

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, MAY 23, 2024

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2024-00081

For approval of a proposed update to the rates, terms, and conditions of a universal service fee to be paid by retail customers to fund the PIPP

ORDER FOR NOTICE AND COMMENT

On May 1, 2024, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval of a proposed update to the rates, terms, and conditions of a universal service fee ("USF") to be paid by retail customers to fund the Percentage of Income Payment Program ("PIPP"). Specifically, Dominion proposes a reduced USF to fund the PIPP of \$0.00 per kWh effective November 1, 2024, through October 31, 2025 ("Rate Year").¹

The PIPP was established as part of the 2020 Virginia Clean Economy Act as a mechanism designed to limit the electric utility payments of persons or households participating in certain, specified public assistance programs, based upon a percentage of their income, for customers of Dominion and Appalachian Power Company ("APCo"). The General Assembly further addressed the PIPP, its funding, and implementation, as part of the 2021 legislative session with the passage of Chapter 308 of the 2021 Virginia Acts of Assembly, Special Session I ("Chapter 308"). Among other things, Chapter 308 updated eligibility to be based on income thresholds relative to the federal poverty level. A PIPP-eligible utility customer is

¹ Application at 11.

defined as "any person or household whose income does not exceed 150 percent of the federal poverty level."² Eligible participants in the PIPP are customers of Dominion and APCo.

The Commission issued an Order on July 29, 2021, directing, among other things, that Dominion begin collecting the USF from statutorily designated customers to fund the estimated start-up costs that the Department of Social Services ("DSS") needed to establish the PIPP, calculate a USF on a per kilowatt-hour ("kWh") basis to recover \$2.4 million on an annual basis, file tariffs reflecting such fee with the Commission, begin making payments to the state treasury to enable DSS to undertake the actions necessary to establish the PIPP, and defer its PIPP administrative costs and seek their recovery at a later date.³

On July 11, 2023, the Company requested that the Commission approve a proposed update to the rates, terms, and conditions of the USF in Case No. PUR-2023-00105. In the request, the Company explained that it would work with DSS towards a launch of the PIPP application process in November 2023, with the program being active and payments beginning December 1, 2023.⁴ On October 13, 2023, the Commission issued its Final Order on the application approving the Rider PIPP to be effective for service rendered during the rate year of November 1, 2023, to October 31, 2024.⁵

² Code § 56-576.

³ Application at i. *See 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*, Case No. PUR-2020-00109, 2021 S.C.C. Ann. Rept. 229, Order (July 29, 2021).

⁴ Application at i.

⁵ *Id.* *See Application of Virginia Electric and Power Company, For approval of a proposed update to the rates, terms, and conditions of a universal service fee to be paid by retail customers to fund the PIPP, and for expedited consideration*, Case No. PUR-2023-00105, Doc. Cen. Con. No. 231830093, Final Order at 2-3 (Oct. 13, 2023).

Dominion states that it is proposing a zero rate in the current Application because the Company projects that revenues collected through October 31, 2024, from the currently approved USF will be sufficient to fund the PIPP through the end of the Rate Year.⁶ For a typical residential customer using 1,000 kWh per month, the Company states that its proposed zero rate for the Rate Year would result in a bill decrease of approximately \$0.73 cents per month.⁷ In order to implement the Company's proposed rate effective date of the updated USF of November 1, 2024, Dominion requests the Commission issue a final order by October 15, 2024.⁸

In addition to the proposed reduced USF, Dominion also requests that the Commission:⁹

- (i) Exercise its authority, both general and pursuant to Code § 56-585.6 C, to ensure the Company receives adequate and timely compensation from the PIPP Fund for its reasonable costs, and find that the Company may seek reimbursement of administrative expenses that vary in amount from the estimates provided in the Application and other PIPP filings;
- (ii) Find that administrative expenses may include unforeseen expenditures outside of the categories projected in the Application and other PIPP filings; and
- (iii) Grant the Company permission to file an interim update, if needed, within the next twelve months.

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

⁶ Application at i.

⁷ *Id.* at 11.

⁸ *Id.* at 11-12.

⁹ *Id.* at 4-5.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2024-00081.

(2) All pleadings, briefs, or other documents required to be served 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").¹⁰

Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission directs that service on parties and Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or Staff is impeded from preparing its case.

(4) As provided by Code § 12.1-31 and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters and motions *pro hac vice* that arise during the course of this proceeding. A

¹⁰ 5 VAC 5-10-20 *et seq.*

copy of each such filing made with the Commission's Clerk's office in this matter shall also be sent electronically to the Office of the Hearing Examiners.¹¹

(5) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company, Lisa R. Crabtree, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, Richmond, Virginia 23219, or lisa.r.crabtree@dominionenergy.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(6) On or before June 18, 2024, the Company shall cause the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's Virginia service territory:

NOTICE TO THE PUBLIC OF AN APPLICATION
BY VIRGINIA ELECTRIC AND POWER COMPANY
FOR APPROVAL OF A PROPOSED UPDATE TO THE
UNIVERSAL SERVICE FEE TO BE PAID BY RETAIL
CUSTOMERS TO FUND THE PIPP
CASE NO. PUR-2024-00081

On May 1, 2024, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval of a proposed update to the rates, terms, and conditions of a universal service fee ("USF") to be paid by retail customers to fund the Percentage of Income Payment Program ("PIPP"). Specifically, Dominion proposes a reduced USF to fund the PIPP of \$0.00 per kWh effective November 1, 2024, through October 31, 2025 ("Rate Year").

