

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 29, 2018

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APPLICATION OF

APPALACHIAN NATURAL GAS  
DISTRIBUTION COMPANY

CASE NO. PUR-2018-00095

For expedited approval of a special rate  
and contract pursuant to Section 56-235.2  
of the Code of Virginia

ORDER FOR NOTICE AND HEARING

On June 15, 2018, Appalachian Natural Gas Distribution Company ("ANGD" or "Company"), filed an application ("Application") in both public and nonpublic versions with the State Corporation Commission ("Commission"), pursuant to § 56-235.2 of the Code of Virginia ("Code") and the Commission's *Guidelines for Special Rates, Contracts, or Incentives*.<sup>1</sup> The Company filed a supplement to its Application on June 26, 2018. In its Application, the Company seeks approval of a special rate applicable to transportation service provided to Aladdin Manufacturing Corporation d/b/a Mohawk Industries ("Aladdin") located within the Company's service territory.<sup>2</sup> The Company requests that the Commission act on its Application on an expedited basis.

The Application states that ANGD and Aladdin have executed a service agreement ("Agreement") for transportation service effective May 1, 2018, under which the Company will provide firm transportation services on the Company's system under the Company's current Rate Schedule FTS-1 to satisfy Aladdin's natural gas requirements over the next three-year period,

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<sup>1</sup> 20 VAC 5-310-10.

<sup>2</sup> Application at 1.

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subject to approval by the Commission.<sup>3</sup> ANGD asserts that the special rate provided in the Agreement will protect and enhance the public interest in a number of ways.<sup>4</sup> According to the Company, the special rate will encourage capital investment to expand the plant, and such expansion will benefit the area and local businesses as well as contribute to the tax base of the Commonwealth and Carroll County.<sup>5</sup>

The Company further states that the special rate provided in the Agreement will not unreasonably prejudice or disadvantage any customer or class of customers. According to the Company, the Agreement will have no negative rate impact on the Company's other customers and costs associated with serving Aladdin will not be assigned to any other class.<sup>6</sup>

In its Application, the Company asserts that the proposed rate will not jeopardize the continuation of reliable utility service to other customers and notes that the point of delivery on ANGD's system, as well as the pipeline distribution facilities necessary to serve Aladdin are already in place and being utilized to serve Aladdin, and that no additional construction is necessary.<sup>7</sup>

Coincident with the filing of the Application, the Company filed a Motion for Entry of a Protective Ruling ("Motion for Protective Ruling").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; ANGD should provide public notice of its Application; a

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<sup>3</sup> *Id.* at 3.

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

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

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

public hearing should be scheduled for the purpose of receiving testimony and evidence on the Application; interested persons should have an opportunity to file comments on the Application or participate as a respondent in this proceeding; and the Commission's Staff ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon.

We also find that a Hearing Examiner should be assigned to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Company's Motion for Protective Ruling and filing a final report containing the Hearing Examiner's findings and recommendations.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2018-00095.
- (2) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedure before Hearing Examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),<sup>8</sup> a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission.
- (3) A public hearing on the Application shall be convened on August 21, 2018, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony of public witnesses and the evidence of the Company, any respondents, and the Staff. Any person desiring to offer testimony as a public witness at this hearing should appear in the Commission's courtroom fifteen (15) minutes prior to the starting time of the hearing and identify himself or herself to the Commission's Bailiff.

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<sup>8</sup> 5 VAC 5-20-10 *et seq.*

(4) The Company shall make copies of the public version of its Application, as well as a copy of this Order for Notice and Hearing, available for public inspection during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for the Company, Brian Greene, Esquire, GreeneHurlocker, 1807 Libbie Avenue, Suite 102, Richmond, Virginia 23226. If acceptable to the requesting party, the Company may provide the documents by electronic means. Copies of the public version of all documents also shall be available for interested persons to review in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

(5) On or before July 24, 2018, the Company shall cause the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout the Company's service territory in Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY  
APPALACHIAN NATURAL GAS DISTRIBUTION  
COMPANY, FOR EXPEDITED APPROVAL OF A  
SPECIAL RATE AND CONTRACT PURSUANT  
TO § 56-235.2 OF THE CODE OF VIRGINIA  
CASE NO. PUR-2018-00095

On June 15, 2018, Appalachian Natural Gas Distribution Company ("ANGD" or "Company"), filed an application ("Application") in both public and nonpublic versions with the State Corporation Commission ("Commission"), pursuant to § 56-235.2 of the Code of Virginia and the Commission's *Guidelines for Special Rates, Contracts, or Incentives*. The Company filed a supplement to its Application on June 26, 2018. In its Application, the Company seeks approval of a special rate applicable to transportation service provided to Aladdin Manufacturing Corporation d/b/a Mohawk Industries ("Aladdin") located within the Company's service territory. The Company requests that the Commission act on its Application on an expedited basis.

The Application states that ANGD and Aladdin have executed a service agreement ("Agreement") for transportation service effective May 1, 2018, under which the Company will provide firm transportation services on the Company's system under the Company's current Rate Schedule FTS-1 to satisfy Aladdin's natural gas requirements over the next three-year period, subject to approval by the Commission. ANGD asserts that the special rate provided in the Agreement will protect and enhance the public interest in a number of ways. According to the Company, the special rate will encourage capital investment to expand the plant, and such expansion will benefit the area and local businesses as well as contribute to the tax base of the Commonwealth and Carroll County.

