

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 17, 2020

CCC-CLERK'S OFFICE  
DOCUMENT CONTROL CENTER

2020 AUG 17 P 2:39

APPLICATION OF

COLUMBIA GAS OF VIRGINIA, INC.

CASE NO. PUR-2020-00138

For approval to amend and extend its SAVE  
Plan pursuant to Virginia Code § 56-604, and  
For approval to implement a 2021 SAVE Plan  
Rider in accordance with Section 20 of its  
General Terms and Conditions

ORDER FOR NOTICE AND COMMENT

On July 24, 2020, Columbia Gas of Virginia, Inc. ("CVA" or the "Company") filed an application ("Application") pursuant to Chapter 26 of Title 56 of the Code of Virginia ("Code"), known as the Steps to Advance Virginia's Energy ("SAVE") Plan Act (the "SAVE Act"),<sup>1</sup> for (1) approval to amend and extend its SAVE Plan pursuant to the SAVE Act; and (2) for approval to implement a Steps to Advance Virginia's Energy Plan Rider ("SAVE Rider") for calendar year 2021.<sup>2</sup>

The Company requests to extend its SAVE Plan for one year (calendar year 2021).<sup>3</sup> During this one-year extended term the Company would be authorized to spend up to \$60.4 million on SAVE-eligible natural gas infrastructure and recover such costs through its SAVE Rider ("Phase 3 SAVE Plan").<sup>4</sup> CVA is not proposing to modify the scope of eligible infrastructure replacements to be performed under the SAVE Plan and is not proposing any other

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<sup>1</sup> Code §§ 56-603 through -604.

<sup>2</sup> Application at 1.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

2020 AUG 17 P 2:39

substantive changes to the terms and conditions of the SAVE Plan.<sup>5</sup> The Company also requests approval to implement its 2021 SAVE Rider, which is comprised of a 2019 True-Up Factor and a 2021 Projected Factor, in accordance with Section 20 of its General Terms and Conditions, to be effective with the first billing unit of January 2021 through the last billing unit of December 2021.<sup>6</sup>

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.<sup>7</sup> The Company proposes to amend and extend its SAVE Plan for an additional one-year term by undertaking additional identified projects the Company expects to complete in 2021 under the proposed Phase 3 SAVE Plan; the Company states such projects will enhance safety and reliability and positively impact the environment.<sup>8</sup> The Company is requesting authorization to spend up to \$60.4 million (CVA's currently approved 2021 capital budget) on SAVE-eligible infrastructure under its Phase 3 SAVE Plan during calendar year 2021.<sup>9</sup> However, due to budget uncertainty, the Company proposes to limit the 2021 SAVE-eligible infrastructure replacement investment included in the SAVE Rider to \$46.4 million.<sup>10</sup> In light of CVA's 2021 capital budget uncertainty, the Company identified approximately \$16 million of SAVE-eligible projects that could be deferred beyond 2021, where 2021 funding

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<sup>5</sup> Application at 1-2.

<sup>6</sup> *Id.* at 2.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 4.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

levels are limited.<sup>11</sup> Per CVA, if those projects are deferred, the Company would allocate an additional \$1.7 million toward replacement of service lines and risers, resulting in a total capital investment of \$46.4 million on SAVE-eligible projects in 2021.<sup>12</sup> The company has proposed a 2019 True-Up Factor of \$1,746,620 and 2021 Projected Factor of \$11,103,533 for a total proposed SAVE revenue requirement of \$12,850,153.<sup>13</sup> As proposed, the 2021 SAVE Rider would increase residential customers' bills by \$1.60 per month, for a total proposed monthly rate of \$3.10.<sup>14</sup>

CVA's Application documents actual SAVE-eligible expenditures incurred during calendar year 2019, updates the schedule of annual SAVE-eligible expenditures anticipated in 2021, identifies the manner in which the Company will allocate capital expenditures among the six categories of SAVE-eligible infrastructure expenditures for 2021, documents the calculation of the 2019 True-Up Factor and 2021 Projected Factor, and includes the required schedules.<sup>15</sup>

NOW THE COMMISSION, upon consideration of CVA's Application, is of the opinion and finds that this matter should be docketed; that the Company should provide public notice of its Application; that any interested parties should be afforded an opportunity to file comments or request a hearing on the Application; and that the Commission's Staff ("Staff") should investigate the Application and file a report containing Staff's findings and recommendations.

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<sup>11</sup> Application at 5.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* at Schedule 1.

<sup>14</sup> *Id.* Schedule 17 at 5.

<sup>15</sup> *Id.* at 6.

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.<sup>16</sup> The Commission has taken certain actions, and may take additional actions going forward, that could impact the procedures in this proceeding.<sup>17</sup> 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.

