

APPLICATION OF

APPALACHIAN POWER COMPANY

CASE NO. PUR-2024-00195

To continue its current fuel factor

ORDER ESTABLISHING 2024-2025 FUEL FACTOR PROCEEDING

On September 10, 2024, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") as required by § 56-249.6 of the Code of Virginia ("Code") and 20 VAC 5-204-80 of the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities ("Rate Case Rules")¹, seeking to continue its fuel factor. The Company states that although it projects slightly lower fuel costs in the upcoming fuel year, APCo still has an unrecovered deferred fuel balance resulting from the two-year recovery period approved in its 2023 fuel factor filing.² Accordingly, for service rendered on and after November 1, 2024, the Company requests that the Commission permit APCo to continue the current fuel factor of 4.139 cents per kilowatt-hour ("¢/kWh").³

On October 23, 2024, the Company filed a Motion for Protective Ruling and a proposed protective ruling that suggests procedures governing the use of confidential information in this proceeding.

¹ 20 VAC 5-204-5 *et seq.*

² Application at 1.

³ Application at 1, 3. The Commission approved APCo's current fuel factor of 4.139¢/kWh, effective on and after November 1, 2023, in Case No. PUR-2023-00156. *See Application of Appalachian Power Company, To decrease its fuel factor pursuant to §56-249.6 of the Code of Virginia*, Case No. PUR-2023-00156, Doc. Con. Cen. No. 240540189 (May 21, 2024).

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; the Company should place its proposed fuel factor into effect on an interim basis for service rendered on and after November 1, 2024; APCo should provide public notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Application; interested persons should have an opportunity to file comments on the Application or to participate as respondents in this proceeding; and the Commission's Staff ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. Additionally, on or before December 11, 2024, APCo should file any testimony and exhibits in support of its fuel factor with the Clerk of the Commission, and each witness's testimony should include a summary not to exceed one page and shall specify those portions of the fuel factor that the witness will sponsor at the hearing. In lieu of pre-filed testimony and exhibits, the Company may file with the Clerk of the Commission, on or before December 11, 2024, a document in which the Company: (a) identifies witnesses who will appear and offer testimony in support of the Company's fuel factor at the hearing; (b) specifies those portions of the fuel factor that such witnesses will adopt and support as their testimony at the hearing; and (c) includes a summary not to exceed one page of each such witness's testimony. In this filing, the Company should present, for comparison purposes, the jurisdictional fuel factor that would result from APCo's current recovery position (which would not include the proposed recovery of the deferred fuel balance), projected Virginia jurisdictional fuel costs during the rate year, and projected Virginia jurisdictional energy sales during the rate year, along with sample billing analysis.

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 Company's Motion for Protective Ruling and filing a final report containing the Hearing Examiner's findings and recommendations.

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

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2024-00195.⁴
- (2) The Company's proposed fuel factor of 4.139¢/kWh shall be placed into effect on an interim basis for service rendered on and after November 1, 2024.
- (3) All pleadings in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice 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.

⁴ APCo filed its Application in its prior fuel factor proceeding (Case No. PUR-2023-00156). However, the instant Application and all subsequent filings made with the Clerk of the Commission pertaining to the Application will hereafter be associated with Case No. PUR-2024-00195.

⁵ 5 VAC 5-20-10 *et seq.*

(4) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the 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 Code § 12.1-31 and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Company's Motion for Protective Ruling and filing a final report containing the Hearing Examiner's findings and recommendations. A copy of each filing made with the Commission's Clerk's Office in this matter shall also be sent electronically to the Office of the Hearing Examiners.⁶

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

- (a) The portion of the hearing for the receipt of testimony from public witnesses on the Application shall be convened telephonically on February 25, 2025.
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before February 18, 2025, 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.

⁶ Such electronic copies shall be sent to: OHEParalegals@scc.virginia.gov.

- (d) Beginning at 10 a.m. on February 25, 2025, the Hearing Examiner appointed to this case will telephone sequentially each person who has signed up to testify as provided above.
- (e) This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

(7) The evidentiary portion of the hearing on the Application shall be convened at 10 a.m. on February 25, 2025, or at the conclusion of the public witness portion of the hearing, whichever is later, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony and evidence on the Application from the Company, any respondents, and the Staff.

(8) An electronic copy of the public version of the Application may be obtained by submitting a written request to counsel for the Company: Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, or njcoates@aep.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(9) On or before December 12, 2024, APCo shall cause the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout the Company's service territory in Virginia:

NOTICE TO THE PUBLIC OF AN
APPLICATION BY APPALACHIAN POWER COMPANY
TO CONTINUE ITS CURRENT
FUEL FACTOR PURSUANT TO
§ 56-249.6 OF THE CODE OF VIRGINIA
CASE NO. PUR-2024-00195

- Appalachian Power Company has filed an application seeking to continue its current fuel factor of 4.139 cents per kilowatt-hour ("¢/kWh").
- The Commission will hold a telephonic hearing in this case on February 25, 2025, at 10 a.m., for the receipt of public witness testimony.
- An evidentiary hearing will also be held on February 25, 2025, at 10 a.m., or at the conclusion of the public witness portion of the hearing, whichever is later, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony and evidence on the application from the Company, any respondents, and Commission Staff.
- Further information about this case is available on the SCC website at: scc.virginia.gov/Case-Information.

