE Holdco, LLC - To acquire 25 percent or more of Bay Equity LLC
BAN20210178	Clifton Averswald - To acquire 25 percent or more of All Reverse Mortgage, Inc.
BAN20210179	Innovative Funding Services Corporation - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210180	Debtwave Credit Counseling, Inc. - To relocate a credit counseling office from 9325 Sky Park Court, Suite 260, San Diego, CA to 1835A S Centre City Parkway #508, Escondido, CA
BAN20210181	Republic Finance, LLC - To open a consumer finance office at 340 Oyster Point Road, Suite 105, City of Newport News, VA

BAN20210182	Habitat for Humanity of the New River Valley - For Determination of a Bona Fide Non-Profit Status Pursuant to 6.2-1701.1 of the Code of Virginia
BAN20210183	Newport News Shipbuilding Employees' Credit Union, Inc. d/b/a Bayport Credit Union - To merge into it Portsmouth Schools Federal Credit Union
BAN20210184	Carter Bank & Trust - To open a branch at 500 East Moorehead Street, Suite 150, Charlotte, NC
BAN20210185	Movement Bank - To open a branch at 117 South Main Street, Randleman, NC
BAN20210186	Willtran Inc. d/b/a Checks Cashed & More - To open a check casher at 3608 Mechanicsville Turnpike, Mechanicsville, VA
BAN20210187	USM 3 Inc. - To acquire 25 percent or more of A&D Mortgage LLC
BAN20210188	High up food market ventures LLC d/b/a High up Food Mart - To open a check casher at 46970 Community Plaza, Suite 104, Sterling, VA
BAN20210189	Consumer Credit Counseling Service of the Midwest, Inc. d/b/a Apprisen - To relocate a credit counseling office from 690 Taylor Road, Suite 110, Gahanna, OH to 690 Taylor Road, Suite 150, Gahanna, OH
BAN20210190	Funding University, Inc. - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210191	SoFi Lending Corp - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210192	Towne Bank - To open a branch at 11704 West Broad Street, Henrico County, VA
BAN20210193	Virginia United Methodist Credit Union, Inc. d/b/a The United Methodist Credit Union - To relocate a credit union office from 10330 Staples Mill Road, Glen Allen, VA to 7305 Boulder View Lane, North Chesterfield, VA
BAN20210194	Effortless Holdings, Inc. - To acquire 25 percent or more of Princeton Mortgage Corporation
BAN20210195	OneMain Financial Group, LLC - To make loans under Chapter 15, Title 6.2 of the Code of Virginia where the other business of Home and Auto and Home and Auto Plus will also be conducted
BAN20210196	MARTINEZ CORPORATION d/b/a SUPER K CENTER - To open a check casher at 3803 Mt. Vernon Avenue, Alexandria, VA
BAN20210197	La Lomita LLC - To open a check casher at 16642 Amelia Avenue, Amelia Court House, VA
BAN20210198	Ironhorse Funding LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210199	Trustar Bank - To relocate office from 1650 Tysons Boulevard, Suite 950, McLean, VA to 1650 Tysons Boulevard, Suite 1150, McLean, VA
BAN20210200	Bank of Clarke County - To open a branch at 530 Blackwell Road, Warrenton, Fauquier County, VA
BAN20210201	Banco Inter SA - To acquire 25 percent or more of Pronto Money Transfer Inc.
BAN20210202	Saeed Mohamed Saeed Dualeh - To acquire 25 percent or more of Dahabshil, Inc.
BAN20210203	Gaitanes Incorporated - To open a check casher at 231 Ivy Road #13, Charlottesville, VA
BAN20210204	Virginia Affordable Housing Loan Fund - For Determination of a Bona Fide Non-Profit Status Pursuant to 6.2-1701.1 of the Code of Virginia
BAN20210205	Approve Lending, LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210206	Debt Reduction Services, Inc. d/b/a National Financial Education Center - To relocate a credit counseling office from 3920 Veterans Memorial Highway, Suite 10, Bohemia, NY to 4170 Veterans Memorial Highway, Suite 203, Bohemia, NY
BAN20210207	Milanita R. Medina - To acquire 25 percent or more of LUCKY MONEY, INC.
BAN20210208	IB Global Investments LLC - To acquire 25 percent or more of Zero Hash LLC
BAN20210209	Langley Lending Services, LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20210210	DuPont Community Credit Union - To open a credit union service office at 32 Windward Dr., Suite 360, Fishersville, VA
BFI-2020-00008	Assessment of Consumer Finance licensees under Chapter 15 of Title 6.2 of the Code of Virginia for year 2020
BFI-2020-00009	Assessment schedule for fees paid by Mortgage licensees under Chapter 16 of Title 6.2 of the Code of Virginia for year 2020
BFI-2020-00034	Barnard Family Trust - Alleged violation of VA Code § 6.2-1608
BFI-2020-00045	Donovan J. Jappaya - Alleged violation of VA Code § 6.2-1608
BFI-2020-00068	Caliver Beach Mortgage, LLC
BFI-2020-00072	G & J Grocery, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2020-00080	Americana Grocery Route 1, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2020-00082	U. S. Financial of Virginia, Inc. - Alleged violation of VA Code § 632-2103
BFI-2020-00086	N 20 LLC - Alleged violation of VA Code § 6.2-2103
BFI-2020-00088	Helios Services LLC - Alleged violation of VA Code § 6.2-2103
BFI-2020-00090	Novedades K & J, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2020-00091	BBB Supermarket, Inc. - Alleged violation of VA Code § 62-2103
BFI-2020-00092	Day & Night Corporation - Alleged violation of VA Code § 6.2-2103
BFI-2020-00094	Palacios Corporation - Alleged violation of VA Code § 6.2-2103
BFI-2020-00097	SAS Concepts Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2020-00098	Variety Amaya, LLC - Alleged violation of VA Code § 6.2-2103
BFI-2020-00099	Hksa Ventures Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2020-00100	Family Foods of Gatesville, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2020-00105	Comunidad Latina MultiServices Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2020-00106	AIV Financial LLC - Alleged violation of VA Code § 6.2-2103

BFI-2020-00115	Cornerstone Home Mortgage, LLC - Alleged violation of 10 VAC 5-160-20 (1)
BFI-2020-00117	Mortgage Assets Management, LLC - Alleged violation of VA Code § 6.2-1608
BFI-2021-00001	In RE: Adopting Revisions to the Regulations Governing Motor Vehicle Title Lending
BFI-2021-00002	James C. McMahan, II - Alleged violation of VA Code § 6.2-1608
BFI-2021-00004	Order assessing annual fees pursuant to § 6.2-1310 of the Code of Virginia, 10 VAC 5-40-20 of the State Corporation Commission's rules governing credit unions, 10 VAC 5-40-5 *et seq*., for year 2021
BFI-2021-00005	In Re: Fees for qualified education loan servicer licensees under Chapter 26 of Title 6.2
BFI-2021-00006	Martin Stephen Medve - Alleged violation of VA Code § 6.2-1608
BFI-2021-00007	In Re: Rulemaking proceeding for establishing regulations for Qualified Education Loan Servicers under Chapter 26 of Title 6.2
BFI-2021-00008	Scott L. Dostal - Alleged violation of VA Code § 6.2-1608
BFI-2021-00010	RE: Adopting Regulations Governing Debt Settlement Services Providers
BFI-2021-00011	Assessment of Consumer Finance licensees under Chapter 15 of Title 6.2 of the Code of Virginia
BFI-2021-00012	Assessment of Credit Counseling Agencies pursuant to VA Code §§ 6.2-2012, *et al.*
BFI-2021-00013	Prescribe a mortgage assessment reduction schedule for fees to be paid by Mortgage licensees under Chapter 16 of Title 6.2 of the Code of Virginia
BFI-2021-00014	Porter Group, LLC - Alleged violation of VA Code § 6.2-1601
BFI-2021-00015	Virginia Financial Services Association - Petition for Relief
BFI-2021-00017	In re: To reduce annual assessment of banks and savings institutions under Chapters 8 and 11 of Title 6.2 of the Code of Virginia
BFI-2021-00018	In re: annual assessment of industrial loan associations under Chapter 14 of Title 6.2 of the Code of Virginia
BFI-2021-00019	In re: bond and fee amounts under Chapter 20.1 of Title 6.2 of the Code of Virginia
BFI-2021-00020	In re: Annual Assessment of Fees pursuant to VA Code § 6.2-1905 B; 10 VAC 5-120-50
BFI-2021-00021	Taryn S. Reuter - Alleged violation of VA Code § 6.2-1608
BFI-2021-00022	Thomas Lee Payne - Alleged violation of VA Code § 6.2-1608
BFI-2021-00030	International Development Fund, Inc. - Alleged violation of VA Code § 6.2-1610
BFI-2021-00037	In re: Order Assessing Annual Fees pursuant to Va Code § 6.2-1814 A; 10 VAC 5-200-90 rules governing Short-Term Lending
BFI-2021-00038	In re: Order Assessing Annual Fees pursuant to Va Code § 6.2-2213 A; 10 VAC 5-210-95 rules governing Motor Vehicle Title Lending
BFI-2021-00039	Cristobal Lara Garcia - Alleged violation of VA Code § 6.2-1716
BFI-2021-00100	Chad Jampedro - Alleged violation of VA Code § 6.2-1608
BFI-2021-00101	In Re: Defining the Term Business Check in the Regulations Governing Short-Term Lending
BFI-2021-00104	UGOCASH, LLC - Alleged violation of VA Code § 6.2-1907
BFI-2021-00111	Southern BancShares (N.C.), Inc. - Petition for Reconsideration

CLK **CLERK'S OFFICE**

CLK-2020-00006	In re: Electronic Filing Procedures during COVID-19 EMERGENCY
CLK-2020-00012	theCut, LLC and theCut Inc. - Petition to Vacate Certificate of Organization surrender and to Restore Existence of a Nonsurviving Limited Liability Company, and for Declaratory Judgment
CLK-2021-00001	Election of Angela Navarro to the State Corporation Commission
CLK-2021-00002	In Re: Receipt of Paper Submissions by January 22, 2021, Following Temporary Closure of the Commission's Physical Location
CLK-2021-00003	Election of Jehmal T. Hudson to the State Corporation Commission
CLK-2021-00004	Election of Angela L. Navarro to the State Corporation Commission
CLK-2021-00005	Sts. Cyril Methodius Bulgarian Orthodox Mission - Petition seeking revocation of the Commission's Order approving the filing of Articles of Dissolution and Articles of Termination of the Corporation on 11/23/21

HBE **HEALTH BENEFIT EXCHANGE**

HBE-2021-00001	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 2022 and 2023 calendar years

INS **BUREAU OF INSURANCE**

INS-2018-00057	Ana Julia Quinteros and Soltech Insurance Agency Inc. - Alleged violation of VA Code §§ 38.2-1813 and 38.2-1821 (1)
INS-2018-00243	Preferred Escrow & Title Inc. - Alleged violation of VA Code §§ 55-525.24, *et al.*
INS-2018-00244	Tammy A. Cheek - Alleged violation of VA Code §§ 55-525.24, *et al.*
INS-2019-00063	Evan Lamont Curbeam - Alleged violation of VA Code §§ 38.2-512, *et al.*
INS-2019-00174	Ta-Von Y'Vette Becker - Alleged violation of Va Code § 38.2-512 A
INS-2019-00187	Anthony Scott Dietrich - Alleged violation of VA Code § 38.2-502
INS-2019-00210	Prince Shelvin Sundeep Vidic - Alleged violation of VA Code § 38.2-1831 (1)
INS-2020-00043	George Michael Carros - Alleged violation of VA Code § 38.2-1826
INS-2020-00048	David Malcolm Fuller - Alleged violation of VA Code §§ 38.2-502.1, *et al.*
INS-2020-00049	Robert Lewis Stewart - Alleged violation of VA Code § 38.2-1831 (1)
INS-2020-00056	Mark Edward Zamperini - Alleged violation of VA Code §§ 38.2-1822 A, 38.2-512 A, 12.1-33
INS-2020-00068	Laura Irene Almond - Alleged violation of VA Code §§ 38.2-502 (1), *et al.*

