

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

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PETITION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2024-00013

For revision of rate adjustment clause: Rider E,  
for the recovery of costs incurred to comply with  
state and federal environmental regulations pursuant  
to § 56-585.1 A 5 e of the Code of Virginia

FINAL ORDER

On January 24, 2024, pursuant to § 56-585.1 A 5 e of the Code of Virginia ("Code"), the directive contained in Ordering Paragraph (7) of the Final Order issued by the State Corporation Commission ("Commission") on September 11, 2023, in Case No. PUR-2023-00005,<sup>1</sup> and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities,<sup>2</sup> Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed a petition ("Petition") with the Commission for an annual update of its rate adjustment clause, designated Rider E, for the recovery of costs incurred to comply with state and federal environmental regulations at the Company's Bremo, Chesterfield, Clover, and Mt. Storm Power Stations.<sup>3</sup> Dominion requests the Commission to approve Rider E for a rate year beginning November 1, 2024, and ending October 31, 2025 ("Rate Year").<sup>4</sup> According to Dominion, implementation of its revised Rider E on November 1,

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<sup>1</sup> *Petition of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider E, for the recovery of costs incurred to comply with state and federal environmental regulations pursuant to § 56-585.1 A 5 e of the Code of Virginia*, Case No. PUR-2023-00005, 2023 S.C.C. Ann. Rept. 364, 366, Final Order (Sept. 11, 2023).

<sup>2</sup> 20 VAC 5-204-5 *et seq.*

<sup>3</sup> Ex. 2 (Petition) at 1.

<sup>4</sup> *Id.* at 4.

2024, would decrease the monthly bill of a residential customer using 1,000 kilowatt hours per month by approximately \$0.68, compared to the current Rider E.<sup>5</sup>

On February 16, 2024, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Petition; scheduled public witness and evidentiary hearings on the Petition; required Dominion to publish notice of its Petition; gave interested persons the opportunity to file written comments or participate in this proceeding as a respondent; and appointed a Hearing Examiner to conduct further proceedings in this matter on behalf of the Commission.

A notice of participation was filed by the Virginia Committee for Fair Utility Rates ("Committee"). The Commission Staff ("Staff") filed testimony on June 5, 2024. Dominion filed a letter in lieu of rebuttal testimony on June 20, 2024. The evidentiary hearing was convened on July 10, 2024. The Company and Staff appeared at the hearing.<sup>6</sup>

On July 19, 2024, the Report of A. Ann Berkebile, Chief Hearing Examiner ("Report") was issued. In the Report, the Chief Hearing Examiner made the following findings:<sup>7</sup>

1. The record supports a total updated Rider E revenue requirement of \$71,992,470, consisting of a Projected Cost Recovery Factor of \$40,219,695, an [Allowance for Funds Used During Construction ("AFUDC")] Cost Recovery Factor of \$739,297, and an Actual Cost True-Up Factor of \$31,033,479; and
2. The updated Rider E rates should be designed to recover the approved revenue requirement based on the allocation and rate design methodology supported by Company witness Lawson.

On August 9, 2024, Dominion and Staff filed comments on the Report.

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<sup>5</sup> *Id.* at 10.

<sup>6</sup> Upon its request, the Committee was excused from the hearing. Tr. 4.

<sup>7</sup> Report at 11.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.<sup>8</sup>

After analyzing the law and weighing the evidence – and providing a thorough and detailed analysis thereof – the Chief Hearing Examiner made the following recommendations:<sup>9</sup>

Accordingly, I RECOMMEND the Commission enter an Order that:

1. ADOPTS the findings in this Report;
2. APPROVES the Company's Petition; and
3. DISMISSES this case.

Upon consideration of the record in this matter, the Commission concludes the Chief Hearing Examiner's findings and recommendations are supported by the law and the evidence, have a rational basis, and are adopted herein. In so concluding, the Commission approves a total updated Rider E revenue requirement of \$71,992,470, consisting of a Projected Cost Recovery Factor of \$40,219,695, an AFUDC Cost Recovery Factor of \$739,297, and an Actual Cost True-Up Factor of \$31,033,479. The Commission further approves the Company's proposed allocation and rate design methodology.

Accordingly, IT IS ORDERED THAT:

- (1) The Commission adopts the Chief Hearing Examiner's findings and recommendations.
- (2) The Chief Hearing Examiner's recommendations are hereby ordered.

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<sup>8</sup> The Commission has fully considered the evidence and arguments in the record. *See also Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444,454 n.10 (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*).

<sup>9</sup> Report at 11.

(3) An updated Rider E revenue requirement of \$71,992,470 is approved for the Rate Year.

(4) The updated Rider E rates shall be designed to recover the approved revenue requirement based on the allocation and rate design methodology supported by Company witness Lawson.

(5) Updated Rider E shall be effective for service rendered on and after November 1, 2024.

(6) The Company forthwith shall file an updated Rider E and supporting workpapers with the Clerk of the Commission and with 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](http://scc.virginia.gov/pages/Case-Information).

(7) The Company shall file its next Rider E application on or after January 3, 2025.

(8) 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.