On September 10, 2024, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") as required by § 56-249.6 of the Code of Virginia ("Code") and 20 VAC 5-204-80 of the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities ("Rate Case Rules"), 20 VAC 5-204-5 *et seq.*, seeking to continue its fuel factor. The Company states that although it projects slightly lower fuel costs in the upcoming fuel year, APCo still has an unrecovered deferred fuel balance resulting from the two-year recovery period approved in its 2023 fuel factor filing. Accordingly, for service rendered on and after November 1, 2024, the Company requests that the Commission permit APCo to continue the current fuel factor of 4.139 ¢/kWh. The Commission approved APCo's current fuel factor of 4.139 ¢/kWh, effective on and after November 1, 2023, in Case No. PUR-2023-00156. *See Application of Appalachian Power Company, To decrease its fuel factor pursuant to §56-249.6 of the*

Code of Virginia, Case No. PUR-2023-00156, Doc. Con. Cen. No. 240540189 (May 21, 2024).

The Commission entered an Order Establishing 2024-2025 Fuel Factor Proceeding ("Order") that, among other things, directed the Company to place its proposed fuel factor into effect on an interim basis for service rendered on and after November 1, 2024. The Order further scheduled public hearings on APCo's Application. A hearing for the receipt of testimony from public witnesses on the Company's Application shall be convened telephonically at 10 a.m. on February 25, 2025. On or before February 18, 2025, any person desiring to offer testimony as a public witness shall provide to the Commission: (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

Beginning at 10 a.m. on February 25, 2025, the Hearing Examiner will telephone sequentially each person who has signed up to testify as provided above.

On February 25, 2025, at 10 a.m., or at the conclusion of the public witness portion of the hearing, whichever is later, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, the Hearing Examiner will convene a hearing to receive testimony and evidence related to the Application from the Company, any respondents, and the Commission Staff.

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

An electronic copy of public version of the Company's Application may be obtained by submitting a written request to counsel for the Company: Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, or njcoates@aep.com. Interested persons also may download

unofficial copies from the Commission's website:
scc.virginia.gov/pages/Case-Information.

On or before February 18, 2025, 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. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00195.

On or before January 3, 2025, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company at the address above. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules of Practice"), any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2024-00195.

On or before January 15, 2025, each respondent may file with the Clerk of the Commission any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address listed above. Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Commission's Staff, the Company, and all other respondents simultaneous with its filing. In all filings, respondents shall comply with the Rules of Practice, including 5 VAC 5-20-140, *Filing and service*, and

5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2024-00195.

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, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice.

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

APPALACHIAN POWER COMPANY

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

(11) On or before December 26, 2024, the Company shall provide proof of the notice and service required by Ordering Paragraphs (9) and (10), including the name, title, and address of each official served, with the Clerk of the Commission at scc.virginia.gov/clk/efiling.

(12) On or before December 11, 2024, APCo shall file any testimony and exhibits in support of its fuel factor with the Clerk of the Commission, and each witness's testimony shall include a summary not to exceed one page and shall specify those portions of the fuel factor that the witness will sponsor at the hearing. In lieu of pre-filed testimony and exhibits, the Company may file with the Clerk of the Commission, on or before December 11, 2024, a document in which the Company: (a) identifies witnesses who will appear and offer testimony in support of the Company's fuel factor at the hearing; (b) specifies those portions of the fuel factor that such witnesses will adopt and support as their testimony at the hearing; and (c) includes a summary not to exceed one page of each such witness's testimony. The Company shall serve copies thereof on counsel for all respondents and the Staff. In this filing, the Company shall present,

for comparison purposes, the jurisdictional fuel factor that would result from APCo's current recovery position (which would not include the proposed recovery of the deferred fuel balance), projected Virginia jurisdictional fuel costs during the rate year, and projected Virginia jurisdictional energy sales during the rate year, along with sample billing analysis.

(13) On or before February 18, 2025, any interested person may submit written comments on the Application by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00195.

(14) On or before January 3, 2025, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (13). Such notice of participation shall include the email addresses of such parties or their counsel, if available. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company at the address listed in Ordering Paragraph (8). Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2024-00195.

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

(16) On or before January 15, 2025, each respondent may file with the Clerk of the Commission, at scc.virginia.gov/clk/efiling, any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (13). Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Commission's Staff, the Company, and all other respondents simultaneous with its filing. In all filings, respondents shall comply with the Rules of Practice, as modified herein, including, but not limited to:

5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*.

All filings shall refer to Case No. PUR-2024-00195.

(17) On or before January 22, 2025, 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 Company and all respondents.

(18) On or before February 5, 2025, APCo shall file with the Clerk of the Commission any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page. The Company shall serve a copy of its rebuttal testimony and exhibits on the Staff and all respondents.

(19) Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified herein,

all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice.

(20) 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 five (5) 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.⁷ Except as modified herein, discovery shall be in accordance with Part IV of the Rules of Practice, 5 VAC 5-20-240 *et seq.*

(21) This matter is continued.

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

⁷ 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-2024-00195, in the appropriate box.