

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 30, 2024

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APPLICATION OF

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

CASE NO. PUR-2024-00052

For an adjustment of electric base rates

ORDER FOR NOTICE AND HEARING

On April 30, 2024, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") requesting authority to adjust its electric base rates pursuant to Chapter 10 of Title 56 of the Code of Virginia ("Code")¹ and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities.²

KU/ODP seeks an increase in base rates to produce an increase in revenues in the amount of approximately \$9.4 million, which is a 12.7% increase in its total operating revenues, including fuel.³ The Company indicates that this rate request is based on a 10.50% return on common equity.⁴ Additionally, KU/ODP proposes to increase its basic service charge for residential service.⁵ Specifically, for residential customers, the Company proposes a basic

¹ Code § 56-232 *et seq.*

² 20 VAC 5-204-5 *et seq.*

³ Application at 1.

⁴ *Id.* at 2.

⁵ Direct Testimony of Robert M. Conroy ("Conroy Direct") at 16.

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service charge of \$15.00 per month, which is a \$3.00 increase to the Company's current \$12.00 basic service charge for residential service.⁶

If KU/ODP's proposed rate increase is approved, the impact on customer bills would depend on the customer's rate schedule and usage. According to the Company, the proposed increase would raise the monthly bill of a residential customer using 1,000 kilowatt hours per month by \$19.46, from \$139.03 to \$158.49, an increase of 14%.⁷

The Application also includes proposed revisions to the Company's tariffs, including new time of day rates for residential and general service customers and a new outdoor sports lighting rate schedule.⁸ KU/ODP also proposes to increase: (i) the monthly meter pulse charge from \$21.00 to \$22.00; (ii) the disconnect/reconnect charge from \$37.00 to \$53.00; and (iii) the meter test charge from \$79.00 to \$81.00.⁹ The Company proposes changes to the various unauthorized reconnection charges and text changes to reflect that all replacement meters will be AMI meters.¹⁰

KU/ODP includes in its Application a request for the Commission to extend the authority granted in Case No. PUR-2020-00110.¹¹ The Company states that while it received authorization from the Commission to replace certain wood structures with galvanized steel

⁶ *Id.*

⁷ *Id.* at 19; Application at Schedule 43.

⁸ Conroy Direct at 8, 20; Direct Testimony of Michael E. Hornung ("Hornung Direct") at 2-12.

⁹ Conroy Direct at 20; Hornung Direct at 10.

¹⁰ Conroy Direct at 20; Hornung Direct at 10.

¹¹ Application at 11-12. *See Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For approval and certification of electric transmission facilities under Va. Code § 56-46.1 and the Utility Facilities Act, Va. Code § 56-265.1 et seq.*, Case No. PUR-2020-00110, 2022 S.C.C. Ann. Rept. 203, Order Granting Motion for Extension of Construction and In-Service Date (Aug. 30, 2022).

structures on three separate 161 kV transmission circuits within existing right-of-way ("Rebuild Project"), the work has not been completed due to permitting issues.¹² Accordingly, KU/ODP is requesting an extension of time, through June 30, 2026, to complete and energize the Dorchester – Pocket North line component of the Rebuild Project.¹³

The Company also requests the Commission issue a declaratory order that approval under Code § 56-89 is not necessary to sell five minor vacant properties owned by the Company, or alternatively, grant authority to dispose of these properties at some future point in time.¹⁴

KU/ODP further requests to be relieved of an annual reporting requirement arising from the transfer of ownership approved by the Commission in Case No. PUE-2010-00060.¹⁵ The Company states that the reporting requirement is no longer necessary.¹⁶

Lastly, on May 1, 2024, KU/ODP filed a Motion for Entry of a Protective Ruling ("Motion").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that KU/ODP should provide public notice of its Application; a hearing should be scheduled for the purpose of receiving testimony and evidence on the Application; a procedural schedule should be established to allow interested persons to file comments on the Company's Application or to participate in this proceeding as a respondent; and the Staff of the Commission ("Staff")

¹² Application at 12.

¹³ *Id.*

¹⁴ *Id.* at 12-13.

¹⁵ *Id.* at 13. See *Joint Petition of PPL Corporation, E.ON AG, E.ON US Investments Corp., E.ON US LLC, and Kentucky Utilities Company d/b/a Old Dominion Power Company, For approval of transfer of ownership and control*, Case No. PUE-2010-00060, 2010 S.C.C. Ann. Rept. 534, Final Order (Oct. 19, 2010).

