

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, APRIL 26, 2024

2024 APR 26 P 12: 25

APPLICATION OF

GAS SOUTH, LLC

CASE NO. PUR-2024-00042

For a license to conduct business as a
competitive service provider

ORDER GRANTING LICENSE

On March 13, 2024, Gas South, LLC ("Gas South" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a competitive service provider. Gas South seeks authority to provide retail natural gas supply service to eligible commercial, industrial, and governmental customers in the Virginia service territories of Columbia Gas of Virginia ("CGV") and Washington Gas Light Company ("WGL"). In its Application, the Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules"). On March 13, 2024, the Company also filed a Motion for Entry of a Protective Order.

On March 26, 2024, the Commission entered an Order for Notice and Comment ("Procedural Order") that required the Company to serve a copy of the Procedural Order, on or before March 29, 2024, upon the utilities identified in Attachment A to the Procedural Order. The Procedural Order also required the Company to file proof of service on or before April 2, 2024. On March 27, 2024, Gas South filed proof of service.

The Commission, through its Procedural Order, directed that any comments in the matter be filed with the Clerk of the Commission on or before April 2, 2024. No comments were filed in the case.

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The Procedural Order also directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Staff Report") to be filed on or before April 9, 2024. On April 9, 2024, The Staff filed its Staff Report which summarized Gas South's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended the following:

- that Gas South establish an escrow account with a Virginia financial institution to comply with the requirements in 20 VAC 5-312-90 for the protection of any customer deposits or prepayments;¹
- that the Commission grant Gas South a license to conduct business as a competitive service provider of natural gas supply service to commercial, industrial, and governmental customers throughout Virginia, contingent upon proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of \$25,000;²
- that Gas South be required to file proof of its firm transportation and storage capacity rights at least 30 days prior to serving any essential human needs customers, as assurance that it will be able to meet the firm delivery service requirements of those customers;³ and

¹ Staff Report at 5.

² *Id.*

³ *Id.* See also Code § 56-235.8 F 1 and Retail Access Rule 20 VAC 5-312-40 A 17 d.

- a periodic review of the level of financial security that is commensurate with Gas South's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction in the future.⁴

The Procedural Order further provided the Company the opportunity to file a response to the Staff Report and any comments filed in this proceeding. The Company did not file a response.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Gas South's Application for a license to provide competitive natural gas supply service should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Gas South is hereby granted license No. G-60 to provide competitive natural gas supply service to eligible commercial, industrial, and governmental customers in the Virginia service territories of CGV and WGL. This license to act as a natural gas supplier is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) Gas South shall provide to Staff proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of \$25,000.

(3) Gas South shall establish an escrow account with a Virginia financial institution to comply with the requirements in Retail Access Rule 20 VAC 5-312-90 for the protection of any customer deposits or payments.

⁴ Staff Report at 5.

(4) Gas South shall file proof of its firm transportation and storage capacity rights at least 30 days prior to serving any essential human needs customers, as assurance that it will be able to meet the firm delivery service requirements of those customers.

(5) Staff shall conduct a periodic review of the level of financial security that is commensurate with Gas South's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction.

(6) This license is not valid authority for the provision of any product or service not identified within the license itself.

(7) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

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.