

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
AT RICHMOND, JULY 31, 2023

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APPLICATION OF

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VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2023-00105

For approval of a proposed update to the rates,  
terms, and conditions of a universal service fee to be  
paid by retail customers to fund the PIPP,  
and for expedited consideration

ORDER FOR NOTICE AND COMMENT

On July 11, 2023, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval of a proposed update to the rates, terms, and conditions of a universal service fee ("USF") to be paid by retail customers to fund the Percentage of Income Payment Program ("PIPP") program.

The PIPP was established as part of the 2020 Virginia Clean Economy Act ("VCEA") as a mechanism designed to limit the electric utility payments of persons or households participating in certain, specified public assistance programs, based upon a percentage of their income, for customers of Dominion and Appalachian Power Company ("APCo"). The General Assembly further addressed the PIPP, its funding, and implementation, as part of the 2021 legislative session with the passage of Chapter 308 of the 2021 Virginia Acts of Assembly, Special Session I ("Chapter 308"). Among other things, Chapter 308 updated eligibility to be based on income thresholds relative to the federal poverty level. A PIPP-eligible utility customer is defined as, "any person or household whose income does not exceed 150 percent of the federal poverty level."<sup>1</sup> Eligible participants in the PIPP are customers of Dominion and APCo.

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<sup>1</sup> Code § 56-576.

The Commission issued an order on July 29, 2021 in Case No. PUR-2020-00109 ("July 2021 Order") in the initial PIPP proceeding directing, among other things, that Dominion begin collecting the USF from statutorily designated customers to fund the estimated start-up costs that the Department of Social Services ("DSS") needed to establish the PIPP, calculate a USF on a per kWh basis to recover \$2.4 million on an annual basis, file tariffs reflecting such fee with the Commission, begin making payments to the state treasury to enable DSS to undertake the actions necessary to establish the PIPP, and defer its PIPP administrative costs and seek their recovery at a later date.<sup>2</sup>

Additionally, the July 2021 Order required the Company to submit certain reporting and filing requirements within 60 days after the DSS rules or guidelines are promulgated.<sup>3</sup> According to the Application, the DSS rules or guidelines were promulgated on June 26, 2023, and the Company has included information responsive to the Commission's reporting requirements.<sup>4</sup> Dominion asserts that the Company and DSS are working towards a launch of the PIPP application process in November 2023, with the program being active and payments beginning on December 1, 2023.<sup>5</sup>

Dominion proposes to collect \$72,674,635 from its customers in the Commonwealth to fund the PIPP, with \$64,345,594 being collected from Virginia jurisdictional customers.<sup>6</sup> The

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<sup>2</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing the rates, terms and conditions of a universal fee to be paid by the retail customers of the Virginia Electric and Power Company*, Case No. PUR-2020-00109, 2021 S.C.C. Ann. Rept. 229, Order (July 29, 2021).

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

<sup>4</sup> Application at i, 4-7. See [dss.virginia.gov/files/division/bp/ea/intro\\_page/manual/PIPP\\_Guidelines.pdf](https://dss.virginia.gov/files/division/bp/ea/intro_page/manual/PIPP_Guidelines.pdf)

<sup>5</sup> Application at i.

<sup>6</sup> Application at 8.

Company proposes an updated USF of \$0.000761 per kilowatt-hour ("kWh") to take effect on November 1, 2023.<sup>7</sup> For a typical residential customer using 1,000 kWh per month, the Company states that its proposed USF would result in an increase of approximately \$0.73 cents per month compared to the current USF of \$0.000027 per kWh.<sup>8</sup> Dominion's proposed rate year is November 1, 2023, through October 31, 2024. With the PIPP's start planned for December 2023, the Company proposes a rate effective date of the updated USF of November 1, 2023, so that funding within the PIPP Treasury Fund is immediately available for program activities upon launch.<sup>9</sup> To support this effective date, the Company requests the Commission give expedited consideration to its Application and issue a final order by October 15, 2023.<sup>10</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; that Dominion should provide public notice of its Application; that interested persons should be afforded an opportunity to file comments on the Company's Application and request a hearing; and that the Commission Staff ("Staff") should investigate the Application and file a report containing the Staff's findings and recommendations.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2023-00105.
- (2) All pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by Rule 5 VAC 5-20-150, *Copies and*

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

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

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

*format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice").<sup>11</sup>

Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

(4) As provided by Code § 12.1-31 and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters and motions *pro hac vice* that arise during the course of this proceeding.