The Company further states that the special rate provided in the Agreement will not unreasonably prejudice or disadvantage any customer or class of customers. According to the Company, the Agreement will have no negative rate impact on the Company's other customers and costs associated with serving Aladdin will not be assigned to any other class.

In its Application, the Company asserts that the proposed rate will not jeopardize the continuation of reliable utility service to other customers and notes that the point of delivery on ANGD's system, as well as the pipeline distribution facilities necessary to

serve Aladdin are already in place and being utilized to serve Aladdin, and that no additional construction is necessary.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals.

The Commission entered an Order for Notice and Hearing that, among other things, scheduled a public hearing on August 21, 2018, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony from members of the public and evidence related to the Application from the Company, any respondents, and the Commission's Staff. Any person desiring to testify as a public witness at this hearing should appear fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff.

The public version of the Company's Application, as well as the Commission's Order for Notice and Hearing, are available for public inspection during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for the Company, Brian Greene, Esquire, GreeneHurlocker, 1807 Libbie Avenue, Suite 102, Richmond, Virginia 23226. If acceptable to the requesting party, the Company may provide the documents by electronic means.

Copies of the public version of the Application and other documents filed in this case also are available for interested persons to review in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

On or before July 31, 2018, any interested person wishing to comment on the Company's Application shall file written comments on the Application with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Any interested person desiring to file comments electronically may do so on or before July 31, 2018, by following the instructions on the Commission's website: <http://www.scc.virginia.gov/case>. Compact discs or any other form of electronic storage medium may not be filed with the

comments. All such comments shall refer to Case No. PUR-2018-00095.

On or before July 31, 2018, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address above. A copy of the notice of participation as a respondent also must be sent to counsel for the Company at the address set forth above. Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure ("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 Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2018-00095.

On or before July 31, 2018, each respondent may file with the Clerk of the Commission, and serve on the Commission's Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission at the address above. In all filings, respondents shall comply with the Commission's Rules of Practice, including 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00095.

All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The Commission's Rules of Practice may be viewed at <http://www.scc.virginia.gov/case>. A printed copy of the Commission's Rules of Practice and an official copy of the Commission's Order for Notice and Hearing in this proceeding may be obtained from the Clerk of the Commission at the address above.

APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY

(6) On or before July 24, 2018, the Company shall serve a copy of this Order for Notice and Hearing on the following officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(7) On or before August 7, 2018, the Company shall file proof of the notice and service required by Ordering Paragraphs (5) and (6), including the name, title, and address of each official served, with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

(8) On or before July 31, 2018, any interested person may file written comments on the Application with the Clerk of the Commission at the address shown in Ordering Paragraph (7). Any interested person desiring to submit comments electronically may do so on or before July 31, 2018, by following the instructions found on the Commission's website:

<http://www.scc.virginia.gov/case>. Compact discs or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No. PUR-2018-00095.

(9) On or before July 31, 2018, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (7). The respondent simultaneously shall serve a copy of the notice of participation on counsel to the



Company at the address in Ordering Paragraph (4). Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's 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-2018-00095.

(10) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve upon each respondent a copy of this Order for Notice and Hearing, a copy of the public version of the Application, and a copy of the public version of all materials filed by the Company with the Commission, unless these materials already have been provided to the respondent.

(11) On or before July 31, 2018, each respondent may file with the Clerk of the Commission at the address set forth in Ordering Paragraph (7) and serve on the Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission. In all filings, the respondent shall comply with the Commission's Rules of Practice, including 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00095.

(12) The Staff shall investigate the Application. On or before August 7, 2018, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of its testimony

and exhibits, and each Staff witness's testimony shall include a summary not to exceed one page. The Staff shall serve a copy thereof on counsel to ANGD and all respondents.

(13) On or before August 14, 2018, ANGD shall file with the Clerk of the Commission:

(a) any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page; and (b) a summary not to exceed one page of each direct witness's testimony if not previously included therewith. The Company shall serve a copy of the testimony and exhibits on the Staff and all respondents. If not filed electronically, an original and fifteen (15) copies of such rebuttal testimony and exhibits shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (7).

(14) All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(15) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within four (4) calendar days after receipt of the same. In addition to the service requirements of Rule of Practice 5 VAC 5-20-260, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically, or by facsimile, on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney if the interrogatory or request for production is directed to the Staff.<sup>9</sup>

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<sup>9</sup> The assigned Staff attorney is identified on the Commission's website: <http://www.scc.virginia.gov/case>, by clicking "Docket Search," and clicking "Search Cases," and entering the case number, PUR-2018-00095, in the appropriate box.

Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(16) This matter is continued.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:

Brian Greene, Esquire, GreeneHurlocker, 1807 Libbie Avenue, Suite 102, Richmond, Virginia 23226; and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 N. 9th Street, 8th Floor, Richmond, Virginia 23219-3424. A copy also shall be delivered to the Commission's Office of General Counsel and Divisions of Public Utility Regulation and Utility Accounting and Finance.