

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, AUGUST 19, 2024

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APPLICATION OF

APPALACHIAN POWER COMPANY

CASE NO. PUR-2024-00079

For approval of a rate adjustment clause
under Va. Code § 56-585.1 A 4

FINAL ORDER

On June 3, 2024, Appalachian Power Company ("APCo" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-585.1 A 4 ("Subsection A 4") of the Code of Virginia ("Code") for approval to implement factors to recover a decrease to its revenue requirement through its transmission rate adjustment clause ("T-RAC").¹ APCo requests permission to recover a proposed total revenue requirement of approximately \$380.1 million through the T-RAC for the October 1, 2024 through September 30, 2025 rate year ("Rate Year"), which represents a decrease of approximately \$33.1 million from the annual T-RAC revenue requirement approved by the Commission in 2023.² Pursuant to Code § 56-585.1 A 7, "the Commission's final order regarding any petition filed pursuant to [Subsection A 4] . . . shall be entered not more than three months . . . after the date of filing of such petition."

Subsection A 4 deems to be prudent, among other things, the "costs for transmission services provided to the utility by the regional transmission entity of which the utility is a member" and "costs charged to the utility that are associated with demand response programs

¹ Ex. 2 (Application) at 1.

² *Id.* at 4. See *Application of Appalachian Power Company, For approval of a rate adjustment clause under Va. Code § 56-585.1 A 4*, Case No. PUR-2023-00061, 2023 S.C.C. Ann. Rept. 433, Final Order (July 24, 2023).

approved by the Federal Energy Regulatory Commission and administered by the regional transmission entity of which the utility is a member."

On June 11, 2024, the Commission entered an Order for Notice and Hearing in this case that, among other things, docketed this matter; directed APCo to provide public notice of its Application; 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 containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

The Commission did not receive any written public comments on the Application. The Old Dominion Committee for Fair Utility Rates ("Committee") and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed notices of participation. Staff filed testimony on July 3, 2024. APCo filed a letter in lieu of rebuttal testimony on July 10, 2024. The evidentiary hearing was convened on July 17, 2024. Counsel for APCo, Consumer Counsel, and Staff appeared at the hearing.³

On July 22, 2024, the Report of Kati Dean, Hearing Examiner ("Report"), was issued. In the Report, the Hearing Examiner found that the proposed T-RAC revenue requirement of \$380,116,532 is consistent with Subsection A 4.⁴

³ Counsel for the Committee requested to be excused from appearing at the hearing, and the request was granted. See Tr. at 4-5.

⁴ Report at 13.

Consumer Counsel, Staff, and the Company each filed comments on the Report supporting the Hearing Examiner's findings and recommendations.

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

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:⁵

Accordingly, I RECOMMEND the Commission enter an Order that:

- (1) *ADOPTS* the findings of this Report;
- (2) *APPROVES* a total T-RAC revenue requirement of \$380,116,532; and
- (3) *DISMISSES* this case from the Commission's docket of active cases.

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. The Commission approves a total Subsection A 4 revenue requirement of \$380,116,532 for the Rate Year. Approval of the requested revenue requirement decrease will reduce the monthly bill for a residential customer using 1,000 kilowatt hours per month by \$2.12.⁶

Accordingly, IT IS ORDERED THAT:

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

⁵ *Id.*

⁶ Ex. 2 (Application) at 4.

(3) The Company forthwith shall file a revised T-RAC and supporting workpapers with the Clerk of the Commission and submit the same to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website:

scc.virginia.gov/pages/Case-Information.

(4) The Company shall file its next Subsection A 4 application on or after June 1, 2025.

(5) This case is dismissed.

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.