(5) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company, Lisa R. Crabtree, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, Richmond, Virginia 23219, or [lisa.r.crabtree@dominionenergy.com](mailto:lisa.r.crabtree@dominionenergy.com). Interested persons also may download unofficial copies from the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

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<sup>11</sup> 5 VAC 5-10-20 *et seq.*

(6) On or before August 17, 2023, the Company shall cause the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's Virginia service territory:

NOTICE TO THE PUBLIC OF AN APPLICATION BY  
VIRGINIA ELECTRIC AND POWER COMPANY  
FOR APPROVAL OF A PROPOSED UPDATE TO THE RATES,  
TERMS, AND CONDITIONS OF A UNIVERSAL SERVICE  
FEE TO BE PAID BY RETAIL CUSTOMERS TO FUND THE  
PIPP, AND FOR EXPEDITED CONSIDERATION  
CASE NO. PUR-2023-00105

On July 11, 2023, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a proposed update to the rates, terms, and conditions of a universal service fee ("USF") to be paid by retail customers to fund the Percentage of Income Payment Program ("PIPP") program.

The PIPP was established as part of the 2020 Virginia Clean Economy Act ("VCEA") as a mechanism designed to limit the electric utility payments of persons or households participating in certain, specified public assistance programs, based upon a percentage of their income, for customers of Dominion and Appalachian Power Company ("APCo"). The General Assembly further addressed the PIPP, its funding, and implementation, as part of the 2021 legislative session with the passage of Chapter 308 of the 2021 Virginia Acts of Assembly, Special Session I ("Chapter 308"). Among other things, Chapter 308 updated eligibility to be based on income thresholds relative to the federal poverty level. A PIPP-eligible utility customer is defined as, "any person or household whose income does not exceed 150 percent of the federal poverty level." Eligible participants in the PIPP are customers of Dominion and APCo.

The Commission issued an order on July 29, 2021 in Case No. PUR-2020-00109 ("July 2021 Order") in the initial PIPP proceeding directing, among other things, that Dominion begin collecting the USF from statutorily designated customers to fund the estimated start-up costs that the Department of Social Services ("DSS") needed to establish the PIPP, calculate a USF on a per kWh basis to recover \$2.4 million on an annual basis, file tariffs reflecting such fee with the Commission, begin making payments

to the state treasury to enable DSS to undertake the actions necessary to establish the PIPP, and defer its PIPP administrative costs and seek their recovery at a later date.

Additionally, the July 2021 Order required the Company to submit certain reporting and filing requirements within 60 days after the DSS rules or guidelines are promulgated. According to the Application, the DSS rules or guidelines were promulgated on June 26, 2023, and the Company has included information responsive to the Commission's reporting requirements. Dominion asserts that the Company and DSS are working towards a launch of the PIPP application process in November 2023, with the program being active and payments beginning on December 1, 2023. The Company requests the Commission give expedited consideration to its Application and issue a final order by October 15, 2023.

Dominion proposes to collect \$72,674,635 from its customers in the Commonwealth to fund the PIPP, with \$64,345,594 being collected from Virginia jurisdictional customers. The Company proposes an updated USF of \$0.000761 per kilowatt-hour ("kWh") to take effect on November 1, 2023. For a typical residential customer using 1,000 kWh per month, the Company states that its proposed USF would result in an increase of approximately \$0.73 cents per month compared to the current USF of \$0.000027 per kWh. Dominion's proposed rate year is November 1, 2023, through October 31, 2024. With the PIPP's start planned for December 2023, the Company proposes a rate effective date of the updated USF of November 1, 2023, so that funding within the PIPP Treasury Fund is immediately available for program activities upon launch. To support this effective date, the Company requests the Commission give expedited consideration to its Application and issue a final order by October 15, 2023.