For clarification, we note that the proposed SAVE Rider, if approved, would result in an increase to customer bills. We realize that the current COVID-19 public health crisis has caused devastating economic effects that impact all utility customers. We have responded to this economic emergency by, among other actions, temporarily suspending customer service disconnections for customers of Virginia utilities during the pandemic emergency. We are

<sup>17</sup> 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) ("Revised Operating Procedures Order"); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, 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); *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).

sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to this case, as well as the findings of fact supported by evidence in the record. That is what we will do in this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed as Case No. PUR-2020-00138.

(2) All pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by Rule 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice").<sup>18</sup> 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.<sup>19</sup>

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, all 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.

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<sup>18</sup> 5 VAC 5-20-10 *et seq.*

<sup>19</sup> As noted in the Commission's Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may not be processed for an indefinite period of time due to the COVID-19 emergency.

(4) 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 arise during the course of this proceeding.

(5) On or before September 11, 2020, the Company shall cause a copy of the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY  
COLUMBIA GAS OF VIRGINIA, INC.  
FOR APPROVAL TO AMEND AND EXTEND ITS SAVE  
PLAN PURSUANT TO VIRGINIA CODE § 56-604, AND  
FOR APPROVAL TO IMPLEMENT A 2021 SAVE PLAN  
RIDER IN ACCORDANCE WITH SECTION 20 OF ITS  
GENERAL TERMS AND CONDITIONS  
CASE NO. PUR-2020-00138

On July 24, 2020, Columbia Gas of Virginia, Inc. ("CVA" or the "Company") filed an application ("Application") pursuant to Chapter 26 of Title 56 of the Code of Virginia, known as the Steps to Advance Virginia's Energy ("SAVE") Plan Act (the "SAVE Act"), for (1) approval to amend and extend its SAVE Plan pursuant of the SAVE Act; and (2) for approval to implement a Steps to Advance Virginia's Energy Plan Rider ("SAVE Rider") for calendar year 2021.

The Company requests to extend its SAVE Plan for one year (calendar year 2021), during which time the Company would be authorized to spend up to \$60.4 million on SAVE-eligible natural gas infrastructure and recover such costs through its SAVE Rider ("Phase 3 SAVE Plan"). CVA is not proposing to modify the scope of eligible infrastructure replacements to be performed under the SAVE Plan and is not proposing any other substantive changes to the terms and conditions of the SAVE Plan. The Company also requests approval to implement its 2021 SAVE Rider, which is comprised of a 2019 True-Up Factor and a 2021 Projected Factor, to be effective with the first billing unit of January 2021 through the last billing unit of December 2021.

In its Application, CVA states that its SAVE Plan is designed to accelerate the replacement of certain components of its gas distribution system infrastructure to enhance system safety and reliability. The Company proposes to amend and extend its SAVE Plan for one year to undertake additional identified projects the Company expects to complete in 2021 under the proposed Phase 3 SAVE Plan. The Company states such projects will enhance safety and reliability and positively impact the environment. The Company is requesting authorization to spend up to \$60.4 million (CVA's currently approved 2021 capital budget) on SAVE-eligible infrastructure during calendar year 2021. However, due to budget uncertainty, the Company proposes to limit investment included in the SAVE Rider to \$46.4 million. In light of CVA's 2021 capital budget uncertainty, the Company identified approximately \$16 million of SAVE-eligible projects that could be deferred beyond 2021, where funding levels are limited. Per CVA, if those projects are deferred, the Company would allocate an additional \$1.7 million toward replacement of service lines and risers, resulting in a total capital investment of \$46.4 million on SAVE-eligible projects in 2021.

The Company has proposed a total SAVE revenue requirement of \$12,850,153. As proposed, the 2021 SAVE Rider would increase residential customers' bills by \$1.60 per month, for a total proposed monthly rate of \$3.10.

The details of these and other proposals are set forth in the Company's Application. Interested persons are encouraged to review the Company's Application and supporting exhibits for the details of these proposals.

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

The Commission entered an Order for Notice and Comment that, among other things, directed the Company to provide notice to the public and provides interested persons an opportunity to comment on the Company's Application.

The Commission has taken judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels. In accordance therewith, all pleadings,

briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission has directed that service on parties and the Commission's Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's Order for Notice and Comment for further instructions concerning Confidential or Extraordinarily Sensitive Information.

An electronic copy of the Application may be viewed on the Commission's website or obtained, at no charge, by submitting a written request to counsel for the Company: T. Borden Ellis, Assistant General Counsel and Bryan D. Stogdale, Senior Counsel, NiSource Corporate Services Company, 1809 Coyote Drive Chester, Virginia, 23836, or [tbellis@nisource.com](mailto:tbellis@nisource.com) and [bstogdale@nisource.com](mailto:bstogdale@nisource.com).