INS-2020-00078	John Harley Call - Alleged violation of VA Code § 38.2-1826
INS-2020-00079	Robert Davis - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2020-00080	Costandino J Harritos - Alleged violation of VA Code § 38.2-1826
INS-2020-00082	Jamie R Roney - Alleged violation of VA Code § 38.2-1826
INS-2020-00089	Estamos Unidos LLC and Axel H. Reyes - Alleged violation of VA Code §§ 38.2-1826 (A), 38.2-1831 (1)
INS-2020-00093	David Wayne Curto - Alleged violation of VA Code §§ 38.2-1822, *et al.*
INS-2020-00095	Karyn Gail Maytorena - Alleged violation of VA Code § 38.2-1809
INS-2020-00103	Tedric Lawrence Hasley - Alleged violation of VA Code § 38.2-1826
INS-2020-00106	Michelle Arrington Slabinski & Colony Insurance Agency LLC - Alleged violation of VA Code §§ 38.2-1813, *et al*
INS-2020-00114	Steven Hugo Garcia - Alleged violation of VA Code §§ 38.2-1826 A, *et al.*
INS-2020-00115	Adrian Raventos - Alleged violation of VA Code §§ 38.2-502 (1), *et al.*
INS-2020-00119	Luke James Lutgen - Alleged violation of VA Code §§ 38.2-1831 (1), 38.2-1826
INS-2020-00120	Raymond H. Rivera - Alleged violation of VA Code § 38.2-1831 (1)
INS-2020-00121	Loretta A. Morris - Alleged violation of VA Code §§ 38.2-1831 (1), 38.2-1826
INS-2020-00122	The Results Companies LLC - Alleged violation of VA Code §§ 38.2-512, 38.2-1831 (1) (3) (10)
INS-2020-00124	Timothy P. Foley - Alleged violation of VA Code §§ 38.2-1826, 38.2-1831 (1)
INS-2020-00126	Amber Lynn Hunt - Alleged violation of VA Code §§ 38.2-512, 38.2-1813
INS-2020-00127	Kenneth Lewis Moore - Alleged violation of VA Code §§ 38.2-512, 38.2-1813
INS-2020-00129	Jeff Tyler Berrios Sr. - Alleged violation of VA Code § 38.2-1826
INS-2020-00130	Sha-Keena Lee Jones - Alleged violation of VA Code §§ 38.2-1809 A, 38.2-1822 C, 38.2-1833 A 4
INS-2020-00134	Appalachian Title Company Inc - Alleged violation of VA Code §§ 55.1-1004 (A), 55.1-1008 and 14 VAC 5-395-50 (D)
INS-2020-00135	Seashore Title & Settlements Inc - Alleged violation of VA Code §§ 55.1-1008, 55.1-1011 and 14 VAC 5-395-50 (D)
INS-2020-00141	Quicksilva Title & Escrow LLC - Alleged violation of VA Code §§ 55.1-903, *et al.*
INS-2020-00145	Johnny Deandre Brown - Alleged violation of VA Code § 38.2-1826
INS-2020-00156	Uriah Frazier III - Alleged violation of VA Code §§ 38.2-513, 38.2-1826, 38.2-1831 (1) (10)
INS-2020-00157	Kristy Smith - Alleged violation of VA Code §§ 38.2-512 A & B, 38.2-1831 (10)
INS-2020-00158	Kareemah W. Thompson - Alleged violation of VA Code §§ 38.2-1809, 38.2-1831 (1)
INS-2020-00160	Natalie Nicole Carr - Alleged violation of VA Code § 38.2-1826 C
INS-2020-00162	Christopher Smith - Alleged violation of VA Code § 38.2-1826 C
INS-2020-00163	Matthew Wade Staten - Alleged violation of VA Code § 38.2-1826 C
INS-2020-00164	Churchill Title Solutions LLC - Alleged violation of VA Code §§ 55.1-1014 (A), *et al.*
INS-2020-00169	Cathy Joann Mays - Alleged violation of VA Code § 38.2-1831 (7) (10)
INS-2020-00170	Riki Freeman Snead - Alleged violation of VA Code § 38.2-1831 (10)
INS-2020-00173	Michael Patrick Fish - Alleged violation of VA Code § 38.2-218 A
INS-2020-00174	Jessica Jones - Alleged violation of VA Code § 38.2-1831 (1)
INS-2020-00175	Joseph O Carroll III - Alleged violation of VA Code §§ 38.2-301, *et al.*
INS-2020-00177	Gregory J. Waller & Waller Insurance & Financial Services Inc. - Alleged violation of VA Code §§ 38.2-1813, 38.2-1826
INS-2020-00184	Carteret Title LLC and Tony Lynn Brown - Alleged violation of VA Code §§ 38.2-1809, *et al.*
INS-2020-00186	Homeland Title Settlement Agency LLC - Alleged violation of VA Code §§ 55.1-903. *et al.*
INS-2020-00190	Timothy Aylor - Alleged violation of VA Code §§ 38.2-1809, *et al.*
INS-2020-00193	Sabrina M. Smith - Alleged violation of VA Code § 38.2-1831 (1)
INS-2020-00194	Christopher Richard Wilmoth - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2020-00195	Peyton Johnson - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2020-00196	Courtney Y. Hoffman - Alleged violation of VA Code §§ 38.2-1809, *et al.*
INS-2020-00198	Whitney Anne Lee - Alleged violation of VA Code §§ 38.2-512 A and 38.2-1809
INS-2020-00203	Shana Chism - Alleged violation of VA Code §§ 8.2-1826 C, 38.2-1831 (1) (9)
INS-2020-00204	Terry Ann Dawkins - Alleged violation of VA Code § 38.2-1826 C
INS-2020-00205	Randy Johnson - Alleged violation of VA Code §§ 38.2-1826 C and 38.2-1831 (1)
INS-2020-00206	Gary Wade Lovell - Alleged violation of VA Code §§ 38.2-1826 C, *et al.*
INS-2020-00207	Prosperity Group Holdings, LP - Application for Approval of Acquisition of Control of or Merger with a Domestic Insurer
INS-2020-00209	Michael John Pilla, Rokstone Construction Risk Underwriters LTD - Alleged violation of VA Code § 38.2-1831 (1)
INS-2020-00213	Nova Casualty Company - Alleged violation of VA Code § 38.2-317 H
INS-2020-00214	Allstate Insurance Company - Alleged violation of VA Code § 3802-317 H
INS-2020-00217	Manish H. Shah - Alleged violation of VA Code § 38.2-1826 C
INS-2020-00219	Acquisition Title and Settlement Agency Inc. - Alleged violation of VA Code §§ 38.2-1822 E, *et al.*
INS-2020-00220	Michael Morgan-Towe - Alleged violation of VA Code §§ 38.2-503, *et al.*
INS-2020-00221	Antionette Pringle - Alleged violation of VA Code §§ 38.2-502, *et al.*
INS-2020-00222	Clear Spring Health (VA), Inc. - Request for a Form A Exemption under Va. Code § 38.2-1328
INS-2020-00224	Jennifer Leigh Smith - Alleged violation of VA Code §§ 38.2-512 A, 38.2-512 B and 38.2-1831 (10)
INS-2020-00225	Larry David Blankenship and The Blankenship Agency LLC - Alleged violation of VA Code §§ 38.2-1813 D, 38.2-1822 E
INS-2020-00227	CMFG Life Insurance Company - Violations of §§ 38.2 316 A and 38.2 316 C 1 of the Code of Virginia
INS-2020-00228	James Leonard Smith - Alleged violation of VA Code § 38.2-1831 (10)
INS-2020-00229	Jay Scott Howard - Alleged violation of VA Code §§ 38.2-1845.15, *et al.*

INS-2020-00231	Commercial Insurance Managers Inc., Diversified Brokerage of Hudson Valley Ltd., The Hughes Agency, Inc. and Primos Inc. - Alleged violation of VA Code §§ 38.2-1820 B 2, *et al.*
INS-2020-00236	MGA Insurance Company - Alleged violation of VA Code § 38.2-2201
INS-2020-00238	Maurice Terrell Palmer - Alleged violation of VA Code §§ 38.2-1826 C, 38.2-1831 (1)
INS-2020-00239	Worldwide Insurance Services, LLC - Alleged violation of VA Code § 38.2-3466
INS-2021-00001	Ex Parte: In the matter of Adopting Revisions to the Rules Governing Suitability in Annuity Transactions
INS-2021-00003	Kenneth Lee Porter - Alleged violation of VA Code §§ 38.2-1838 (A)(1), *et al.*
INS-2021-00009	GuideOne Mutual Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2021-00010	Universal North America Insurance Company - Alleged violation of VA Code § 238.2-2130
INS-2021-00011	Farmers Insurance Exchange and Truck Insurance Exchange - Alleged violation of VA Code § 38.2-1906 D
INS-2021-00012	Erie Insurance Exchange - Alleged violation of VA Code § 38.2-317 H
INS-2021-00013	Tokio Marine America Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2021-00014	Appalachian Title and Settlement Agency, LLC - Alleged violation of VA Code §§ 55.1-903, *et al.*
INS-2021-00015	Michael Gentry Semones - Alleged violation of VA Code § 38.2-502 (6), 4 VAC 5-170-180 B 2
INS-2021-00016	ProCare - Alleged violation of VA Code § 38.2-3466 A
INS-2021-00017	Avia Partners- Alleged violation of VA Code § 38.2-3466 A
INS-2021-00019	New Enterprise Associates 17, L.P. - Application for Approval of Proposed Acquisition of Control of Align Senior Care, Inc. & LifeWorks Advantage, LLC
INS-2021-00020	Alignment Healthcare USA, LLC - Form A Statement Regarding the Acquisition of Conrrol of the Domestic Insurer pursuant to § 38.2-1323 of the Code of Virginia & 14VAC 5-260of the Virginia Admin. Code
INS-2021-00021	Monika Jaworska - Alleged violation of VA Code §§ 38.2-1826 A, 38.2-1826 B
INS-2021-00022	Pennsylvania National Mutual Casualty Insurance Company - Alleged violation of VA Code § 38.2-2201 D
INS-2021-00023	Ex Parte: In the matter of adoption of adjusted prima facie rates for credit life and credit accident and sickness insurance pursuant to §§ 38.2-3725, 38.2-3726 38.2-3727, and 38.2-3730 of the Code of Virginia
INS-2021-00024	Bedivere Insurance Company - Alleged violation of VA Code §§ 38.2-1028, *et al.*
INS-2021-00026	Bancstar Title LLC - Alleged violation of VA Code §§ 38.2-1822 B, *et al.*
INS-2021-00027	Asherai Sania-Sydney Gadsden - Alleged violation of VA Code § 38.2-1819 A
INS-2021-00028	John Patrick McBride - Alleged violation of VA Code §§ 38.2-1831 (1), *et al.*
INS-2021-00029	Tavon Payne - Alleged violation of VA Code § 38.2-1819 A
INS-2021-00030	Aaron Maurice Rome - Alleged violation of VA Code § 38.2-1819 A
INS-2021-00031	Cedric L. Tudom - Alleged violation of VA Code § 38.2-1819 A
INS-2021-00033	American Financial Security Life Insurance Company - Alleged violations of VA Code §§ 38.2-316 B, *et al.*
INS-2021-00034	Abonar Title Company LLC - Alleged violation of VA Code §§ 55.1-903, *et al.*
INS-2021-00035	United Services Automobile Association, USAA Casualty Insurance Co., USAA General Indemnity Co. and Garrison Property and Casualty Insurance Co., - Alleged violation of VA Code § 38.2-1905 B
INS-2021-00036	Grange Mutual Casualty Company - Alleged violation of VA Code § 38.2-317 H
INS-2021-00037	Ace American Insurance Company - Alleged violation of VA Code § 38.2-317 H
INS-2021-00038	Robert Malcolm Kelso - Alleged violation of VA Code § 38.2-1838 A & C
INS-2021-00039	Janet Elizabeth Singh and Independent Insurance Agency of Richmond LLC - Alleged violation of Va Code §§ 38.2-512 (A), 38.2-1813, 38.2-1831 (6)
INS-2021-00040	UnitedHealthcare Insurance Company, UnitedHealthcare of the Mid-Atlantic, Inc., UnitedHealthcare Plan of the River Valley, Inc. and MAMSI Life Insurance Company - Alleged violation of VA Code § 38.2-3407.15 B 7
INS-2021-00041	James Aaron Hosey - Alleged violation of VA Code § 38.2-1931 (1)
INS-2021-00043	In the matter of presentations of premium rates in connection with health insurance coverage issued in the individual and small group markets
INS-2021-00044	Kevin D. Earley - Alleged violation of VA Code §§ 38.2- 1869, *et al.*
INS-2021-00045	Liberty Title & Escrow Company LLC - Alleged violation of VA Code §§ 55.1-1014 A, *et al.*
INS-2021-00046	Diversified Brokerage of Hudson Valley Ltd. - Vacating order of revocation
INS-2021-00047	Ethan Tucker Ingram - Alleged violation of VA Code § 38.2-512 A
INS-2021-00048	Michelle Lee Robinson - Alleged violation of VA Code §§ 38.2-218, 38.2-219, 38.2-1831
INS-2021-00049	Priority Title & Escrow LLC - Alleged violation of VA Code § 14 VAC 5-395-50 D
INS-2021-00050	MBO Settlements Inc. - Alleged violation of VA Code §§ 38.2-1822 A, *et al.*
INS-2021-00051	Crown Title Corporation - Alleged violation of VA Code §§ 55.1-1008, *et al.*
INS-2021-00052	Francesca Helene Sullivan - Alleged violation of VA Code § 38.2-512 A
INS-2021-00053	GDM Title Inc. - Alleged violation of VA Code §§ 55.25.20, *et al.*
INS-2021-00054	In Re: Approval of Multi-State Regulatory Settlement Agreement Between Companion Life Insurance Co., & DE Depart. of Insurance, MI Depart. of Insurance, PA Depart. of Insurance, TX Depart. of Insurance & SC Depart. Insurance
INS-2021-00055	Yosemite Insurance Company and Providence Washington Insurance Company - Application Request for Order Pursuant to Va. Code § 38.2-136(C)(iii) and Waiver of Hearing as a Condition for Such Order
INS-2021-00056	Erick Fanfan Calixte - Alleged violation of VA Code § 38.2-1826
INS-2021-00057	Spencer Blake Faggioni - Alleged violation of VA Code §§ 38.2-1826 A, *et al.*
INS-2021-00058	Christopher James Monroe - Alleged violation of VA Code § 38.2-1831 (1)
INS-2021-00059	Beauregard Valdes Ray - Alleged violation of VA Code §§ 38.2-1826 A, *et al.*
INS-2021-00060	Lewis Shaver - Alleged violation of VA Code §§ 38.2-1809, *et al.*
INS-2021-00061	Diana D Welch - Alleged violation of VA Code § 38.2-1831 (1)

