

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 17, 2024

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APPLICATION OF

ROANOKE GAS COMPANY

CASE NO. PUR-2024-00098

For approval to implement an updated Rider RNG
and file the annual report required by Virginia
Code § 56-625 E and Enactment Clause 3

ORDER FOR NOTICE AND COMMENT

On May 30, 2024, Roanoke Gas Company ("Roanoke Gas" or "Company") filed an application to implement an updated Rider RNG and to file an associated report ("Application") with the State Corporation Commission ("Commission") pursuant to: (1) the Commission's Final Order in Case No. PUR-2023-00095;¹ (2) § 56-625 E of the Code of Virginia ("Code") and Enactment Clause 3 of the 2022 Va. Acts of Assembly, chs. 728 and 759; and (3) 20 VAC 5-205-10 of the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Gas Utilities ("Rate Case Rules").²

As described in the Application, Rider RNG pertains to the biogas supply infrastructure project consisting of a digester gas conditioning system, gas carrying pipe, and other necessary

¹ *Application of Roanoke Gas Company, For approval to implement an updated Rider RNG and file the annual report required by Code § 56-625 E and Enactment Clause 3, Case No. PUR-2023-00095, Doc. Con. Cen. No. 230910019, Final Order at 4 (Sept. 1, 2023).* While the Company's application was updated on June 4, 2024, the Commission considers the Company's initial May 30, 2024 filing compliant for purposes of satisfying the Commission's Final Order in Case No. PUR-2023-00095.

² Application at 1; 20 VAC 5-205-5 *et seq.* The Company filed an updated Application on June 4, 2024. Citations to the "Application" herein refer to the June 4, 2024, updated filing.

equipment to produce renewable natural gas ("RNG Facility") that was approved in Case No. PUR-2022-00125 and became operational in March 2023.³

In its Application, Roanoke Gas requests approval of a total revenue requirement of \$415,180 to be recovered from customers, through Rider RNG, over the period from October 1, 2024, through September 30, 2025 ("Rate Year").⁴ As proposed, the Rate Year revenue requirement consists of: a True-Up Factor credit of \$36,082 for the over-recovery of costs during the period from March 2023 through September 2023; an RNG Facility Projected Factor charge of \$1,557,502; and an RIN⁵ Credit Factor credit of \$1,106,241.⁶ As proposed in the Application, residential customer bills will contain a monthly charge of \$0.64 if the update to Rider RNG is approved.⁷ This represents a \$0.58 increase over the currently effective rate of \$0.06.⁸

Roanoke Gas further states that it has calculated the current reduction in methane and carbon dioxide equivalent emissions from the RNG Facility during its operation and is reporting

³ Application at 4. *Application of Roanoke Gas Company, For approval of a certificate of public convenience and necessity to construct, own and operate a digester gas conditioning system and for a rate adjustment clause designated Rider RNG and related tariff provisions pursuant to Chapters 10.1 and 30 of Title 56 of the Code of Virginia*, Case No. PUR-2022-00125, Doc Con. Cen. No. 230120022, Final Order (Jan. 23, 2023).

⁴ Application at 2; Application at Attachment 1, Schedule 10.

⁵ Renewable Identification Numbers.

⁶ Application at 2. Application at Attachment 1, Schedule 10.

⁷ Application at 2-3.

⁸ *Application of Roanoke Gas Company, For approval to implement an updated Rider RNG and file the annual report required by Code § 56-625 E and Enactment Clause 3*, Case No. PUR-2023-00095, Doc. Con. Cen. No. 230910019, Revised tariff sheets (Sept. 8, 2023).

such with this Application in accordance with Enactment Clause 3 of the 2022 Va. Acts of Assembly, chs. 728 and 759.⁹

Roanoke Gas states that it had been Roanoke Gas' understanding that Rule 20 VAC 5-205-10 A ("Rule 10 A") of the Rate Case Rules, which directs the Company to provide a notice of intent to file an application 60 days prior to the application filing date, and Rule 20 VAC 5-205-10 B 7 ("Rule 10 B 7"), which directs the Company to provide a written narrative describing how the proposal complies with the goals of the Environmental Justice Act, do not apply to the annual update proceedings under Code § 56-625 E, since the Company is not requesting approval of a biogas infrastructure project.¹⁰ However, in the event the Commission deems these new Rules applicable to this proceeding, Roanoke Gas requests a waiver.

Coincident with filing the Application, Roanoke Gas filed a Motion of Applicant for Entry of Protective Order ("Motion for Protective Order") seeking to maintain the confidentiality of certain information filed under seal in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-10 *et seq.*

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

⁹Application at 6.

¹⁰ *Id.* at 6-7.

Regarding the requested waivers, the Commission finds that such waivers should be granted in this instance.

