

LEGAL NOTICE

NOTICE TO THE PUBLIC OF AN APPLICATION BY APPALACHIAN 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 CASE NO. PUR-2025-00222

On December 18, 2025, Appalachian Power Company ("APCo" 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, APCo proposes to decrease the USF to fund the PIPP from \$0.00132 per kilowatt hour ("kWh") to \$0.00101 per kWh effective July 1, 2026. APCo also asks the Commission to approve the Company's proposed true-up mechanism for the PIPP and accept APCo's legal interpretation of the \$25 million statutory cap on the PIPP. On January 6, 2026, APCo made a supplemental filing, providing the proposed tariff sheets demonstrating the changes that the Company proposes as supplemental attachments to the Application.

Established as part of the 2020 Virginia Clean Economy Act, the PIPP was 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 Virginia Electric and Power Company and 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.

The Commission issued an Order on July 29, 2021, directing, among other things, that APCo: (a) 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; (b) calculate a USF on a per kWh basis to recover \$0.6 million on an annual basis; (c) file tariffs reflecting such fee with the Commission; (d) begin making payments to the state treasury to enable DSS to undertake the actions necessary to establish the PIPP; and (e) defer its PIPP administrative costs and seek their recovery at a later date.

APCo states that, in its most recently adjudicated PIPP update filing, the Commission granted a USF with an annual jurisdictional revenue requirement of \$19,234,907. Among other things, the Commission ordered the Company to address the legality and the specific details of its proposal to collect any costs incurred above the \$25 million cap in the subsequent program year.

In its current Application, the Company proposes a USF designed to recover a revenue requirement of \$13.3 million from its Virginia jurisdictional customers. The Company also proposes a true-up mechanism for the USF. As for the PIPP's \$25 million statutory annual cost cap, APCo asserts that DSS holds the responsibility to limit program costs to \$25 million per year, and to inform APCo and participating PIPP customers when the limit is reached and the benefits are exhausted.

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 Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-10 *et seq.*, the Commission has directed that service on parties and the Staff of the Commission ("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: Elisabeth M. Bruce, Esquire, American Electric Power Service Corporation, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, or ebruce@aep.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/case-information.

On or before April 9, 2026, any interested person may file comments on the Application by following the instructions on the Commission's website: scc.virginia.gov/case-information/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-2025-00222.

On or before April 9, 2026, 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 scc.virginia.gov/clerk/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 shall serve a copy of the notice of participation electronically on counsel to the Company, Staff, and all other respondents. 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-2025-00222.

On or before April 9, 2026, any interested person may file a written request for a hearing with the Clerk of the Commission at scc.virginia.gov/clerk/efiling. Those unable, as a practical matter, to file a request for hearing electronically may file such request by U.S. mail to the Clerk of the Commission at the address listed above. The interested person shall serve a copy of the hearing request electronically on counsel to the Company, Staff, and all respondents. 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-2025-00222.

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 versions 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/case-information.