On or before October 2, 2020, any interested person wishing to comment on the Company's Application may file written comments with the Clerk of the Commission by following the instructions on the Commission's website: <https://scc.virginia.gov/casecomments/Submit-Public-Comments>. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUR-2020-00138.

Any person or entity may participate as a respondent in this proceeding by filing, on or before October 2, 2020, with the Clerk of the Commission at: <https://scc.virginia.gov/clk/efiling/>, a notice of participation in accordance with the Commission's Rules of Practice. Such notice of participation shall include the email addresses of such parties or their counsel. Pursuant to Rule 5 VAC 5-20-80, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent;



(ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent shall be represented by counsel as required by Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00138. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Comment.

On or before October 2, 2020, any interested person or entity may file, with the Clerk of the Commission at: <https://scc.virginia.gov/clk/efiling/>, a request that the Commission convene a hearing on the Application. Requests for a hearing shall refer to Case No. PUR-2020-00138 and 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.

A copy of any notices of participation and requests for hearing simultaneously shall be sent to counsel for the Company electronically at the email address set forth above.

The Company's Application, the Commission's Rules of Practice, and the Commission's Order for Notice and Comment may be viewed at: <https://scc.virginia.gov/pages/Case-Information>.

#### COLUMBIA GAS OF VIRGINIA, INC.

(6) On or before September 11, 2020, CVA shall serve a copy of its Application and this Order for Notice and Comment on the following local officials, to the extent the position exists, in each county, city, and town in which CVA 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 or 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.

(7) On or before September 25, 2020, CVA shall file proof of the notice and service required by Ordering Paragraph (5) and (6) with the Clerk of the Commission.

(8) On or before October 2, 2020, any interested person or entity may file written comments on CVA's Application with the Clerk of the Commission by following the instructions on the Commission's website: <https://scc.virginia.gov/casecomments/Submit-Public-Comments>. Compact disks or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No. PUR-2020-00138.

(9) On or before October 2, 2020, any interested person may participate as a respondent in this proceeding by filing, with the Clerk of the Commission at: <https://scc.virginia.gov/clk/efiling/>, a notice of participation in accordance with the Commission's Rules of Practice. Such notice of participation shall include the email addresses of such parties or their counsel. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00138.

(10) On or before October 2, 2020, any interested person or entity may file, with the Clerk of the Commission at: <https://scc.virginia.gov/clk/efiling/>, a request that the Commission convene a hearing on the Company's Application. Requests for hearing must 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 such filings shall refer to Case No. PUR-2020-00138.

(11) A copy of any requests for hearing and notices of participation simultaneously shall be sent to counsel for the Company, T. Borden Ellis, Assistant General Counsel and Bryan D. Stogdale, Senior Counsel, NiSource Corporate Services Company, 1809 Coyote Drive Chester, Virginia 23836, or [tbellis@nsource.com](mailto:tbellis@nsource.com) and [bstogdale@nsource.com](mailto:bstogdale@nsource.com).

(12) The Staff shall investigate the Application. On or before October 23, 2020, the Staff shall file with the Clerk of the Commission a Staff Report containing its findings and recommendations, and the Staff promptly shall serve a copy of the same on counsel to the Company and all respondents.

(13) On or before November 6, 2020, CVA may file with the Clerk of the Commission any response in rebuttal to the Staff Report, requests for hearing, and any comments filed by interested persons in this proceeding.

(14) All documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(15) The Company shall respond to written interrogatories or requests for the production of documents within four (4) calendar days after the receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, 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.<sup>20</sup>

Except as so modified, discovery shall be in accordance with Part IV of the Commission's Rules of Practice.

(16) This matter is continued.

A COPY HEREOF shall be sent electronically by the Clerk of the Commission to:

T. Borden Ellis, Assistant General Counsel, and Bryan D. Stogdale, Senior Counsel, NiSource Corporate Services Company, 1809 Coyote Drive Chester, Virginia 23836,

[tbellis@nisource.com](mailto:tbellis@nisource.com) and [bstogdale@nisource.com](mailto:bstogdale@nisource.com); and C. Meade Browder, Jr., Senior

Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202

N. 9th Street, 8th Floor, Richmond, Virginia 23219, [MBrowder@oag.state.va.us](mailto:MBrowder@oag.state.va.us). A copy hereof

also shall be sent to the Commission's Office of General Counsel and Divisions of Public Utility Regulation, Utility Accounting and Finance, and Utility and Railroad Safety.

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<sup>20</sup> The assigned Staff attorney is identified on the Commission's website, <https://scc.virginia.gov/pages/Case-Information>, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2020-00138, in the appropriate box.