¹⁶ Application at 13.

should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. We further find that KU/ODP's proposed changes in rates, tolls, charges, rules, and regulations should be suspended until the Commission's final order in this proceeding. Finally, we 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 Motion and filing a final report containing the Hearing Examiner's findings and recommendations.

To promote administrative efficiency and timely service of filings upon participants, the Commission will, among other things, direct the electronic filing of testimony and pleadings unless they contain confidential information, and require electronic service on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2024-00052.

(2) The Company's proposed changes in rates, tolls, charges, rules, and regulations are suspended pursuant to Code § 56-238 until the Commission's final order in this proceeding.

(3) All pleadings in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice").¹⁷ 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.

¹⁷ 5 VAC 5-20-10 *et seq.*

(4) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission directs that service on parties and Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and 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 Staff is impeded from preparing its case.

(5) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission. A copy of each such filing made with the Office of the Clerk in this matter shall also be sent electronically to the Office of the Hearing Examiners.¹⁸

(6) The Commission hereby schedules a telephonic hearing for the receipt of testimony from public witnesses on the Company's Application, as follows:

- (a) A hearing for the receipt of testimony from public witnesses on the Company's Application shall be convened telephonically at 10 a.m. on November 13, 2024.
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before November 6, 2024, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141.

¹⁸ Such electronic copies shall be sent to: OHEParalegals@scc.virginia.gov.

(d) Beginning at 10 a.m. on November 13, 2024, the Commission will telephone sequentially each person who has signed up to testify as provided above.

(e) This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

(7) A public evidentiary hearing on the Application shall be convened at 10 a.m. on November 13, 2024, or at the conclusion of the public witness portion of the hearing, whichever is later, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony and evidence offered by the Company, respondents, and Staff on the Application.

(8) An electronic copy of the public version of the Company's Application may be obtained by submitting a written request to counsel for the Company, Kendrick R. Riggs, Esquire, Stoll Keenon Ogden PLLC, 500 West Jefferson Street, Suite 2000, Louisville, Kentucky 40202-2828, or kendrick.riggs@skofirm.com. Interested persons also may download unofficial copies of the public version of the Application and other documents filed in this case from the Commission's website: scc.virginia.gov/pages/Case-Information.

(9) On or before June 21, 2024, 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 service territory in Virginia:

NOTICE TO THE PUBLIC OF AN
APPLICATION BY KENTUCKY UTILITIES COMPANY
D/B/A OLD DOMINION POWER COMPANY
FOR AN ADJUSTMENT OF ELECTRIC BASE RATES
CASE NO. PUR-2024-00052

On April 30, 2024, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") requesting authority to adjust its electric base rates pursuant to Chapter 10 of Title 56 of the Code of

Virginia ("Code") and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities.

KU/ODP seeks an increase in base rates to produce an increase in revenues in the amount of approximately \$9.4 million, which is a 12.7% increase in its total operating revenues, including fuel. The Company indicates that this rate request is based on a 10.50% return on common equity. Additionally, KU/ODP proposes to increase its basic service charge for residential service. Specifically, for residential customers, the Company proposes a basic service charge of \$15.00 per month, which is a \$3.00 increase to the Company's current \$12.00 basic service charge for residential service.

If KU/ODP's proposed rate increase is approved, the impact on customer bills would depend on the customer's rate schedule and usage. According to the Company, the proposed increase would raise the monthly bill of a residential customer using 1,000 kilowatt hours per month by \$19.46, from \$139.03 to \$158.49, an increase of 14%.

The Application also includes proposed revisions to the Company's tariffs, including new time of day rates for residential and general service customers and a new outdoor sports lighting rate schedule. KU/ODP also proposes to increase: (i) the monthly meter pulse charge from \$21.00 to \$22.00; (ii) the disconnect/reconnect charge from \$37.00 to \$53.00; and (iii) the meter test charge from \$79.00 to \$81.00. The Company proposes changes to the various unauthorized reconnection charges and text changes to reflect that all replacement meters will be AMI meters.

KU/ODP includes in its Application a request for the Commission to extend the authority granted in Case No. PUR-2020-00110. The Company states that while it received authorization from the Commission to replace certain wood structures with galvanized steel structures on three separate 161 kV transmission circuits within existing right-of-way ("Rebuild Project") the work has not been completed due to permitting issues. Accordingly, KU/ODP is requesting an extension of time, through June 30, 2026, to complete and energize the Dorchester – Pocket North line component of the Rebuild Project.

