

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, AUGUST 22, 2024

REGISTRATION OFFICE
REGISTRATION CONTROL CENTER

240826015

APPLICATION OF

2024 AUG 22 P 1:19

KENTUCKY UTILITIES COMPANY
d/b/a OLD DOMINION POWER COMPANY

CASE NO. PUR-2024-00026

To revise its fuel factor pursuant to
§ 56-249.6 of the Code of Virginia

ORDER ESTABLISHING 2024-2025 FUEL FACTOR

On February 20, 2024, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Company") filed with the State Corporation Commission ("Commission"), pursuant to § 56-249.6 of the Code of Virginia ("Code"), its application proposing to decrease its levelized fuel factor by \$0.00953 per kilowatt-hour ("kWh") to \$0.02581 per kWh, effective for service rendered on and after April 1, 2024 ("Application").¹

On March 13, 2024, the Commission entered an Order Establishing 2024-2025 Fuel Factor Proceeding that, among other things, scheduled hearings for the purpose of receiving testimony and evidence on the Application; provided interested persons an opportunity to file comments on the Application or to participate as respondents in this proceeding; directed Commission Staff ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon; appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission; and directed the Company to

¹ Ex. 2 (Application) at 1, 5.

place its proposed fuel factor into effect on an interim basis for service rendered on and after April 1, 2024.

The Commission did not receive any notices of participation or written public comments on the Application.

On June 20, 2024, Staff filed its testimony. On July 3, 2024, KU/ODP filed a letter stating that it would not be filing rebuttal testimony.² On July 16, 2024, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom.³ Counsel for KU/ODP and Staff participated at the hearing.

On July 26, 2024, the Report of Bryan D. Stogdale, Hearing Examiner ("Report") was issued. In his Report, the Hearing Examiner found that a revised Fuel Factor of 2.641¢ per kWh meets the requirements of Code § 56-249.6 A 1.⁴ The Hearing Examiner further found that the revised Fuel Factor should be effective for service rendered on and after the earliest practical date, which, at the hearing, Company counsel indicated to be September 1, 2024.⁵

The Company filed comments on the Report indicating that it did not take exception to the Hearing Examiner's recommendations.⁶

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.⁷

² Ex. 8 (KU/ODP Rebuttal Letter) at 1.

³ No public witnesses appeared at the hearing to provide testimony on the Application. *See* Tr. 5.

⁴ Report at 14.

⁵ *Id.*

⁶ KU/ODP Comments at 1.

⁷ The Commission has thoroughly considered and evaluated the evidence and arguments in the record of this proceeding. *See also Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10

Hearing Examiner's Report

After analyzing the law and weighing the evidence – and providing a thorough and detailed analysis thereof – the Hearing Examiner made the following recommendations:⁸

I therefore RECOMMEND the Commission enter an Order that:

- (1) ADOPTS the findings in this Report;
- (2) APPROVES a revised fuel factor of 2.641¢/kWh effective for service rendered on and after September 1, 2024; and
- (3) CONTINUES this case generally, pending audit and investigation of the Company's actual fuel expenses.

Upon consideration of this matter, the Commission concludes that the Hearing Examiner's findings and recommendations are supported by the law and evidence, have a rational basis, and are adopted herein. As a result, the recommended fuel factor of 2.641¢/kWh is approved, effective for service rendered on and after September 1, 2024, pending further order of the Commission. As approved by the Commission, KU/ODP's revised fuel factor results in a decrease of \$8.93 to the monthly bill of a residential customer using 1,000 kWh of electricity, compared to a decrease of \$9.53 placed into effect on an interim basis effective April 1, 2024.⁹

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations set forth in the Report are hereby adopted.
- (2) The Hearing Examiner's recommendations, set forth herein, are hereby ordered.

(2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

⁸ Report at 14-15.

⁹ *Id.* at 11. The change in the calculation of the fuel factor resulted from the updating of the Company's over-recovery position balance based on actual data through March 31, 2024. *Id.*

(3) The revised fuel factor of 2.641¢/kWh is approved and shall be effective for service rendered on and after September 1, 2024.

(4) This case is continued.

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.