INS-2021-00063	Genesis Assurance Center, Steve Huu Dang and Hung Minh Truong - Alleged violation of VA Code §§ 38.2-512 A, *et al.*
INS-2021-00064	Patricia A. Decker - Alleged violation of VA Code §§ 38.2-512 A, *et al.*
INS-2021-00065	Susan Renee Maynard - Alleged violation of VA Code §§ 38.2-512 B, *et al.*
INS-2021-00066	Group Hospitalization and Medical Services, Inc. - Petition for approval under Virginia Code § 38.2-4229.2 to participate in settlement
INS-2021-00067	Lawyers Title Middle Peninsula Northern Neck Agency - Alleged violation of VA Code §§ 55.1-1004 A, *et al.*
INS-2021-00068	Repwest Insurance Company - Alleged violations of VA Code §§ 38.2-317, 38.2-1906 A
INS-2021-00069	Berkshire Hathway Specialty Insurance Company - Alleged violation of VA Code § 38.2-317 H
INS-2021-00070	Elizabeth Joy Goodrich - Alleged violations for VA code §§ 38.2-1845.12 J, *et al.*
INS-2021-00071	Premier Claims LLC, Kyle Maring - Alleged violation of VA Code §§ 38.2-1845.2 J, *et al.*
INS-2021-00072	Bradley Patrick Przybyslki - Alleged violation of VA Code § 38.2-1831 (1) (9)
INS-2021-00073	Bruce Gramze - Alleged violation of VA Code § 38.2-1831 (1) (9)
INS-2021-00074	Alexander Tae IL Kim - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2021-00075	Geico Advantage Insurance Company, Geico Casualty Insurance Company, Geico Choice Insurance and Geico Secure Insurance Company - Alleged violation of VA Code §§ 38.2-510 A 1, *et al.*
INS-2021-00076	Grange Indemnity Insurance Company, Grange Insurance Company, and Trustgard Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2021-00077	Compass Insurance Company - Alleged violation of VA Code §§ 38.2-1028, 38.2-1040
INS-2021-00078	Barton C. Pasco - Petition for approval of his application for a Virginia resident producer license for Life & Annuities and Health Insurance
INS-2021-00079	Deirdre Williams - Alleged violation of VA Code § 38.2-1826
INS-2021-00080	National Rifle Association of America -- Alleged violation of VA Code § 38.2-1812
INS-2021-00081	National Council on Compensation Insurance, Inc. - For revisions of advisory loss costs and assigned risk workers' compensation insurance rates 2021
INS-2021-00082	Martin Junious Dean - Alleged violation of VA Code §§ 38.2-502.1, *et al.*
INS-2021-00083	Delta Dental of Virginia - Alleged violation of VA Code §§ 38.2-316 A, *et al.*
INS-2021-00084	Jennifer Castillo - Alleged violation of VA Code §§ 38,2-1826 A and C
INS-2021-00085	Jessica Custodio - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2021-00086	Chad Michael Ryan Foley - Alleged violation of VA Code § 38.2-1826
INS-2021-00087	Scottesha I. Mitchell - Alleged violation of VA Code § 38.2-1826
INS-2021-00088	Jason William Perez - Alleged violation of VA Code § 38.2-1826
INS-2021-00089	Ashley April Baez-Woods - Alleged violation of VA Code § 38.2-1819 A
INS-2021-00090	Eric Oster Jr. - Alleged violation of VA Code § 38.2-1819 A
INS-2021-00091	Adee Rahamin - Alleged violation of VA Code § 38.2-1819 A
INS-2021-00092	In Re: Repealing Rules Governing Standards for Content of Fire Ins or Fire Ins in Combo with Other Coverages, Adopting New Rules Governing Standards Content of Dwelling Property Ins Policies & Adopting New Rules Governing Standards Content Homeowners Ins.
INS-2021-00093	Archie Lee Johnson - Alleged violation of VA Code §§ 38.2-512 (B), 38.2-1831 (10)
INS-2021-00094	First Title & Escrow Inc - Alleged violation of the VA Code § 55.1-1008 A
INS-2021-00095	Kelly E. Pittier - Alleged violation of VA Code § 38.2-1831(1)
INS-2021-00096	Western General Insurance Company - Alleged violation of VA Code §§ 38.2-1040 A 8, *et al.*
INS-2021-00097	ECU Title Services LLC - Alleged violation of VA Code §§ 55.1-903, 55.1-1008 (A); 14 VAC 5-395-50 (D)
INS-2021-00098	Giammoda Lewis Miller - Alleged violation of VA Code §§ 38.2-1826 B, 38.2-1826 C
INS-2021-00099	Erica Nichole Mickle - Alleged violation of VA Code §§ 38.2-1831 (1), 38.2-1826 C
INS-2021-00101	Blueprint Title DMV LLC - Alleged violation of VA Code §§ 55.1-1008 (A), 55.1-1011, 38.2-1826 E, 38.2-4614 (A.1)
INS-2021-00102	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.- Alleged violation of VA Code § 38.2-3463
INS-2021-00103	Florists' Mutual Insurance Company - Alleged violation of VA Code §§ 38.2-317 H, *et al.*
INS-2021-00104	Utica National Assurance Company - Alleged violation of VA Code § 38.2-317
INS-2021-00105	Millers Capital Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2021-00106	Bryan Carter - Alleged violation of VA Code § 38.2-1831 (1)
INS-2021-00107	Ameriguard Insurance, Apta Health LLC, Benefit Link Inc, Liberty United Insurance Services Inc. and TCG Insurance Agency LLC - Alleged violation of VA Code §§ 38.2-1820 B2 and 38.2-1826 E
INS-2021-00108	American Financial Security Life Insurance Company - Alleged violation of VA Code § 38.2-1318 C
INS-2021-00109	Loudoun Mutual Insurance Company - Alleged violation of VA Code §§ 38.2-502 1, *et al.*
INS-2021-00110	In the matter of Implementation of the Commonwealth Health Reinsurance Program
INS-2021-00111	Privilege Underwriters Reciprocal Exchange - Alleged violation of VA Code §§ 38.2-510 A 10, *et al.*
INS-2021-00112	Transport Insurance Company - Alleged violation of VA Code § 38.2-1036
INS-2021-00113	Brandon A. Lewandowski - Alleged violation of VA Code §§ 38.2-1826 A, *et al.*
INS-2021-00114	Swan Title Corporation - Alleged violation of VA Code §§ 55.1-903, *et al.*
INS-2021-00116	Hetrick Companies LLC and Philippe Lev Hetrick - Alleged violation of VA Code §§ 38.2-1845.12 (C) (E), 38.2-1845.13 (A) (12C)
INS-2021-00119	Atlanta Life Insurance Company - Alleged violation of VA Code § 38.2-1036
INS-2021-00121	Thomas Robert Hoyt and Hoyt Insurance LLC - Alleged violation of VA Code §§ 38.2-512 A, *et al.*
INS-2021-00123	Aniq Ali - Alleged violation of VA Code § 38.2-1826
INS-2021-00124	Dominick Michael Moline - Alleged violation of VA Code §§ 38.2-1826, 38.2-1831 (1)
INS-2021-00126	Loretta A. Morris - Alleged violation of VA Code § 38.2-1826

INS-2021-00129	NVA Title Inc. - Alleged violation of VA Code §§ 55.1-1005 (A) and 55.1-1008 (A); 14 VAC 5-395-50 D
INS-2021-00130	Jason Bridgman - Alleged violation of VA Code §§ 38.2-1831 (1) and 38.2-1826 C
INS-2021-00132	Bailie Rice - Alleged violation of VA Code § 38.2-1831 (4) (8)
INS-2021-00133	James Rafeeq Adbullah Salaam and JRS Insurance Group LLC - Alleged violation of VA Code §§ 38.2-512 (A) and 38.2-1813 B
INS-2021-00134	Brad S. Sorgius - Alleged violation of VA Code § 38.2-512 A
INS-2021-00138	Alleged violation of the Code of Virginia § 38.2-1819 A
INS-2021-00139	Ashley Ann Alfaro - Alleged violation of VA Code §§ 38.2-512 (B) and 38.2-1831 (2) (10) (12)
INS-2021-00140	Christina Marie Brunk - Alleged violation of VA Code §§ 38.2-502 (1), 38-512 A, 38.2-512 B and 38.1-1831 (10)
INS-2021-00142	Admiral Indemnity Company - Alleged violation of VA Code § 38.2-317 H
INS-2021-00143	Riverside Advantage, Inc. - Form A Statement Regarding Acquisition of Control of the Domestic Insurer pursuant to Sec. 38.2-1323 of the Code of Virginia and 14 VAC 5-260 of the Virginia Administrative Code
INS-2021-00145	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 2022

PST **PUBLIC SERVICE TAXATION**

PST-2021-00001	Appalachian Power Company - Supplemental Assessment for Tax Years 2018, 2019, and 2020
PST-2021-00002	Appalachian Power Company - Supplemental Assessment for Tax Year 2020
PST-2021-00003	Craig-Botetourt Electric Cooperative - Supplemental Assessment for Tax Years 2018, 2019, and 2020
PST-2021-00004	Virginia Electric and Power Company - Supplemental Assessment for Tax Year 2020
PST-2021-00005	The Assessment of the Special Regulatory Revenue Tax on Motor Vehicle Carriers and Virginia Pilots' Association for the Tax Year 2021
PST-2021-00006	The Assessment of the Special Regulatory Revenue Tax on Telecommunications Companies for the Tax Year 2021
PST-2021-00007	The Assessment of the Special Regulatory Revenue Tax and the State License Tax on Water Companies for the Tax Year 2021
PST-2021-00008	The Assessment of the Special Regulatory Revenue Tax on Railroad Companies for the Tax Year 2021
PST-2021-00009	The Assessment of the Gross Receipts Subject to the Minimum Tax on Telecommunications Companies and Certain Electric Suppliers for the Tax Year 2021
PST-2021-00010	The Assessment of the Rolling Stock on Motor Carriers for the Tax Year 2021
PST-2021-00011	The Assessment of Water, Heat, Light, and Power Corporations; Electric Suppliers; Pipeline Distribution Companies; and Telecommunications Companies for the 2021 Tax Year
PST-2021-00012	Peoples Mutual Telephone Company - Supplemental Assessment for Tax Year 2021
PST-2021-00013	Virginia Electric and Power Company - Supplemental Assessment for Tax Year 2021
PST-2021-00014	Spruance Operating Services, LLC - Supplemental Assessment for Tax Year 2020.
PST-2021-00015	RiverStreet Communications of Virginia - Supplemental Assessment for Tax Year 2021
PST-2021-00016	Zayo Group, LLC - Supplemental Assessment for Tax Year 2021
PST-2021-00017	Public Service Companies within Bath County - Supplemental assessment for taxation of public service company property located within Bath County, Virginia, for the Tax Year 2021
PST-2021-00018	iGo Technology, Inc. - Supplemental Assessment for Tax Year 2021
PST-2021-00019	Allied Telecom Group, LLC - Supplemental Assessment for Tax Year 2021
PST-2021-00020	Aqua Virginia, Inc. - Supplemental Assessment for Tax Year 2021
PST-2021-00021	Public Service Companies within Prince William County - Supplemental assessment for taxation of public service company property located within Bull Run Mountain, Lake Jackson, and Occoquan Forest Sanitary Districts for the Tax Year 2021
PST-2021-00022	T-Mobile Northeast, LLC - Supplemental Assessment for Tax Year 2021
PST-2021-00023	Conterra Ultra Broadband, LLC - Supplemental Assessment for Tax Year 2021

PUC **PUBLIC UTILITY COMMUNICATIONS**

PUC-2008-00025	Comcast Phone of Virginia, Inc. - For partial discontinuance of local exchange telecommunications services

PUR **PUBLIC UTILITY REGULATION**

PUR-2020-00259	Appalachian Power Company - For approval of a Broadband Rate Adjustment Clause - BC-RAC
PUR-2020-00289	Connect Everyone LLC - Application for Designation as an Eligible Telecommunications Carrier
PUR-2021-00001	Appalachian Power Company - For approval of the Central Virginia Transmission Reliability Project
PUR-2021-00002	Cox Virginia Telcom, L.L.C. - Application for Eligible Telecommunications Carrier Designation
PUR-2021-00003	Kinex Telecom, Inc. - Petition for Eligible Telecommunications Carrier Designation
PUR-2021-00004	All Points Northern Neck, LLC - Petition for Eligible Telecommunications Carrier Designation
PUR-2021-00005	Point Broadband Fiber Holding, LLC - Petition for Eligible Telecommunications Carrier Designation
PUR-2021-00006	Kentucky Utilities Company d/b/a Old Dominion Power Company - For approval of an Amendment to a Money Pool Agreement
PUR-2021-00007	Starlink Services, LLC - Application for Designation as an Eligible Telecommunications Carrier
PUR-2021-00008	RiverStreet Communications of Virginia, Inc. - Application for Designation as an Eligible Telecommunications Carrier