Further details are set forth in the Company's Application and supporting exhibits, and interested persons are encouraged to review these documents. TAKE NOTICE: At the proposed rate of \$0.000761 per kWh to recover approximately \$72 million annually in universal service fees from Dominion customers, a residential customer using 1,000 kWh of electricity per month would experience a monthly bill increase of approximately \$0.73. The amount of the fee, as well as the timing of its implementation, are matters under review in this proceeding. The universal fee ultimately approved by the Commission in this docket may be higher or lower than the previously set fee subject to a statutory cap. Under Chapter 308, the cap on the annual cost of

PIPP-related programs, including administrative costs, is \$100 million for Dominion, which, if approved, would result in a residential customer using 1,000 kWh of electricity per month experiencing a monthly bill increase of approximately \$1.02.

The Commission entered an Order for Notice and Comment that, among other things, directed the Company to provide notice to the public and provided interested persons an opportunity to comment on the Company's Application, to file a notice of participation and to request a hearing in this matter.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission has directed that service on parties and the Commission's Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's Order for Notice and Comment for further instructions concerning Confidential or Extraordinarily Sensitive Information.

An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company, Lisa R. Crabtree, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, Richmond, Virginia 23219, or [lisa.r.crabtree@dominionenergy.com](mailto:lisa.r.crabtree@dominionenergy.com).

On or before September 1, 2023, any interested person may file comments on the Application by following the instructions on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://scc.virginia.gov/casecomments/Submit-Public-Comments) or by filing such comments with the Clerk of the State Corporation Commission c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2023-00105.

On or before September 1, 2023, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at the address above or at [scc.virginia.gov/clk/efiling](http://scc.virginia.gov/clk/efiling). Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the 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-2023-00105.

On or before September 1, 2023, any interested person may file a written request for a hearing with the Clerk of the Commission at the address above or at [scc.virginia.gov/clk/efiling](http://scc.virginia.gov/clk/efiling), and the interested person simultaneously shall serve a copy of the hearing request on counsel to the Company. Requests for a hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All requests for a hearing shall refer to Case No. PUR-2023-00105.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Comment, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice.

The Company's Application, the public version of other documents filed in this case, the Commission's Rules of Practice, and the Commission's Order for Notice and Comment, may be viewed at: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

#### VIRGINIA ELECTRIC AND POWER COMPANY

(7) On or before August 17, 2023, the Company shall serve a copy of this Order for Notice and Comment on the following local 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 electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.



(8) On or before September 1, 2023, the Company shall file proof of the notice and service required by Ordering Paragraphs (6) and (7), including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the Commission by filing electronically at [scc.virginia.gov/clk/efiling/](http://scc.virginia.gov/clk/efiling/).

(9) On or before September 1, 2023, any interested person may file written comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://scc.virginia.gov/casecomments/Submit-Public-Comments). Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2023-00105.

(10) On or before September 1, 2023, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at [scc.virginia.gov/clk/efiling](http://scc.virginia.gov/clk/efiling). Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (9). Such notice of participation shall include the email addresses of such parties or their counsel, if available. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 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-2023-00105.

(11) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of its Application and supporting materials on the respondent, unless these materials already have been provided to the respondent.

(12) On or before September 1, 2023, any interested person may file a written request for a hearing at [scc.virginia.gov/clk/efiling](http://scc.virginia.gov/clk/efiling). Those unable, as a practical matter, to file the hearing request electronically may file such a request by U.S. mail to the Clerk of the Commission at the address in Ordering Paragraph (9). Requests for hearing must include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. The interested person simultaneously shall serve a copy of the hearing request on counsel to the Company. All requests for a hearing shall refer to Case No. PUR-2023-00105.

(13) Dominion shall file a response to any request for hearing filed in this matter on or before September 8, 2023.

(14) The Staff shall investigate the Application. On or before September 8, 2023, the Staff shall file with the Clerk of the Commission a report containing its findings and recommendations and simultaneously shall serve a copy of the same on counsel to the Company and all respondents.

(15) On or before September 15, 2023, Dominion may file a response to the Staff's report and comments filed in this matter. The Company simultaneously shall serve a copy of its response on the Staff and all respondents.

(16) Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified herein, all

filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(17) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories to parties 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 five (5) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, 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 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>12</sup> Except as modified herein, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(18) This matter is continued.

Commissioner Patricia L. West participated in this matter.

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.

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<sup>12</sup> The assigned Staff attorney is identified on the Commission's website, [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information), by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2023-00105 in the appropriate box.