

Legal Notice

NOTICE TO THE PUBLIC OF A PETITION BY
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
CASE NO. PUR-2021-00045

- Dominion Energy Virginia (“Dominion”) has applied for approval of a rate adjustment clause, designated Rider CCR, for recovery of costs incurred to comply with state and federal environmental regulations.
- Dominion requests a revenue requirement of \$216.146 million for its 2021 Rider CCR. According to Dominion, this amount would increase the bill of a residential customer using 1,000 kilowatt hours per month by \$2.95.
- Due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, a Hearing Examiner appointed by the Commission will hold a telephonic hearing in this case on July 27, 2021, at 10 a.m., for the receipt of public witness testimony.
- A Hearing Examiner will hold an evidentiary hearing in this case on July 27, 2021, after the receipt of public witness testimony.
- Further information about this case is available on the SCC website at: scc.virginia.gov/case.

On February 26, 2021, pursuant to § 56-585.1 A 5 of the Code of Virginia (“Code”) and the State Corporation Commission’s (“Commission”) Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities, Virginia Electric and Power Company d/b/a Dominion Energy Virginia (“Dominion” or “Company”) filed with the 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”), codified as Code § 10.1-1402.03 (“Petition”).

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 Bremono Power Station, Chesterfield Power Station, Possum Point Power Station, and Chesapeake Energy Center (collectively, “Power Stations”). According to the Company, the CCR Projects are required for the Company to comply with SB 1355.

The Company states that, 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. In 2019, however, the General Assembly passed SB 1355, which requires the Company to remove all CCR from the current storage locations and either beneficially reuse it or move it to a qualified landfill. 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.

In this proceeding, Dominion asks the Commission to approve Rider CCR for the rate year beginning December 1, 2021, and ending November 30, 2022 (“Rate Year”). The Company states that the two key components of the revenue requirement are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor. The Company requests a Projected Cost Recovery Factor of \$216.146 million on a Virginia jurisdictional basis, 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. The Company requests an Actual Cost True-Up Factor revenue requirement of \$0. Accordingly, the total Rider CCR revenue requirement requested for recovery during the Rate Year is \$216.146 million. For purposes of calculating the Rate Year projected revenue requirement, the Company utilizes a general rate of return on common equity of 9.2%, per the Commission’s Final Order in Case No. PUR-2019-00050.

According to the Petition, the Rider CCR rate will be billed 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. 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. If the proposed Rider CCR for the Rate Year is approved, the impact on customer bills would depend on the customer’s rate schedule and usage. The Company states that implementation of the proposed Rider CCR on December 1, 2021, would increase the monthly bill of a residential customer using 1,000 kWh per month by \$2.95.

Interested persons are encouraged to review the Petition and supporting documents for the details of these and other proposals.

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

The Commission entered an Order for Notice and Hearing that, among other things, scheduled public hearings on the Petition. On July 27, 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 July 23, 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 July 27, 2021, after the receipt of public witness testimony, 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 Petition from the Company, 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 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 Company’s Petition may be viewed on the Commission’s website or may be obtained by submitting a request to counsel for the Company: Timothy D. Patterson, Esquire, McGuire-Woods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or tpatterson@mcguirewoods.com.

On or before July 27, 2021, any interested person may file comments on the Petition 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 such comments shall refer to Case No. PUR-2021-00045.

On or before May 14, 2021, any interested person or entity may participate as a respondent by filing, with the Clerk of the Commission at the address above or scc.virginia.gov/clk/efiling/, a notice of participation in accordance with the Commission’s Rules of Practice. Notices of participation shall include the email addresses of the party or its 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 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-2021-00045. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission’s Order for Notice and Hearing.

On or before June 17, 2021, each respondent may file with the Clerk of the Commission and serve on the Staff, the Company, 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-2021-00045.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission’s Order for Notice and Hearing, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission’s Rules of Practice.

The Company’s Petition, 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.

VIRGINIA ELECTRIC AND POWER COMPANY