PUR-2021-00009	Charter Fiberlink VA-CCO, LLC and Time Warner Cable Information Services (Virginia), LLC - Application for Designation as Eligible Telecommunications Carriers
PUR-2021-00010	Virginia Electric and Power Co - For approval and certification of electric transmission facilities: 230 kV Lines #2113 and #2154 Transmission Line Rebuilds and Related Projects
PUR-2021-00011	CustomerFirst Renewables LLC - Application for Electric and Natural Gas Aggregator License
PUR-2021-00012	Central Virginia Electric Cooperative - For approval of utility financing
PUR-2021-00013	Virginia Electric and Power Co. - For revision of rate adjustment clause: Rider E, for the recovery of costs incurred to comply with state and federal environmental regulations
PUR-2021-00014	AT&T Communications of Virginia, LLC - Application to discontinue the provision of residential local exchange service
PUR-2021-00015	Bedford Regional Water Authority & Paradise Point Corporation - Petition for approval of the transfer of a public utility pursuant to Chapter 5 of Title 56 of the Code of Virginia, as amended
PUR-2021-00016	Central Virginia Electric Cooperative - Application for approval and certification of electric utilities
PUR-2021-00017	Virginia Natural Gas, Inc. and Sequent Energy Management, L.P. - Application for exemption from approval, or alternatively for approval of future exemptions, under Chapter 4 of Title 56 of the Code of Virginia
PUR-2021-00018	Appalachian Power Company - For approval of a rate adjustment clause pursuant to VA Code § 56-585.1 A 4
PUR-2021-00019	Aqua Virginia, Inc., Great Bay Utilities, Inc. & Essential Utilities, Inc. - Joint Application to Update Authority Granted for Continued Participation in a Tax Allocation Agreement Pursuant to the Affiliates Act, Va. Code §§ 56-76 *et seq*.
PUR-2021-00020	Atmos Energy Corporation - Annual Informational Filing for year ending 2020
PUR-2021-00021	TDS Telecommunications LLC & level 3 Communications L.L.C. - Agreement for approval of Interconnection Agreement between TDS Telecommunications LLC & Level 3 Communications L.L.C.
PUR-2021-00022	Roanoke Gas Company - Application for the twelve months ending 9/30/20
PUR-2021-00023	Virginia-American Water Company - Application for Approval to Issue Long-Term Debt Securities Pursuant to Chapter 3 of title 56 of the Virginia Code
PUR-2021-00024	Appalachian Power Company - Application for approval of an affiliate agreement pursuant to Chapter 4
PUR-2021-00025	Appalachian Power Company - Application for approval of an affiliate agreement pursuant to Chapter 4 Title 56 of the Code of Virginia
PUR-2021-00026	Old Dominion Electric Cooperative - for a declaratory judgment
PUR-2021-00027	Columbia Gas of Virginia - CARE filing
PUR-2021-00028	ATX Telecommunications Services of Virginia, LLC - Application to provide competitive local exchange telecommunications services in the Commonwealth
PUR-2021-00029	Eureka Telecom of VA, LLC - Application to cancel competitive local exchange telecommunications services in the Commonwealth
PUR-2021-00030	InfoHighway of Virginia, Inc. - Application to cancel competitive local exchange telecommunications services in the Commonwealth
PUR-2021-00031	Central Virginia Electric Cooperative & Central Virginia Services, Inc. - Application for approval pursuant to Chapter 3 & Chapter 4 of the Virginia Code
PUR-2021-00032	Mecklenburg Electric Cooperative & Empower Broadband, Inc. - Joint Application for Approval pursuant to Title 56, Chapter 3 & Chapter 4 of the Code of Virginia
PUR-2021-00033	Virginia-American Water Company & American Water Works Company, Inc. - Application for authority to receive capital contributions from an affiliate pursuant to § 56-76 of the Virginia Code
PUR-2021-00034	Kentucky Utilities Company d/b/a Old Dominion Power Company - To Revise its Fuel Factor pursuant to § 56-249.6 of Title 56 of the Code of Virginia
PUR-2021-00035	Pigeon Run Solar, LLC - For a permit to construct and operate an energy storage facility
PUR-2021-00037	CenturyLink Communications, LLC - Application for Designation as an Eligible Telecommunications Carrier
PUR-2021-00038	QCT, LLC - Application for Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Competitive Local Exchange and Interexchange Services in the Commonwealth of Virginia
PUR-2021-00040	Roanoke Gas Company - For administrative approval to amend its ITS Rate Schedule
PUR-2021-00041	Shockoe Solar, LLC - For a permit to construct and operate an energy storage facility
PUR-2021-00042	Virginia Electric and Power Company & Dominion Energy Services, Inc. - Application for approval to enter into an affiliate transaction under Chapter 4, Title 56 of the Code of Virginia
PUR-2021-00043	Benchmark Utility Services LLC - Application for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Local Exchange telecommunications Services within the Commonwealth of Virginia
PUR-2021-00044	LTS Telecommunications Services (USA) Inc. - Application for a certificate pf public convenience and necessity to provide competitive local exchange telecommunications service
PUR-2021-00045	Virginia Electric and Power Company - For approval of a rate adjustment clause, designated rider CCR, for recovery of costs incurred to comply with VA Code § 10.1-1402.03
PUR-2021-00046	Clear Rate Holdings, Inc, Clear Rate Communications, Inc., & Clear Rate Telecom, LLC - Joint Petition for Approval of the Proposed Changes of indirect Control of Clear Rate Telecom, LLC Pursuant to Va. Code §§ 56-88 *et seq*.
PUR-2021-00047	Appalachian Power Company - For approval of rate adjustment clause - Dresden Generating Facility
PUR-2021-00048	Appalachian Power Company - For approval of rate adjustment clause Renewable Portfolio Standard Program
PUR-2021-00049	Appalachian Power Company - For Approval of Transmission Line Project; 138 kV Rebuild Project Reusens to New London

PUR-2021-00050	Virginia Natural Gas, Inc. - For approval of its 2021 annual update to Rate Schedule PT-1
PUR-2021-00051	Atmos Energy Corporation - Application for Authority to Incur Long-Term Indebtedness Pursuant to the Provisions of Chapter 3 of Title 56 of the Virginia Code
PUR-2021-00052	Virginia Electric and Power Company and Atlantic Coast Pipeline, LLC - For approval to enter into an Equipment Sale and Transfer Agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUR-2021-00053	BTR Fiber, LLC - For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia
PUR-2021-00054	Shenandoah Valley Electric Cooperative - For general rate increase
PUR-2021-00055	Kentucky Utilities Company d/b/a Old Dominion Power Company - Annual Information filing for Calendar Year 2020
PUR-2021-00056	Destination Energy LLC - Application for a Natural Gas Broker License
PUR-2021-00057	CBRE Caledon WR Holdings, LP, WANRack Holdings LLC, & WANRack, LLC - Joint Petition for Approval of the Proposed Changes of Indirect Control of WANRack, LLC pursuant to Va. Code §§ 56-88 *et seq*.
PUR-2021-00058	Virginia Electric and Power Company - For a 2021 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
PUR-2021-00059	Mecklenburg Electric Cooperative - For approval of a special rate
PUR-2021-00060	Southside Electric Cooperative - For authority to obtain financing
PUR-2021-00061	The Potomac Edison Company - Petition for approval to transfer utility assets pursuant to Chapter 7 of Title 56 of the Code of Virginia
PUR-2021-00062	Enspire Energy, L.L.C. and The Virginia Industrial Gas Users' Association - Petition for Declaratory Judgment
PUR-2021-00063	Shenandoah Telephone Company and Shenandoah Cable Television, LLC - Application for approval of affiliate transactions under Chapter 4 of Title 56 of the Code of Virginia
PUR-2021-00064	Ex Parte: In the matter of registering and retiring Virginia-eligible renewable energy certificates
PUR-2021-00065	Lingo Communications of Virginia, Inc. - Request for Cancellation of Virginia Certificates No. T-703A for local exchange telecommunications services and TT-257B for interexchange telecommunications services
PUR-2021-00066	Appalachian Power Company - For approval of rate adjustment clause Amherst 5 MW Solar Facility
PUR-2021-00068	The Potomac Edison Company - Petition for declaratory judgment and, if necessary Interim authority under Chapter 10.1 of Title 56 of the Code of Virginia
PUR-2021-00069	Peoples Mutual Telephone Company, RiverStreet Management Services, LLC and RiverStreet Communications of Virginia, Inc. - For Approval of Financing Arrangements
PUR-2021-00070	Virginia Electric and Power Company and Dominion Energy South Carolina, Inc. - Application for approval of a Revised Services Agreement under Chapter 4 of Title 56 of the Code of Virginia
PUR-2021-00071	Red Truck Wireless, LLC - Application for a certificate of public convenience and necessity to provide competitive local exchange telecommunications service in the Commonwealth of Virginia
PUR-2021-00072	Northern Neck Electric Cooperative - For approval to obtain financing
PUR-2021-00073	Columbia Gas of Virginia, Inc. - 2020 Annual Informational Filing
PUR-2021-00074	C & P Isle of Wight & Life Essentials, LLC - Joint Application for Transfer of Certificate of Public Convenience & Necessity to Own & Operate a Public Utility Furnishing Sewerage Facilities or Water
PUR-2021-00075	Virginia Electric and Power Company and Central Virginia Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2021-00076	Verizon Virginia LLC f/k/a Verizon Virginia Inc. and Atlantech Online of Virginia, LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2021-00077	Verizon South Inc. f/k/a GTE South Incorporated and Atlantech Online, LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2021-00078	Wholesale Carrier Services, Inc. and BCM One Group Holdings, Inc. - For Approval of Transfer of Control
PUR-2021-00079	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. - Master UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2021-00080	Verizon Virginia LLC, f/k/a Verizon Virginia Inc - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2021-00081	Verizon South Inc., f/k/a GET South Incorporated - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2021-00082	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: Elmont-Ladysmith 500 kV Transmission Line #574 Rebuild and Related Projects
PUR-2021-00083	Virginia Electric and Power Company - For approval of a rate adjustment clause, designated Rider GT, under VA Code § 56-585.1 A 6
PUR-2021-00084	Appalachian Natural Gas Distribution Company - Annual Informational Filing for Appalachian Natural Gas Distribution Company for the Year Ended 12/31/20
PUR-2021-00085	Axton Solar, LLC - Application for Certificate of Public Convenience and Necessity for a Nominal 201.1 MW Solar Generating Facility Located in Henry and Pittsylvania Counties
PUR-2021-00086	Appalachian Natural Gas Distribution Company - Application for Approval to Implement SAVE Rates for Each Customer Class for Year 3 of its SAVE Plan
PUR-2021-00087	Washington Gas Light Company - Application for an Annual Informational Filing
PUR-2021-00088	Talk America Services, LLC - For cancellation of l Local Exchange and Interexchange Telecommunications Certificates in Virginia
PUR-2021-00089	In the Matter of Establishing Rules and Regulations Pursuant to § 56-585.5 G of the Code of Virginia Related to Accelerated Renewable Energy Buyers
PUR-2021-00090	Virginia-American Water Company - For Authority to Acquire Utility Assets and for a Certificate of Public

PUR-2021-00091	Virginia Electric and Power Company - Application for Amended Authority to Participate in a $6 Billion 5-Year Revolving Credit Facility
PUR-2021-00092	Virginia Electric and Power Company -- For Revision of Service Territory Boundary Lines under the Utility Facilities Act
PUR-2021-00093	Massanutten Public Service Corporation - Application for an Annual Informational Filing for 2020
PUR-2021-00094	Atmos Energy Corporation - Application for an Order Authorizing the Implementation of a Universal Shelf Registration for Senior Debt Securities and Common Stock and $250 check for filing fee
PUR-2021-00095	GTCR Onvoy Holdings, Onvoy, LLC, Broadvox-CLEC, and Neutral Tandem-Virginia, LLC and Sinch US Holding, Inc. - Joint Application for Approval of the Proposed Changes of Indirect Control of Licensees
PUR-2021-00097	Virginia Electric and Power Co - To Revise its Fuel Factor Pursuant to VA Code § 56-249.6
PUR-2021-00098	Verizon South Inc. f/k/a GTE South Incorporated and Clear Rate Telecom, L.L.C. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2021-00099	Verizon Virginia LLC f/k/a Verizon Virginia Inc. and Clear Rate Telecom, LLC - Master UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2021-00100	Virginia Electric and Power Company: For Approval and Certification of Electric Transmission Facilities: Beaumeade-Belmont 230 kV Transmission Line #227
PUR-2021-00101	LTS Telecom Services (East) LLC - Application for a Certificate of Public Convenience and Necessity to Provide Competitive Local Exchange Telecommunications Services
PUR-2021-00102	Virginia Electric and Power Company - For Approval of a Rate Adjustment Clause Pursuant to VA Code § 56-585.1 A 4
PUR-2021-00103	Prince George Electric Cooperative - For approval of a Letter of Credit Agreement on Behalf of an Affiliated Entity Pursuant to Chapter 3 and Chapter 4 of Title 56 of the Code of Virginia
PUR-2021-00104	Verizon South Inc., f/k/a GTE South Incorporated & ACN Communication Services Virginia, LLC - Interconnection Agreement between Verizon South Inc., f/k/a GTE South Incorporated & CAN Communication Services Virginia, LLC
PUR-2021-00105	Verizon Virginia LLC, f/k/a Verizon Virginia Inc & ACN Communication Services Virginia, LLC - Interconnection Agreement between Verizon Virginia LLC, f/k/a Verizon Virginia Inc & CAN Communication Services Virginia under § 252E of the Telecommunication Act
PUR-2021-00106	Appalachian Power Company - Petition for Authority to Transfer Utility Assets Pursuant to Chapter 6 of Title 56 of the Code of Virginia
PUR-2021-00107	Verizon Virginia LLC f/k/a Verizon Virginia Inc. and BCM One, Inc. f/k/a McGraw Communications, Inc. and McGraw Communications of Virginia Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2021-00108	Verizon South Inc. f/k/a GTE South Incorporated and BCM One, Inc. f/k/a McGraw Communications, Inc. f/k/a McGraw Communications of Virginia, Inc.- UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2021-00109	Wave Energy LLC - Application for a License as a Competitive Service Provider of Natural Gas
PUR-2021-00110	Application of 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, 2022
PUR-2021-00111	Application of Virginia Electric and Power Company for Revision of a Rate Adjustment Clause: Rider B, Biomass Conversions of the Altavista, Hopewell, and Southampton Power Stations, for the Rate Year Commencing April 1, 2022
PUR-2021-00112	Application of Virginia Electric and Power Company for Revision of a Rate Adjustment Clause: Rider GV, Greensville County Power Station, for the Rate Years Commencing April 1, 2022 and April 1, 2023
PUR-2021-00113	Application of Virginia Electric and Power Company for Revision of a Rate Adjustment Clause: Rider R, Bear Garden Generating Station, for the Rate Years commencing April 1, 2022 and April 1, 2023
PUR-2021-00114	Application of Virginia Electric and Power Company for Revision of a Rate Adjustment Clause: Rider S, Virginia City Hybrid Energy Center, for the Rate Years commencing April 1, 2022 and April 1, 2023
PUR-2021-00115	Application of Virginia Electric and Power Company for Revision of a Rate Adjustment Clause: Rider W, Warren County Power Station, for the Rate Year commencing April 1, 2022
PUR-2021-00116	Zayo Group, LLC - Petition for an order certifying that a public necessity or an essential public convenience requires the use of eminent domain with regard to property belonging to Norfolk Southern Railway Company
PUR-2021-00117	Columbia Gas of Virginia, Inc. - For Approval of Chapter 4 Application
PUR-2021-00118	Virginia Electric and Power Company - For approval of rate adjustment clause Rider - US 3
PUR-2021-00119	Virginia Electric and Power Company - For approval of rate adjustment clause US-4
PUR-2021-00120	Roanoke Gas Company - Application for Approval to Implement a 2022 SAVE Projected Factor Rate and True-Up Factor Rate
PUR-2021-00121	Atmos Energy Corporation - Application for Approval of a 2021 SAVE Rider Projected Factor
PUR-2021-00122	MetroNet Holdings, LLC & Metro FiberNet, LLC - Joint Application for approval of the Proposed Changes in Indirect Ownership and Control of Metro FiberNet, LLC Pursuant to VA Code §§ 56-88 *et seq.*
PUR-2021-00123	MTN Infrastructure TopCo LP; Lumos Telephone, Inc; Lumos Telephone of Botetourt Inc., *et al.* - Joint Petition for approval to transfer control pursuant to the Utility Transfers Act, VA Code §§ 56-88 *et seq.*
PUR-2021-00124	Verizon Virginia LLC f/k/a Verizon Virginia Inc. and DISH Wireless L.L.C. - Interconnection Agreement
PUR-2021-00125	Verizon South Inc. f/k/a GTE South Incorporated and DISH Wireless L.L.C. - Interconnection Agreement
PUR-2021-00126	Collegiate Clean Energy LLC, University of Lynchburg, and Madison Energy Holdings LLC - Petition for injunctive and declaratory relief against Appalachian Power Company
PUR-2021-00127	Virginia Electric and Power Company - For approval of a plan for electric distribution grid transformation projects