The PIPP was established as part of the 2020 Virginia Clean Economy Act as a mechanism designed to limit the electric utility payments of persons or households participating in certain, specified public assistance programs, based upon a percentage of their income, for customers of Dominion and Appalachian Power Company ("APCo"). The General Assembly further addressed the PIPP, its funding, and implementation, as part of the 2021

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

legislative session with the passage of Chapter 308 of the 2021 Virginia Acts of Assembly, Special Session I ("Chapter 308"). Among other things, Chapter 308 updated eligibility to be based on income thresholds relative to the federal poverty level. A PIPP-eligible utility customer is defined as "any person or household whose income does not exceed 150 percent of the federal poverty level." Eligible participants in the PIPP are customers of Dominion and APCo.

The Commission issued an Order on July 29, 2021, directing, among other things, that Dominion begin collecting the USF from statutorily designated customers to fund the estimated start-up costs that the Department of Social Services ("DSS") needed to establish the PIPP, calculate a USF on a per kilowatt-hour ("kWh") basis to recover \$2.4 million on an annual basis, file tariffs reflecting such fee with the Commission, begin making payments to the state treasury to enable DSS to undertake the actions necessary to establish the PIPP, and defer its PIPP administrative costs and seek their recovery at a later date.

On July 11, 2023, the Company requested that the Commission approve a proposed update to the rates, terms, and conditions of the USF in Case No. PUR-2023-00105. In the request, the Company explained that it would work with DSS towards a launch of the PIPP application process in November 2023, with the program being active and payments beginning December 1, 2023. On October 13, 2023, the Commission issued its Final Order on the application approving the Rider PIPP to be effective for service rendered during the rate year of November 1, 2023, to October 31, 2024.

Dominion states that it is proposing a zero rate in the current Application because the Company projects that revenues collected through October 31, 2024, from the currently approved USF will be sufficient to fund the PIPP through the end of the Rate Year. For a typical residential customer using 1,000 kWh per month, the Company states that its proposed zero rate for the Rate Year would result in a decrease of approximately \$0.73 cents per month.

In addition to the proposed reduced USF, Dominion also requests that the Commission:

(i) Exercise its authority, both general and pursuant to Code § 56-585.6 C, to ensure the Company receives adequate and timely compensation from the PIPP Fund for its reasonable costs,

and find that the Company may seek reimbursement of administrative expenses that vary in amount from the estimates provided in the Application and other PIPP filings;

(ii) Find that administrative expenses may include unforeseen expenditures outside of the categories projected in the Application and other PIPP filings; and

(iii) Grant the Company permission to file an interim update, if needed, within the next twelve months.

Further details are set forth in the Company's Application and supporting exhibits, and interested persons are encouraged to review these documents.

The Commission entered an Order for Notice and Comment that, among other things, directed the Company to provide notice to the public and provided interested persons an opportunity to comment on the Company's Application, to file a notice of participation and to request a hearing in this matter.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the 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 Company's Application may be obtained by submitting a written request to counsel for the Company, Lisa R. Crabtree, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, Richmond, Virginia 23219, or lisa.r.crabtree@dominionenergy.com. Interested persons also may download unofficial copies of the Application and other documents filed in this case from the Commission's website: scc.virginia.gov/pages/Case-Information.

On or before July 15, 2024, 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 with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00081.

On or before July 15, 2024, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at the address above or 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. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2024-00081.

On or before July 15, 2024, any interested person may file a written request for a hearing with the Clerk of the Commission at the address above or at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a request for hearing electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. The interested person simultaneously shall serve a copy of the hearing request on counsel to the Company. A request 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-2024-00081.

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

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

VIRGINIA ELECTRIC AND POWER COMPANY

(7) On or before June 18, 2024, the Company shall serve a copy of 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 the Company 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.

(8) On or before July 2, 2024, the Company shall file proof of the notice and service required by Ordering Paragraphs (6) and (7), including the name; title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the Commission by filing electronically at scc.virginia.gov/clk/efiling/.

(9) On or before July 15, 2024, any interested person may file 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 Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00081.

(10) On or before July 15, 2024, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address

listed in Ordering Paragraph (9). Such notice of participation shall include the email addresses of such parties or their counsel, if available. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2024-00081.

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

(12) On or before July 15, 2024, any interested person may file a written request for a hearing at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file the hearing request electronically may file such a request by U.S. mail to the Clerk of the Commission at the address in Ordering Paragraph (9). 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. The interested person simultaneously shall serve a copy of the hearing request on counsel to the Company. All requests for a hearing shall refer to Case No. PUR-2024-00081.

(13) Dominion shall file a response to any request for hearing filed in this matter on or before July 22, 2024.

(14) Staff shall investigate the Application. On or before August 15, 2024, Staff shall file with the Clerk of the Commission a report containing its findings and recommendations and simultaneously shall serve a copy of the same on counsel to the Company and all respondents.

(15) On or before August 29, 2024, Dominion may file a response to Staff's report and comments filed in this matter. The Company simultaneously shall serve a copy of its response on the Staff and all respondents.

(16) 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.

(17) The Rule of Practice 5 VAC 5-20-260, *Interrogatories to parties 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) business 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 Staff.¹² Except as modified herein, discovery shall be in accordance with Part IV of the Rules of Practice, 5 VAC 5-20-240 *et seq.*

(18) This matter is continued.

¹² 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-2024-00081 in the appropriate box.

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