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 as Case No. PUR-2024-00098.
- (2) 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. 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 Commission's 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 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters that arise during the course of this proceeding, including the Motion for Protective Order, and to rule on any motions *pro hac vice*. A copy of each filing relating to discovery matters and motions *pro hac vice* made with the Office of the Clerk in this matter shall also be sent electronically to the Office of the Hearing Examiners.¹¹

(5) On or before July 8, 2024, the Company shall cause a copy of 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 within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
ROANOKE GAS COMPANY FOR APPROVAL TO
IMPLEMENT AN UPDATED RIDER RNG AND FILE THE
ANNUAL REPORT REQUIRED BY VIRGINIA
CODE § 56-625 E AND ENACTMENT CLAUSE 3
CASE NO. PUR-2024-00098

On May 30, 2024, Roanoke Gas Company ("Roanoke Gas" or "Company") filed an application to implement an updated Rider RNG and to file an associated report ("Application") with the State Corporation Commission ("Commission") pursuant to: (1) the Commission's Final Order in Case No. PUR-2023-00095; (2) § 56-625 E of the Code of Virginia ("Code") and Enactment Clause 3 of the 2022 Va. Acts of Assembly, chs. 728 and 759; and (3) 20 VAC 5-205-10 of the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Gas Utilities.

As described in the Application, Rider RNG pertains to the biogas supply infrastructure project consisting of a digester gas conditioning system, gas carrying pipe, and other necessary equipment to produce renewable natural gas ("RNG Facility") that

¹¹ Such electronic copies shall be sent to OHEParalegals@scc.virginia.gov.

was approved in Case No. PUR-2022-00125 and became operational in March 2023.

In its Application, Roanoke Gas requests approval of a total revenue requirement of \$415,180 to be recovered from customers, through Rider RNG, over the period from October 1, 2024, through September 30, 2025 ("Rate Year"). As proposed, the Rate Year revenue requirement consists of: a True-Up Factor credit of \$36,082 for the over-recovery of costs during the period from March 2023 through September 2023; an RNG Facility Projected Factor charge of \$1,557,502; and an RIN Credit Factor credit of \$1,106,241. As proposed in the Application, residential customer bills will contain a monthly charge of \$0.64 if the update to Rider RNG is approved. This represents a \$0.58 increase over the currently effective rate of \$0.06.

Roanoke Gas further states that it has calculated the current reduction in methane and carbon dioxide equivalent emissions from the RNG Facility during its operation and is reporting such with this Application in accordance with Enactment Clause 3 of the 2022 Va. Acts of Assembly, chs. 128 and 759.

The details of these and other proposals are set forth in the Company's Application. Interested persons are encouraged to review the Company's Application and supporting exhibits for the details of these proposals.

TAKE NOTICE that the Commission may adopt rates 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 Application and supporting documents.

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 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 Application may be obtained, at no charge, by submitting a written request to counsel for the Company: Brian R. Greene, Esquire,

GreeneHurlocker, PLC, 4908 Monument Avenue, Suite 200, Richmond, Virginia 23230, or BGreene@GreeneHurlocker.com. Interested persons may also download unofficial copies of the public version of the Application and other documents from the Commission's website: scc.virginia.gov/pages/Case-Information.

On or before August 5, 2024, 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. 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 such comments shall refer to Case No. PUR-2024-00098.

On or before August 5, 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. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the 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-2024-00098. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Comment.

On or before August 5, 2024, any interested person may request that the Commission convene a hearing in this matter by filing a request for hearing electronically via scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address listed above. 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 filings shall refer to Case No. PUR-2024-00098.

A copy of any notices of participation and requests for hearing shall be sent to counsel for the Company.

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 Commission's Rules of Practice.

The Company's Application, 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.

ROANOKE GAS COMPANY

(6) On or before July 8, 2024, Roanoke Gas 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 Roanoke Gas provides service in the Commonwealth of Virginia: the chairman of the board of supervisors (or equivalent official) of each county; the mayor or manager (or equivalent official) of every city or 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.

(7) On or before August 5, 2024, Roanoke Gas shall file proof of the service required by Ordering Paragraphs (5) and (6) with the Clerk of the Commission.

(8) On or before August 5, 2024, any interested person may submit comments on the Application 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-2024-00098.

(9) On or before August 5, 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 in Ordering Paragraph (8). Such notice of participation shall include the email addresses of such parties or their counsel, if available. 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-2024-00098.

(10) On or before August 5, 2024, any interested person or entity may file a request that the Commission convene a hearing on the Company's Application, with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (8). Such request for hearing shall include the email addresses of such parties or their counsel, if available. 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. All such filings shall refer to Case No. PUR-2024-00098.

(11) A copy of each request for hearing and notice of participation shall be sent to counsel for the Company: Brian R. Greene, Esquire, GreeneHurlocker, PLC, 4908 Monument Avenue, Suite 200, Richmond, Virginia 23230, or BGreene@GreeneHurlocker.com.

(12) The Staff shall investigate the Application. On or before August 5, 2024, the Staff shall file with the Clerk of the Commission a Staff Report containing its findings and recommendations and promptly serve a copy of the Staff Report on counsel to the Company and any respondents.

(13) On or before August 19, 2024, Roanoke Gas shall file with the Clerk of the Commission any response to the Staff Report and to any requests for hearing and comments filed by interested persons in this proceeding.

(14) 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.

(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 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.¹² 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.*

(16) The Company's requested waivers are granted as set forth herein.

(17) 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.

¹² 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-2024-00098 in the appropriate box.