PUR-2021-00128	Roanoke Gas Company - Application for approval of an affiliate agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUR-2021-00129	Uniti Dark Fiber LLC - Application for Certificates of Public Convenience & Necessity to Provide Facilities-Based & Resold Competitive Local Exchange & Interexchange Services in the Commonwealth of Virginia
PUR-2021-00130	Point Broadband LLC, *et al.* - Joint Petition for Approval of the Transfer of Indirect Control of a Telecommunications Public Utility Pursuant to VA Code §§ 56-88 *et seq*.
PUR-2021-00131	Verizon Virginia LLC f/k/a Verizon Virginia Inc. and Airus, Inc. f/ka IntelePeer, Inc. - Interconnection Agreement and UNE/Resale Forbearance Amendment
PUR-2021-00132	Verizon South Inc. f/k/a GTE South Incorporated and Airus Inc., f/k/a IntelePeer, Inc. - Interconnection Agreement and UNE/Resale Forbearance Amendment
PUR-2021-00133	Washington Gas Light Company - Application for Approval of Service Agreements
PUR-2021-00134	J. W. Chisman, III and the Virginia Pilot Association - Application for approval of a revision of tariffs to reflect discontinuance of pilotage services on the Potomac River
PUR-2021-00135	Southwestern Virginia Gas Company - Application for authority to incur long-term debt
PUR-2021-00136	Virginia Natural Gas, Inc. and PowerSecure, Inc. - Application for approval of affiliate transactions and future exemptions from the filing and prior approval requirements under Chapter 4 of Title 56 of the Code of Virginia
PUR-2021-00137	Virginia Electric and Power Co. - For approval and certification of electric transmission facilities: Line #235 Extension to Cloud 230 kV and Related Projects
PUR-2021-00138	Virginia Electric and Power Company - For an update of the 100 percent renewable energy tariff, designated Rider TRG, pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia
PUR-2021-00139	Secure Energy Solutions, LLC - Application for Electricity and Natural Gas Aggregator License in Virginia
PUR-2021-00140	Shared Solar HoldCo, LLC - For Licensure as a Non-Exempt Shared Solar Subscriber Organization
PUR-2021-00141	Virginia Electric and Power Company and Dominion Solar Projects IV, Inc. - For approval to enter into standard interconnection agreements through future exemptions
PUR-2021-00142	Virginia Electric and Power Company - For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind
PUR-2021-00144	Columbia Gas of Virginia, Inc. - For amendment to its MAIN program
PUR-2021-00145	Columbia Gas of Virginia, Inc. - For SAVE Plan true up and amendment
PUR-2021-00146	Virginia Electric and Power Company - For approval of RPS Development Plan, approval & certification of proposed CE-2 Solar Projects, revision of rate adjustment clause, designated Rider CE & a prudence determination to enter into power purchase agreement
PUR-2021-00147	Gary Jabara Revocable Trust, Transferor, & BAI Communications US Holdings II LLC, Transferee - Joint Petition to Authorize the Transfer of Indirect Control of Mobilitie, LLC
PUR-2021-00148	Shenandoah Telephone Company & Teleport Communications America, LLC - Interconnection Agreement under §§ 251 & 252 of the Telecommunications Act of 1996 between Shenandoah Telephone Company & Teleport Communications America, LLC
PUR-2021-00149	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. & MGW Networks L.L.C - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2021-00150	Ameresco - For a License as a Non-Exempt Subscriber Organization in the Multi-Family Shared Solar Program
PUR-2021-00151	Virginia Electric and Power Company - For approval of five voluntary tariffs to support transportation electrification, pursuant to § 56-234 A of the Code of Virginia
PUR-2021-00152	Dimension VAS 1 LLC - For Licensure as a Non-Exempt Shared Solar Subscriber Organization.
PUR-2021-00154	Virginia-American Water Company - For approval of a services agreement under Chapter 4 of Title 56 of the Code of Virginia
PUR-2021-00155	Verizon Select Services of Virginia Inc. - For license as a competitive telephone company under VA Code § 56-54.3
PUR-2021-00156	In Re: Establishing A Proceeding Concerning the Allocation of RPS-Related Costs and the Determination of Certain Proxy Values for Virginia Electric and Power
PUR-2021-00157	Virginia Natural Gas, Inc. - For approval of its 2021 SAVE Rider update
PUR-2021-00158	Aqua Virginia, Inc. - Petition for Partial Waiver and Extension of Time to File Annual Information Filing.
PUR-2021-00159	HS Holdings, LLC, Summit Infrastructure Group, LLC, SummitIG, LLC & SDC Summit Holdings, LLC - Joint Petition for approval of the transfer of control of Summit Infrastructure Group, LLC & SummitIG, LLC
PUR-2021-00160	Con Edison Clean Energy Businesses, Inc. - For Licensure as a Non-Exempt Shared Solar Subscriber Organization
PUR-2021-00161	Rappahannock Electric Cooperative - Application for Approval of FFB U8 Loan Package
PUR-2021-00162	Campbell CSG LLC - Application for a license as a Non-exempt Subscriber organization in the Shared Solar Program
PUR-2021-00163	Halifax CSG LLC - Application for a License as a Non-exempt Subscriber organization in the Shared Solar Program
PUR-2021-00164	Mecklenburg CSG 1 LLC - Application for a License as a Non-exempt Subscriber organization in the Shared Solar Program
PUR-2021-00165	Mecklenburg CSG 2 LLC - Application for a License as a Non-exempt Subscriber organization in the Shared Solar Program
PUR-2021-00166	Suffolk CSG LLC - Application for a License as a Non-exempt Subscriber organization in the Shared Solar Program

PUR-2021-00167	Prince Edwards CSG LLC - Application for a License as a Non-exempt Subscriber Organization in the Shared Solar Program
PUR-2021-00168	South Boston CSG LLC - Application for a License as a Non-exempt Subscriber organization in the Shared Solar Program
PUR-2021-00169	Augusta CSG LLC - Application for a License as a Non-exempt Subscriber organization in the Shared Solar Program
PUR-2021-00170	Virginia Electric and Power Company and Tredegar Solar, LLC - For approval of a Power Purchase Agreement and a Renewable Energy Credit Purchase and Sale Agreement under Chapter 4 of Title 56 of the Code of Virginia
PUR-2021-00171	Kentucky Utilities Company d/b/a Old Dominion Power Company - For an Adjustment of Electric Base Rates
PUR-2021-00172	Citizens Telephone Cooperative and Teleport Communications America, LLC - Interconnection and Reciprocal Compensation Agreement
PUR-2021-00174	Verizon South Inc., f/k/a GTE South Incorporated & FiberNet of Virginia, Inc. - Approval is a UNE/Resale forbearance Amendment to the Interconnection Agreement
PUR-2021-00175	Verizon South Inc., f/k/a GTE South Incorporated and Lumos Networks Inc. - Approval is a UNE/Resale Forbearance Amendment to the Interconnection Agreement between Verizon South Inc., f/k/a GTE South Incorporated and Lumos Networks Inc.
PUR-2021-00176	Verizon Virginia LLC f/k/a Verizon Virginia Inc and FiberNet of Virginia, Inc. - Approval is a UNE/Resale Forbearance Amendment to the Interconnection Agreement Between Verizon Virginia LLC, f/k/a Verizon Virginia Inc, & FiberNet of Virginia, Inc.
PUR-2021-00177	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. and Lumos Networks Inc., Approval is a UNE/Resale forbearance Amendment to the Interconnection Agreement between Verizon Virginia LLC, f/k/a Verizon Virginia Inc. and Lumos Networks Inc.
PUR-2021-00178	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. & Broadview Networks of Virginia Inc. - Interconnection Agreement between Virginia LLC, f/k/a Verizon Virginia Inc & Broadview Networks of VA Inc., under section 252E of the Telecommunication Act
PUR-2021-00179	Verizon South Inc., f/k/a GTE South Incorporated & Intellifiber Networks, Inc. - Interconnection Agreement between Verizon Virginia LLC, f/k/a Verizon Virginia Inc & Broadview Networks of VA Inc., under sec. 252E of the Telecommunication Act Agreement between Verizon South Inc., f/k/a GTE South Incorporated & Intellifiber Networks, Inc., under sec. 252E of the Telecommunication Act
PUR-2021-00180	Verizon South Inc., f/k/a GTE South Incorporated & PaeTec Communications of Virginia LLC - Interconnection Agreement between Verizon South Inc., f/k/a GTE South Incorporated & PaeTec Communications of VA LLC, under sec. 252E of the Telecommunication Act
PUR-2021-00181	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. & Talk America of Virginia LLC - Interconnection Agreement between Verizon Virginia LLC, f/k/a Verizon Virginia Inc. & Talk America of Virginia LLC, under sec. 252E of the Telecommunication Act of 1996
PUR-2021-00182	Verizon South Inc. f/k/a GTE South Incorporated & TelCove Operations, LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement under § 252E of the Telecommunications Act of 1996
PUR-2021-00183	Verizon South Inc. f/k/a GTE South Incorporated & Level 3 Telecom of Virginia LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement under § 252E of the Telecommunications Act of 1996
PUR-2021-00184	Verizon South Inc. f/k/a GTE South Incorporated & Level 3 Communications LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement under § 252E of the Telecommunications Act of 1996
PUR-2021-00185	Verizon South Inc. f/k/a GTE South Incorporated & CenturyLink Communications, LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement under § 252E of the Telecommunications Act of 1996
PUR-2021-00186	Verizon Virginia LLC. f/k/a Verizon Virginia Inc. & CenturyLink Communications, LLC - UNE/Resale Forbearance Amendment to the Interconnection Agreement under § 252E of the Telecommunications Act of 1996
PUR-2021-00187	Qloop, Inc. - Application for Certificate of Public Convenience and Necessity to Provide Facilities-Based Completive Local exchange and Interexchange Private Line Service in the Commonwealth of Virginia of Quantum Loophole, Inc.
PUR-2021-00188	Pivot Energy Virginia LLC - For Licensure as a Non-Exempt Shared Solar Subscriber Organization
PUR-2021-00189	BARC Electric Cooperative - For Authority to Issue Debt
PUR-2021-00190	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. & CTC Communications of Virginia, Inc. d/b/a EarthLink Business - Interconnection Agreement between Verizon Virginia LLC, f/k/a Verizon Virginia Inc. & CTC Communications of Virginia, Inc. d/b/a EarthLink
PUR-2021-00191	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. & US LEC of Virginia L.L.C. d/b/a PAETEC Business Service - Interconnection Agreement between Verizon Virginia LLC, f/k/a Verizon Virginia Inc. & US LEC of Virginia L.L.C. d/b/a PAETEC Business Service
PUR-2021-00192	Verizon South Inc. f/k/a GTE South Incorporated and CTC Communications of Virginia, Inc. d/b/a EarthLink Business - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2021-00193	Verizon South Inc. f/k/a GTE South Incorporated and US LEC of Virginia L.L.C. d/b/a PAETEC Business Services - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2021-00194	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: Transmission Lines #2002 and #238/249 230 kV Partial Rebuild
PUR-2021-00195	ACE VA DER 2023, LLC - For Licensure as a Non-Exempt Shared Solar Subscriber Organization
PUR-2021-00196	Community Power Group LLC - For Licensure as a Non-Exempt Shared Solar Subscriber Organization