The Company also requests the Commission issue a declaratory order that approval under Code § 56-89 is not necessary to sell five minor vacant properties owned by the

Company, or alternatively, grant authority to dispose of these properties at some future point in time.

KU/ODP further requests to be relieved of an annual reporting requirement arising from the transfer of ownership approved by the Commission in Case No. PUE-2010-00060. The Company states that the reporting requirement is no longer necessary.

The Commission has suspended implementation of the proposed revisions to the Company's rates, tolls, and charges until a final order is issued in this proceeding.

The foregoing is not an exhaustive list of all the proposals contained in the Company's Application. Interested persons are encouraged to review the Company's Application and supporting documents in full for details about these and other proposals.

TAKE NOTICE that the Commission may approve revenues and adopt rates, fees, charges, tariff revisions, and terms and conditions of service that differ from those appearing in the Company's Application and supporting documents and may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Company's Application and supporting documents.

The Commission entered an Order for Notice and Hearing that, among other things, scheduled public hearings on KU/ODP's Application. On November 13, 2024, at 10 a.m., a Hearing Examiner appointed by the Commission will hold a telephonic hearing for the purpose of receiving the testimony of public witnesses. On or before November 6, 2024, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

Beginning at 10 a.m. on November 13, 2024, the Hearing Examiner will telephone sequentially each person who has signed up to testify as provided above.

On November 13, 2024, at 10 a.m. or at the conclusion of the public witness portion of the hearing, whichever is later, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, a Hearing Examiner appointed by the Commission will convene a hearing to receive testimony and evidence offered by the Company, any respondents, and the Commission's Staff on the Company's Application.

To promote administrative efficiency and timely service of filings upon participants, the Commission has directed the electronic filing of testimony and pleadings, unless they contain confidential information, and required electronic service on parties to this proceeding.

An electronic copy of the public version of the Company's Application may be obtained by submitting a written request to counsel for the Company, Kendrick R. Riggs, Esquire, Stoll Keenon Ogden PLLC, 500 West Jefferson Street, Suite 2000, Louisville, Kentucky 40202-2828, or kendrick.riggs@skofirm.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

On or before November 6, 2024, any interested person may submit comments on the Application electronically by following the instructions on the Commission's website: 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 Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00052.

On or before August 9, 2024, 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: 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 above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. A copy of the notice of participation as a respondent also must be sent to counsel for the Company. Pursuant to 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 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2024-00052.

On or before September 6, 2024, each respondent may file with the Clerk of the Commission, at scc.virginia.gov/clk/efiling, any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address listed above. Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be sent to the Company, Staff, and all other respondents. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified herein, 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-2024-00052.

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

KENTUCKY UTILITIES COMPANY
D/B/A OLD DOMINION POWER COMPANY

(10) The Company shall serve each official listed in 20 VAC 5-204-10 J 1 as provided by 20 VAC 5-204-10 J 2.

(11) On or before July 17, 2024, the Company shall file proof of the notice and service required by Ordering Paragraphs (9) and (10), including the name, title, address, and electronic

mail address (if applicable) of each official served, with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, or by filing electronically at scc.virginia.gov/clk/efiling.

(12) On or before November 6, 2024, any interested person may submit written comments on the Application by following the instructions found on the Commission's website: 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 Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00052.

(13) On or before August 9, 2024, 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. 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 (12). Such notice of participation shall include the email addresses of such parties or their counsel, if available. The respondent shall send a copy of the notice of participation to 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-2024-00052.

(14) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve upon the respondent a copy of the Application and supporting materials, unless these materials already have been provided to the respondent.

(15) On or before September 6, 2024, each respondent may file with the Clerk of the Commission, at scc.virginia.gov/clk/efiling, any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (12). A copy of all testimony and exhibits shall be sent to the Company, Staff, and all other respondents. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified herein, including, but not limited to:

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-2024-00052.

(16) On or before October 1, 2024, Staff shall investigate the Application and file with the Clerk of the Commission its testimony and exhibits concerning the Application. Each Staff witness's testimony shall include a summary not to exceed one page. A copy thereof shall be sent to counsel to the Company and all respondents.

(17) On or before October 22, 2024, KU/ODP shall file with the Clerk of the Commission 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. The Company shall send a copy of its rebuttal testimony and exhibits to Staff and all respondents.

(18) 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 Rules of Practice.

(19) 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 seven (7) 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 Staff.¹⁹ Except as modified herein, discovery shall be in accordance with Part IV of the Rules of Practice, 5 VAC 5-20-240 *et seq.*

(20) This matter 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.

¹⁹ The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2024-00052 in the appropriate box.