PUR-2021-00197	B&D Communications, LLC - Application for Certificates of Public Convenience & Necessity to Provide Local Exchange & Interexchange Telecommunications Services in the Commonwealth of Virginia
PUR-2021-00198	CenturyLink Communications, LLC, Central Telephone Company of Virginia d/b/a CenturyLink and United Telephone Southeast LLC d/b/a CenturyLink - Joint Application to Expand and Extinguish Certain Eligible Telecommunications Carrier (ETC) Designation
PUR-2021-00199	New Energy Equity LLC - For Licensure as a Non-Exempt Shared Solar Subscriber Organization with Virginia Electric and Power Company d/b/a Dominion
PUR-2021-00200	New Energy Equity VA LLC - For Licensure as a Non-Exempt Shared Solar Subscriber Organization
PUR-2021-00201	Virginia Electric and Power Company - 2021 Update to its 2020 IRP according to VA Code § 56-597
PUR-2021-00202	Mobilitie Management, LLC - Application to Cancel Certificate of Public Convenience and Necessity
PUR-2021-00203	Nexamp, Inc. - For a License as a Non-Exempt Subscriber Organization in the Shared Solar Program
PUR-2021-00204	IPS Development Virginia LLC - For a License as a Non-Exempt Subscriber Organization in the Shared Solar Program
PUR-2021-00205	Appalachian Power Co - Fuel Factor Filing
PUR-2021-00206	Appalachian Power Company - Application for approval of 2021 RPS Plan and related requests
PUR-2021-00208	Impact Power Solutions LLC - For a License as a Non-Exempt Subscriber Organization in the Shared Solar Program
PUR-2021-00209	Lodestar Energy LLC - For a License as a Non-Exempt Subscriber Organization in the Shared Solar Program
PUR-2021-00210	Central Virginia Electric Cooperative & Central Virginia Services, Inc. - Application for approval pursuant to Title 56, Chapter 3 & Chapter 4 of the Code of Virginia
PUR-2021-00211	Chickahominy Pipeline, LLC - Petition for Declaratory Judgment
PUR-2021-00213	Virginia Electric and Power Company and Birdseye Renewable Energy - Application for Approval of a Services Agreement
PUR-2021-00214	A&N Electric Cooperative - Application for Approval of a Rate Schedule Effecting No Increase, Without Notice
PUR-2021-00215	BARC Electric Cooperative - Application for Approval of a Rate Schedule Effecting No Increase, Without Notice
PUR-2021-00216	Central Virginia Electric Cooperative - Application for Approval of a Rate Schedule Effecting No Increase, Without Notice
PUR-2021-00217	All Points Northern Neck, LLC - Application for authority to provide exchange and interexchange service in the Commonwealth of Virginia
PUR-2021-00218	GTT Communications, Inc., GTT Americas, LLC, GC Pivotal, LLC d/b/a Global Capacity, & The Spruce House Partnership LLC - Joint Petition for Approval for The Spruce House Partnership to Dispose of a 25 Percent or Greater Indirect Ownership Interest in GC
PUR-2021-00219	Appalachian Power Company - For approval of Fieldale to Ridgeway 138 kV Rebuild Project
PUR-2021-00220	Virginia Electric and Power Company - To revise its cogeneration and small power production tariff pursuant to PURPA § 210
PUR-2021-00221	Virginia Electric and Power Company - For approval of utility financing
PUR-2021-00222	Verizon Virginia LLC f/k/a Verizon Virginia Inc. and One Voice Communications, Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2021-00223	Verizon South Inc. f/k/a GTE South Incorporated and One Voice Communications, Inc. - UNE/Resale Forbearance Amendment to the Interconnection Agreement
PUR-2021-00224	B-A-R-C Electric Cooperative, BARConnects, LLC & Virginia Global Communications Systems, Inc. - Joint Petition for approval to transfer control pursuant to the Utility Transfers Act, Va. Code §§ 56-88 *et seq*.
PUR-2021-00225	B-A-R-C Electric Cooperative & BARConnects, LLC - Joint Petition for approval of affiliate agreements pursuant to the Affiliates Act, Va. Code §§ 56-79 *et seq*.
PUR-2021-00227	Central Telephone Company of Virginia d/b/a CenturyLink; United telephone Southeast LLC d/b/a Century Link & Spok, Inc. - Paging Interconnection Agreement & the Partner Delivery Service Agreements.
PUR-2021-00228	United Energy Trading, LLC - Application for Natural Gas Competitive Service Provider
PUR-2021-00229	Virginia Electric and Power Company - For approval of a rate adjustment clause designated Rider SNA under § 56-585.1 A 6 of the Code of Virginia
PUR-2021-00230	Appalachian Natural Gas Distribution Company, ANGD LLC & Utility Pipeline, LTD - Application for Authority Under Chapter 4 of the Title 56 of the Code of Virginia
PUR-2021-00231	Chaberton Solar Virginia LLC - For a License as a Non-exempt Subscriber Organization in the Shared Solar Program
PUR-2021-00232	Searchlight TYP Holdco, LLC and All Points Carrier Services, LLC, *et al.* - Joint Petition for approval of a change of control pursuant to the Utility Transfers Act
PUR-2021-00233	Lumos Telephone of Botetourt LLC - Application for Amended and Reissued Certificates of Public Convenience and Necessity to Reflect its Current Name
PUR-2021-00234	Lumos Telephone LLC - Application for Amended and Reissued Certificates of Public Convenience and Necessity to Reflect its Current Name
PUR-2021-00236	Appalachian Power Company - For Approval to Continue a Rate Adjustment Clause, Rider EE-RAC
PUR-2021-00237	Virginia Electric and Power Company - For Revision of its Renewable Energy Tariff, Rider G
PUR-2021-00238	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, 2022
PUR-2021-00239	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider BW, Brunswick County Power Station, for the Rate Years Commencing September 1, 2022 and September 1, 2023

PUR-2021-00240	Verizon Virginia LLC f/k/a Verizon Virginia Inc. and FiberLight of Virginia, LLC - UNE/Resale Forbearance Agreement
PUR-2021-00241	Verizon South LLC, f/k/a GTE South Incorporated & FiberLight of Virginia, LLC - Interconnection Agreements between Verizon South LLC, f/k/a GTE South Incorporated & FiberLight of Virginia, LLC, under § 252E of the Telecommunications Act of 1996
PUR-2021-00242	CenturyTel Broadband Services, LLC - Application for Certificates of Public Convenience and Necessity to Provide Local Exchange and Interexchange Telecommunications Services in the Commonwealth of Virginia
PUR-2021-00243	Southwestern Virginia Gas Company - Motion to Extend Time to Comply with Prior Commission Order
PUR-2021-00244	Virginia Electric and Power Company d/b/a Dominion Energy Virginia and Community Electric Cooperative - For revision of service territory boundary lines
PUR-2021-00245	Virginia Electric and Power Co d/b/a Dominion Energy Virginia and Community Electric Cooperative - For revision of service territory boundary lines
PUR-2021-00246	Lumen Technologies, Inc., *et al.* - Joint Petition for Approval of the Transfer of Control of United Telephone Southeast LLC d/b/a CenturyLink & Central Telephone Company of Virginia d/b/a CenturyLink to Connect Holding, LLC
PUR-2021-00247	Virginia Electric & Power Company - For approval to continue existing and/or to design & operate new peak-shaving & energy efficiency programs or pilots as Phase X of Company's Demand Sid Management Portfolio pursuant to VA Code § 56-585.1 A 5 e
PUR-2021-00248	Virginia Electric and Power Company - For approval of a rate adjustment clause, designated Rider PPA, under § 56-585.1 A 5 d of the Code of Virginia, for the Rate Year commencing September 1, 2022
PUR-2021-00249	Aqua Virginia Inc. - Application for Approval to Issue Debt Securities Pursuant to the Provisions of Chapter 3 of Title 56 of the Code of Virginia
PUR-2021-00250	BCM One, Inc., Wholesale Carrier Services, Inc.-VA, Wholesale Carrier Services, Inc., and BCM One Group Holdings, Inc. - Notification of Planned Intermediate Change of Control of BCM One, Inc., *et al.*
PUR-2021-00251	Ex Parte: In the matter of amending regulations governing net energy metering
PUR-2021-00252	Fusion Connect, Inc., Fusion Communications, LLC and Fusion Cloud Services, LLC - Joint Petition for Approval of an Acquisition of Control pursuant to the Utility Transfers Act, Va. Code §§ 56-88 *et seq.*
PUR-2021-00253	Fusion Cloud Services LLC - Application for a Certificate of Public Convenience and Necessity to Provide Competitive Local Exchange and Interexchange Telecommunications Services in the Commonwealth of Virginia
PUR-2021-00254	Bartonsville Energy Facility LLC - For approval of certain electrical facilities associated with a small renewable solar energy project
PUR-2021-00255	Virginia-American Water Company - For A General Rate Increase
PUR-2021-00256	Northern Neck Electric Cooperative - For approval of an electric vehicle charging tariff rider
PUR-2021-00257	Solar Star Virginia HoldCo, LLC - For a License as a Non-exempt Subscriber Organization in the Shared Solar Program
PUR-2021-00258	Virginia Natural Gas, Inc. & Southern Company Gas, AGL Services Company, and Southern Company affiliate under Chapters 3 and 4, Title 56 of the Code of VA
PUR-2021-00259	Central Telephone Company of Virginia d/b/a CenturyLink; United Telephone Southeast LLC d/b/a CenturyLink & DISH Wireless L.L.C. - Interconnection Agreement & the Routing of Traffic Through a Third-Party Transit Provider
PUR-2021-00260	Craig-Botetourt Electric Cooperative - For approval of utility financing
PUR-2021-00261	Washington Gas Light Company - Application for Approval of the SAVE Rider for Calendar Year 2022
PUR-2021-00263	Sprint Communications Company of Virginia - For cancellation of local exchange and interexchange certificates and cancellation of intrastate tariff
PUR-2021-00264	Atmos Energy Corporation - Application for Authority to Incur Short-Term Indebtedness Pursuant to Title 56, Chapter 3 of the Virginia Code
PUR-2021-00265	BARC Electric Cooperative - Petition for Authority to Issue Debt pursuant to Chapter 3 of Title 56 of the Code of Virginia
PUR-2021-00266	Network Innovations Virginia, Inc - Public Convenience and Necessity to Provide Local Exchange Telecommunications Services
PUR-2021-00267	Southwestern Virginia Gas Company - Annual Information Filing
PUR-2021-00268	Appalachian Power Company and Transource West Virginia, LLC - Application for approval of an affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUR-2021-00270	Appalachian Power Company & AEP Appalachian Transmission Company, Inc. - Application for approval of an affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUR-2021-00271	Appalachian Power Company - Application Under Title 56, Chapter 3, of the Code of Virginia
PUR-2021-00272	Virginia Electric and Power Company - For approval and certification of electric transmission facilities; 230 kV Line #293 and 115 kV Line #83 Rebuild Project
PUR-2021-00273	Verizon Communications Inc. - Petition for an intra-company transfer of control of Verizon South and Verizon Select Services Inc. - VA from GTE LLC to Verizon Communications, LLC
PUR-2021-00274	Novel Energy Solutions, L.L.C. - For a License as a Non-exempt Subscriber Organization in the Shared Solar Program
PUR-2021-00275	Highland Telephone Cooperative & New Cingular Wireless PCS, LLC dba AT&T Mobility - Interconnection Agreement for the State of Virginia
PUR-2021-00276	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: 500 kV Line # 514 Partial Rebuild Project
PUR-2021-00277	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-2021-00278	GTT Communications, Inc., GTT Americas, LLC and GC Pivotal, LLC d/b/a Global Capacity - Joint Petition for approval of the Transfer of Control of GC Pivotal, LLC d/b/a Global Capacity
PUR-2021-00279	Peerless Network Holdings, Inc & OpenMarket Inc. - Joint Petition for Approval of Transfer of Control of Peerless Network Holdings, Inc. and its Subsidiaries to OpenMarket, Inc.
PUR-2021-00280	Virginia Electric and Power Company - Approval and certification of electric transmission facilities: DT 230 kV line loop and DTC substation
PUR-2021-00281	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider RGGI, pursuant to § 56-585.1 A 5 e of the Code of Virginia
PUR-2021-00282	Virginia Electric and Power Company: For revision of a rate adjustment clause, designated Rider RPS, under § 56-585.1 A 5 d of the Code of Virginia for the Rate Year commencing 9/1/22
PUR-2021-00283	Washington Gas Light Company - For approval to amend SAVE Plan pursuant to § 56-604
PUR-2021-00286	Dynamic Energy Solutions LLC - Application for a License as a Non-exempt Subscriber Organization in the Shared Solar Program
PUR-2021-00287	CleanChoice Energy Community, LLC - Application for Licensure as a Non-exempt Subscriber Organization in the Shared Solar Program
PUR-2021-00288	Washington Gas Light Company - For authority to amend its Conservation and Ratemaking Efficiency Plan (CARE Plan)
PUR-2021-00289	Potomac Energy Center, LLC f/k/a Panda Stonewall LLC - Application to amend and reissue its Certificate of Public Convenience and Necessity to reflect its new name
PUR-2021-00290	MetTel of VA, Inc. & Metropolitan Telecommunications of Virginia, LLC - Joint Petition for Approval of an Internal Restructuring
PUR-2021-00291	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: Line #2011 Extension from Cannon Branch to Winters Branch
PUR-2021-00292	Virginia Electric and Power Co and Blue Ocean Energy Management LLC - Application for approval of an Affiliate Agreement under Chapter 4 of Title 56 of the Code of Virginia
PUR-2021-00293	Appalachian Power Company - Petition for approval of a voluntary energy Curtailment Service Rider
PUR-2021-00294	Lumos Telephone Inc. and Onvoy, LLC - Network Interconnection Agreement
PUR-2021-00295	Lumos Telephone of Botetourt Inc. and Onvoy, LLC - Network Interconnection Agreement
PUR-2021-00296	Chrislynn Energy Services, Inc. - Application for a license to conduct business as an aggregator of electricity and natural gas in the Commonwealth of Virginia
PUR-2021-00297	Virginia Electric and Power Company and Dominion Privatization South Carolina, LLC - For approval to enter into an Inventory Purchase and Sale Agreement under Chapter 4, Title 56 of the Code of Virginia
PUR-2021-00298	Virginia Natural Gas, Inc. - For approval of a new rate schedule and tariff, designated Schedule 17, Renewable Natural Gas Receipt Service; implementation of a Renewable Natural Gas Pilot Program; and approval to modify Terms and Conditions
PUR-2021-00299	Virginia Electric and Power Company d/b/a Dominion Energy Virginia & Rappahannock Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2021-00300	Susan Indyk Menozzi - Application for Competitive Service Provider License
PUR-2021-00302	CPC Engle Holdings, Inc., the Combined Public Communications Employee Stock Ownership Trust, & Combined Public Communication, LLC - Notice of the Indirect Transfer of Control of Combined Public Communications, LLC
PUR-2021-00303	Atmos Energy Corporation - Petition for approval to implement tariff revisions that effect no increase in rates

SEC **DIVISION OF SECURITIES and RETAIL FRANCHISING**

SEC-2017-00060	Savannah Solar International & Gerard Broussard - Alleged violation of VA Code § 13.1-507
SEC-2019-00007	Life.markers LLC - Alleged violation of VA Code §§ 13.1- 504, *et al.*
SEC-2020-00011	Yoon Za Kim - Alleged violation of VA Code § 13.1-507
SEC-2020-00036	F.C. Franchising Systems, Inc. - Alleged violation of VA Code §§ 13.1-563.2, *et al.*
SEC-2020-00039	Strategic Wealth Partners, LLC & David C. Vogt - Alleged violation of VA Code §§ 13.1-502 (2), *et al.*
SEC-2020-00046	Wealthbridge, Inc. and David S. Chang Alleged violation of VA Code § 13.1-505
SEC-2020-00051	Century Housing Corporation - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2020-00052	The Genesis Fund - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2020-00053	James Yushik and David Luftglassi - Alleged violation of VA Code §§ 13.1-54 A (i), *et al.*
SEC-2020-00055	360 Painting, LLC & Paul Flick - Alleged violation of 21 VAC 5-110-95, *et al.*
SEC-2020-00058	Shining Light Investment Corporation and Mark Eric Baker - Alleged violation of VA Code §§ 13.1-504 (ii) & 13.1-503 B
SEC-2020-00059	First Command Advisory Services - Alleged violation of VA Code §§ 13.1-504 C (ii), *et al.*
SEC-2021-00001	Pinpoint Local, LLC. - Alleged violation of the VA Code §§ 13.1-560, *et al.*
SEC-2021-00002	Catholic United Investment Trust - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2021-00003	BDT & Associates, Inc. & Barry Toddi - Alleged violation of 21 VAC 5-80-10 A, *et al.*
SEC-2021-00005	Enterprise Community Loan Fund, Inc. - For an Order for Exemption under Va Code § 13.1-514.1 B
SEC-2021-00007	Thomas Marler Dykers d/b/a Rock Castle Capital Management - Alleged violation of 21 VAC 5-80-200 A 16, *et al.*
SEC-2021-00008	Securities America Advisors, Inc. - Alleged violation of 21 VAC 5-80-200 A 1, *et al.*
SEC-2021-00010	OYO Hotels, Inc. - Alleged violation of VA Code §§ 13.1-560, *et al.*
SEC-2021-00011	National Covenant Properties - For an Order of Exemption under VA Code § 13.1-514 1(B)
SEC-2021-00014	The Solomon Foundation - For exemption of VA Code § 13.1-514.1 B
SEC-2021-00015	Mission Investment Fund of the Evangelical Lutheran Church in America - For an Order of Exemption

SEC-2021-00016	Columbia Union Revolving Fund - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2021-00020	Capital Impact Partners - For qualification order
SEC-2021-00023	Board of Church Extension of Disciples of Christ, Inc. - For an Order of Exemption
SEC-2021-00025	Assured Information Security, Inc. - For registration of securities per VA Code § 13.1-510
SEC-2021-00027	RBC Capital Markets, LLC - Alleged violations of VA Code §§ 13.1-504.C (i), *et al.*
SEC-2021-00028	Century Housing Corporation - For an Order of Exemption under VA Code § 13.1-514.1 B
SEC-2021-00029	U.S. Data Mining Group, Inc. - Alleged violation of VA Code § 13.1-507
SEC-2021-00033	Lutheran Church Extension Fund - Missouri Synod - For an Order of Exemption per VA Code § 13.1-514.1 B
SEC-2021-00036	N & B Associates, LLC d/b/a Prosperity Wealth Management - Alleged violation of VA Code § 13.1-504
SEC-2021-00037	Local Initiatives Support Corporation - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2021-00038	Mount Calvary Baptist Church, Inc. - For an Order of Exemption per VA Code § 13.1-514.1 B
SEC-2021-00040	Green Bay Packers, Inc. - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2021-00042	Calvary Chapel Newport News - For order of exemption pursuant to VA Code § 13.1-514.1 B

URS **UTILITY AND RAILROAD SAFETY**

URS-2018-00537	New Technologies Construction, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2019-00087	C.T. Purcell Excavating, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2019-00266	Turner Concrete Contracting LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2019-00377	West Utilities, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00384	JL Crowder Plumbing & H2O Services LLC - Alleged violation of VA Code § 56-265.24 A
URS-2019-00388	Utiliquest, LLC - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2019-00429	Mihaly Contracting LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2019-00435	TMorgan Construction LLC - Alleged violation of VA Code §§ 56-265.24, *et al.*
URS-2019-00445	City Concrete Corp. - Alleged violation of VA Code § 56-265.17 A
URS-2019-00468	Rentify Property Services LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00002	Rentify Property Services LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2020-00016	KNO Concrete - Alleged violation of VA Code § 56-265.17 A
URS-2020-00025	Neft General Contractors - Alleged violation of VA Code § 56-265.17 A
URS-2020-00026	Kesterson Plumbing and Heating Corporation - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00042	Sandy Ray Huntley, individually and d/b/a Rays Odd Jobs Unlimited - Alleged violation of VA Code § 56-265.17 A
URS-2020-00043	Plecker Construction Company - Alleged violation of VA Code § 56-265.24 B
URS-2020-00050	Columbia Gas of Virginia, Inc. - Alleged violation of 49 C.F.R. §§ 192.199 (e), *et al.*
URS-2020-00052	In the matter concerning regulations required by Chapter 822 of the 2020 Acts of Assembly
URS-2020-00063	Klug Construction LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00064	Complete Underground LLC - Alleged violation of VA Code § 56-265.24 A
URS-2020-00066	Corman Kokosing Construction Company - Alleged violation of VA Code § 56-265.24 B
URS-2020-00071	Eagles Construction Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00072	N-It, Inc. t/a Dig-N-It - Alleged violation of VA Code § 56-265.17 A
URS-2020-00076	American Landscapes & Patios LLC - Alleged violation of VA Code § 56-265,17 A
URS-2020-00077	AllSite Contracting, LLC - Alleged violation of VA Code § 56-265.18
URS-2020-00078	3RS Site Development and Landscaping LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00081	Ace Concrete Company II, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00083	James Johnson d/b/a AJS Lawn Care - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2020-00085	Arthur Construction Co., Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00087	AMC Enterprises, L.L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00092	Strategic Global Networking Group LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3)
URS-2020-00094	Electrical Services, Inc. - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2020-00097	Electricom, LLC of Indiana - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (8)
URS-2020-00098	Dish Network - Alleged violation of VA Code § 56-265.24 A
URS-2020-00099	Dubon Fencing LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00107	CM Hardscapes LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2020-00110	Lantero, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (8)
URS-2020-00116	Green Bolt General Construction, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00118	English Construction Company, Incorporated - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00120	WCC Cable, Inc. - Alleged violation of VA Code § 56-265,24 A
URS-2020-00127	Atlantic Clearing and Grading - Alleged violation of VA Code § 56-265.17 A
URS-2020-00128	Lars Group Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2020-00129	Timothy Barrett and Timothy Barrett d/b/a Barrett Construction - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2020-00133	Curtis Contracting, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00135	Innovative Construction Concepts, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00145	Village Concrete, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00151	A & S Environmental, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00152	VA H20 Leaks, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00162	Osmose Utilities Services, Inc. - Alleged violation of VA Code § 56-265.24 C

URS-2020-00163	America Directional Boring, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (6)
URS-2020-00165	Ross & Sons Utility Contractor, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00166	Nichols Construction, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00171	Macsons, Incorporated - Alleged violation of VA Code § 56-265.17 A
URS-2020-00175	Minor's Fences, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00176	Mister Fence, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00177	Eurovia Atlantic Coast LLC d/b/a Virginia Paving Company - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00179	Axis Utility Construction, Inc - Alleged violation of VA Code § 56-265.24 A
URS-2020-00181	Yang's Home Improvement LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2020-00182	East West Construction, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00185	Dos Amigos Landscaping L.L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00187	Surrounds, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2020-00188	D. A. Foster Company - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00191	The Sign Factory, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00193	Tr-City Underground LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00194	Big Mike's Home Renovation, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00197	Infrasource Construction, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00199	New Technologies Construction Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00200	Classic City Mechanical, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3)
URS-2020-00201	Lakeside Concrete Enterprises, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2020-00202	Charles R. Wood Builders, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00207	Virginia Natural Gas, Inc. - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00208	Ellsworth Plumbing & Heating Co. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00209	Stake Center Locating, Inc. - Alleged violation of VA Code §§ 56-265,19 A, *et al.*
URS-2020-00210	Utiliquest, LLC - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00212	Environmental Consultants and Contractors, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00213	Farris Enterprises, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00214	Forza Cor, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00216	GB Foster, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2020-00217	Genesis Utility Communication Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00220	H & H Construction and Excavation - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2020-00222	Hailey Enterprises, LLC - Alleged violation of VA Code § 56-265,17 A 20; 20 VAC 5-309-200
URS-2020-00232	West Utilities, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00234	Solutions Fiber Optic, Inc. - Alleged violation of VA Code § 56-265.17 B 1
URS-2020-00235	Cable Protection Services, Inc. - Alleged Violation of VA Code § 56-265.19 A
URS-2020-00236	City Concrete Corp. - Alleged Violation of VA Code § 56-265.17 A
URS-2020-00237	Cardinal Multi Services, LLC - Alleged violation of VA Code §§ 56-265.18, *et al.*
URS-2020-00242	Washington Gas Light Company - Alleged Violation of VA Code § 56-265.19 A
URS-2020-00243	Earth Crafters, Inc. - Alleged Violation of VA Code §§ 56-265.18, *et al.*
URS-2020-00245	Primoris T & D Services, LLC - Alleged violation of VA Code §§ 56-265.24, *et al.*; 20 VAC 5-309-140 (4)
URS-2020-00277	Knoll Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00281	Len The Plumber, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00282	Scott's Backhoe Services, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00284	Carlos Vasquez, individually and d/b/a/ San Luis Landscaping - Alleged violation of VA Code § 56-265.17 A
URS-2020-00285	River Construction Company of Virginia, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al;* 20 VAC 5-309-140 (4)
URS-2020-00286	S.J. Louis Construction, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3)
URS-2020-00291	Perfect Green LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2020-00293	Mill-To-You LLC - Alleged violation of VA Code § 56-265.24 B
URS-2020-00294	Mejia Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00295	Mechanical, Electrical and Plumbing Partners, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2020-00299	Southeast Connections, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2020-00302	William Smith Concrete Services, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00303	ProCon, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00304	Stemmle Plumbing Repair, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00305	Appalachian Power Company - Alleged violation of VA Code § 56-265.17 A
URS-2020-00306	Faulconer Construction Company, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2020-00307	Great Falls Septic Service, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00308	JWM Enterprises, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00309	New York Excavation, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2020-00310	Lantero, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3) and 20 VAC 5-309-150 (8)
URS-2020-00312	East West Construction, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00313	Johnson's Backhoe Service, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00314	Infrasource Construction, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3)
URS-2020-00315	Geotechnical Environmental and Testing Solutions, Inc. d/b/a GET Solutions - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00316	C & L Remodeling - Alleged violation of VA Code §§ 56-265.17 A, *et al.*

URS-2020-00317	E. E. Lyons Const. Co., Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2020-00320	Dish Network - Alleged violation of VA Code §§ 56-265.18, *et al.*
URS-2020-00321	Osmose Utilities Services, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2020-00322	D. A. Foster Company - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00323	Proving Grounds, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00324	The Fishel Company - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00326	Sagres Construction Corporation - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00327	Cable Protection Services, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2020-00328	Shoosmith Construction, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2020-00329	Utiliquest, LLC - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00330	Boring Contractors, Inc. - Alleged violation of VA Code §§ 56-265.17 B.1, 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00331	Stake Center Locating, Inc. - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00332	Builders Fence Company - Alleged violation of VA Code § 56-265.24 A
URS-2020-00333	Superior Plumbing, Heating & Air, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00334	A & M Concrete Corp. - Alleged violation of VA Code § 56-265.24 B
URS-2020-00335	Bridgeman Civil, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00336	757 Restoration LLC - Alleged violation of VA Code § 56-265.24 B
URS-2020-00337	EWT, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2020-00338	Virginia Electric and Power Company - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00339	Underground Solutions, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2020-00340	Washington Gas Light Company - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00341	Thomas Construction Company, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2020-00342	Miller Pipeline, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2020-00343	Southeast Connections LLC - Alleged violation of VA Code §§ 56-265.19 A and 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00345	The Septic Doctor - Alleged violation of VA Code § 56-265.17 A
URS-2020-00346	Nuckols Plumbing & Gas, LLC - Alleged violation of VA Code § 56-265 24 A
URS-2020-00347	John Roberts and Associates, Ltd.- Alleged violation of VA Code § 56-265.17 A
URS-2020-00348	Peters and White Construction Company - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00349	KT Enterprises, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00350	Plumbright Plumbing, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00351	Long Fence Company, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00352	RFWardIII Carpentry & Construction LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00353	Complete Underground LLC - Alleged violation of VA Code § 56-265.24 A
URS-2020-00354	Cross Underground Development, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2020-00355	Columbia Gas of Virginia, Inc. - Alleged violation of VA Code §§ 56-265.19 A and 56-265.19 A
URS-2020-00356	J. L. Kent & Sons, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00357	B & H Concrete Construction Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2020-00358	Four Square Industrial Constructors, L.L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00359	G.N. Contracting, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00360	Kent Excavating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00363	Anchor Homes LLC - Alleged violation of VA Code § 56-265.17 B 1
URS-2020-00364	Project & Construction Management Services, Inc - Alleged violation of VA Code § 56-265.19 A
URS-2020-00367	P & P Excavating Corporation - Alleged violation of VA code § 56-265.17 A
URS-2020-00368	Primoris T&D Services, LLC - Alleged violation of VA Code § 56-265.24 C
URS-2020-00370	R & R Enterprises, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2020-00371	Ripley's Home Solutions LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00372	Rockingham Construction Company, Incorporated - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00373	Serafin Jimenez, Individually and d/b/a SJ Cable. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00374	Wes' Lawn Care & Landscaping, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00376	Atmos Energy Corporation - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00377	Virginia Natural Gas, Inc. - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00382	Complete Underground LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00385	MKP Construction Company, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00386	Sky Decks & Things LLC - Alleged violation of VA Code § 56-265.17 A
URS-2020-00387	Moffett Paving & Excavating Corp. - Alleged violation of VA Code § 56-265.24 C
URS-2020-00389	Mastec North America, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (4) and 20 VAC 5-309-150 (8)
URS-2020-00390	Pruitt Contracting Group, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2020-00392	Moody Development Corporation - Alleged violation of VA Code §§ 56-265.17 B 1, *et al.*
URS-2020-00393	East Coast Plumbing & Heating, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00394	Elite Landscaping & Tree Services, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00395	Design Electric, Inc. - Alleged violation of VA Code § 56-265.18; 20 VAC 5-309-180 and 20 VAC 5-309-200
URS-2020-00396	M & F Concrete, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2020-00397	Liquid, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*

URS-2020-00398	Crews Construction Company, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2020-00399	L 2 Construction Services, LLC - Alleged violation of VA Code §§ 56--265.24 A, *et al.*
URS-2020-00400	Cable Associates, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00401	Basic Construction Company, L.L.C. - Alleged violation of VA Code § 56-26524 A; 20 VAC 5-309-140 (3)
URS-2020-00403	Alexander Munoz d/b/a Alexander Home Repair - Alleged violation of VA Code § 56-265.17 A
URS-2020-00404	Lakeside Concrete Enterprises, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00405	Woodfin Heating, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00406	Sam Griffin individually and d/b/a L & N Enterprise - Alleged violation of VA Code § 56-265.17 A
URS-2020-00407	Virginia Equipment and Development, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00408	Kaywell Construction Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2020-00409	Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-36519 A
URS-2020-00410	Kaeler Lawn & Landscaping Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00412	Delta Concrete Corp. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00413	Dupee Plumbing, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00414	T & A Underground, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (8)
URS-2020-00415	Teets Excavating, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2020-00416	Daves Concrete, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00418	S. J. Conner and Sons Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00419	Sagres Construction Corporation - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2020-00420	Biase Corp.- Alleged violation of VA Code § 56-265.17 A
URS-2020-00421	Reel Time Construction, LLC - Alleged violation of VA Code § 56-26524 A; 20 VAC 5-309-140 (4)
URS-2020-00422	William Bowers, Individually & d/b/a Bowers Construction - Alleged violation of VA Code § 56-265.17 A
URS-2020-00423	River Construction Company of Virginia, Inc - Alleged violation of VA Code § 56-26524 B
URS-2020-00424	Atmos Energy Corporation - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00425	Stake Center Locating, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2020-00426	Washington Gas Light Company - Alleged violation of VA Code § 56-265.19 A
URS-2020-00427	Heath Consultants Incorporated - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00428	Utiliquest, LLC - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2020-00430	Augusta Utilities Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2020-00431	Infrasource Construction, LLC - Alleged violation of VA Code § 56-265.24 C
URS-2020-00432	W. E. Curling Pipeline, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00434	Titan Erosion Control, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2020-00435	Robinson's Plumbing Service, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2020-00437	Northern Pipeline Construction Co. - Alleged violation of VA Code § 56-265.24 A
URS-2020-00438	Acorn Electrical Specialists, Inc.- Alleged violation of VA Code § 56-265.17 A
URS-2021-00001	Possie B. Chenault, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2021-00002	Madigan Construction Incorporated - Alleged violation of VA Code § 56-265.24 B
URS-2021-00004	Virginia Electric and Power Company - Alleged violation of VA Code § 56-265.24 A
URS-2021-00006	Mullen's Markings, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00008	Michael & Son Services, Inc. - Alleged violation of VA Code § 56-265,24 A
URS-2021-00009	Enviroscape, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00010	HMI Utilities, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2021-00011	American Road Markings, L.L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00012	Merit Concrete Finishing, Inc. - Alleged violation of VA Code §§ 56-265,17 A, *et al.*
URS-2021-00013	Atlas Structural Solutions, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00016	Cross Underground Development, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2021-00017	Davis H. Elliot Construction Company, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00018	DCl/Shires, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00020	Utility Service Contractors, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2021-00021	RSG Landscaping & Lawn Care, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2021-00022	Rick's Concrete, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00023	757 Restoration LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2021-00025	Stake Center Locating, Inc. - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2021-00026	Roanoke Gas Company - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2021-00028	Lakeside Concrete Enterprises, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2021-00029	G. H. Wolff, Jr. Excavating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00030	High Performance Contractors Corp. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00031	Roto-Rooter Services Company - Alleged violation of VA Code § 56-265.24 A
URS-2021-00033	Poway Construction, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00035	Northern Pipeline Construction Co. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00036	Nova Construction Pro, LLC - Alleged violation of VA Code § 56-265.17 D
URS-2021-00037	Nature's Way Landscaping Inc. - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2021-00038	Iron Horse Infrastructure LLC - Alleged violation of VA Code § 56-265.24 A
URS-2021-00039	Columbia Gas of Virginia, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00040	J.C.L., Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00041	Gaston Brother Utilities, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00044	Mastec North America, Inc. - Alleged violation of VA Code §§ 56-265.18, 56-265.19 A
URS-2021-00045	Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2021-00046	Axis Utility Construction, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00047	A-1 Plumbing Companies, LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*

URS-2021-00048	Jose Aguirre - Alleged violation of VA Code §§ 56-265.24 D, *et al.*
URS-2021-00050	Peters and White Construction Company - Alleged violation of VA Code § 56-265.24 B
URS-2021-00051	New Technologies Construction Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00052	Gabriel Mendez, individually and d/b/a M E Concrete - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2021-00053	LCS Site Services, LLC - Alleged violation of VA Code § 56-265.24 B
URS-2021-00055	J. D. Roy Excavating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00060	Faulconer Construction Company, Incorporated - Alleged violation of VA Code § 56-265.24 A
URS-2021-00061	EMATS, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00063	Southeast Connections LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2021-00064	Sowers Construction Co., Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al*.
URS-2021-00065	T & A Contractors, Inc. - Alleged violation of VA Code § 56-265.17 B. 1
URS-2021-00066	Secured Network Solutions, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00067	S & S Electrical Services, Inc. - Alleged violation of VA Code § 56-265.17 B. 1
URS-2021-00069	Robert M. Martin Enterprises, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00070	Benger Construction, LLC - Alleged violation of VA Code § 56-265.17 D
URS-2021-00071	Builders Fence Company - Alleged violation of VA Code § 56-265.17 A
URS-2021-00075	Washington Gas Light Company - Alleged violation of VA Code § 56-265.19 A
URS-2021-00077	Blakemore Construction Corporation - Alleged violation of VA Code §§ 56-265.24 B, *et al.*
URS-2021-00081	Virginia Natural Gas - For a temporary waiver of Rules for Enforcement of the Underground Utility Damage Prevention Act
URS-2021-00082	Columbia Gas of Virginia, Inc. - Alleged violation of 49 C.F.R. §§ 192.199(e), *et al.*
URS-2021-00086	Classic City Mechanical, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2021-00087	Appalachian Power Company - Alleged violation of VA Code § 56-265.17 B 2
URS-2021-00088	Crockett Home Improvement, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00089	Accommodations Home Services, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00090	Accokeek Fence Company, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00091	D & D Gas Services LLC - Alleged violation of VA Code § 56-265.24 C
URS-2021-00092	C.M.H., Inc. d/b/a Cropp Metcalfe - Alleged violation of VA Code § 56-265.18
URS-2021-00093	B & H Concrete Construction Corporation - Alleged violation of VA Code §§ 56-265.17 B.1, *et al.*
URS-2021-00097	Basic Construction Company, L.L.C. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140.4
URS-2021-00099	HD Exteriors LLC - Alleged violation of VA Code § 56-2665.17 B 1
URS-2021-00100	Atlas Plumbing, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140.4
URS-2021-00102	Alouf Custom Builders, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00108	Rustler Construction, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00109	Primoris T&D Services, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2021-00111	Omega Concrete Services LLC - Alleged violation of VA Code § 56-265.24 C
URS-2021-00112	Miller Pipeline, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2021-00114	Mechanicsville Backhoe, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00115	Lerner Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2021-00116	McDaniel Service, Incorporated - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00117	Utiliquest LLC - Alleged violation of VA Code § 56-265.19 A
URS-2021-00118	Lambert's Cable Splicing Company, LLC - Alleged violation of VA Code § 56-265.24 B
URS-2021-00120	Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00121	Roanoke Gas Company - Alleged violation of VA Code § 56-26519 A
URS-2021-00125	Ywain Young individually and d/b/a Young Tec Construction - Alleged violation of VA Code § 56-265.17 A
URS-2021-00126	Walker Custom Electrical Services, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00128	The Fishel Company - Alleged violation of VA Code § 56-265.24 C
URS-2021-00130	Heath Consultants Incorporated - Alleged violation of VA Code § 56-265.19 A
URS-2021-00132	Stevens Plumbing Heating & Air Conditioning, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00134	NPL Construction Co. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00136	Tital Erosion Control, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00137	Verizon Virginia, LLC - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2021-00138	ACM Underground Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150.4, *et al.*
URS-2021-00141	Hydro-Tech Irrigation, Co.- Alleged violation of VA Code § 56-265.17 A
URS-2021-00142	Cleveland Cement Contractors, Inc.- Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00144	A & M Concrete Corp.- Alleged violation of VA Code § 56-265.24 B
URS-2021-00146	New Technologies Construction Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00148	Power Home Solar LLC - Alleged violation of VA Code §§ 56-265.17 D, *et al.*
URS-2021-00150	RMS Services, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00151	Underground Solutions, Inc.- Alleged violation of VA Code § 56-265.24 A
URS-2021-00152	Tomahawk Development, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2021-00154	Shoosmith Construction, Inc. - Alleged violation of VA Code § 56-265.17 C
URS-2021-00156	Saunders Fence Co.- Alleged violation of VA Code § 56-265.24 A
URS-2021-00157	Shaw Construction, Corp.- Alleged violation of VA Code §§ 56-265.18, *et al.*
URS-2021-00158	River Construction Company of Virginia, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00160	Peters and White Construction Company - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2021-00162	Mastec North America, Inc.- Alleged violation of VA Code § 56-265.24 A
URS-2021-00164	JES Construction, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*

URS-2021-00165	J. L. Bishop Contractor, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00166	J. C. Joyce Trucking and Paving Company, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2021-00169	Atmos Energy Corporation - Alleged violation of VA Code §§ 56-265.19 A, *et al*.
URS-2021-00171	Virginia Natural Gas, Inc., For rulemaking to revise requirement for trenchless excavation set forth in 20 VAC 5-309-150 B 4 of the Rules for Enforcement of the Underground Utility Damage Prevention Act
URS-2021-00218	McGuire Company Roanoke d/b/a McGuire Plumbing & Heating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00227	Appalachian Natural Gas Distribution Company - Alleged violation of 49 C.F.R. §§ 192.199(e), *et al.*
URS-2021-00286	For Order regarding Washington Gas Light Company's replacement of mercury service regulators pursuant to VA Code § 56-37