

# LEGAL NOTICE

## NOTICE TO THE PUBLIC OF AN APPLICATION BY COLUMBIA GAS OF VIRGINIA, INC., FOR AUTHORITY TO INCREASE RATES AND CHARGES AND TO REVISE THE TERMS AND CONDITIONS APPLICABLE TO GAS SERVICE CASE NO. PUR-2024-00030

On April 29, 2024, Columbia Gas of Virginia, Inc. ("CVA" or "Company"), filed an application with the State Corporation Commission ("Commission"), 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 Gas Utilities, requesting authority to increase its rates and charges, effective for the first billing unit of October 2024, and to revise the terms and conditions applicable to gas service ("Application"). In its Application, CVA states that the proposed rates and charges are designed to increase the non-gas base revenues of CVA by approximately \$52.6 million per year. CVA further states that this revenue increase includes approximately \$15.4 million of revenues associated with investments under the Company's Steps to Advance Virginia's Energy ("SAVE") Plan pursuant to Code § 56-603 *et seq.* (the "SAVE Act"). The Company states that it is proposing to include recovery of the costs associated with approximately \$129 million of net rate base SAVE investments as of September 30, 2024, in base rates, as permitted under the SAVE Act. The Company represents that it was last authorized to increase its rates and charges effective October 2022 in Case No. PUR-2022-00036 ("2022 Rate Case").

CVA states that the earnings test analysis of the Company's jurisdictional operations during the 12 months ending December 31, 2023 ("Test Year"), after limited accounting adjustments, shows a return on equity ("ROE") of 8.08%, which is below the authorized earnings test ROE of 9.70%. CVA states that, in addition to these under-earnings, the increase in base rates proposed by CVA in this Application is driven primarily by the Company's ongoing capital investments to accommodate pipeline and facility safety and modernization and to accommodate sustained demand for natural gas. CVA further represents that, since the 2022 Rate Case, the Company has continued to enhance pipeline safety and reliability through its safety management system approach by identifying, prioritizing, and reducing risks. The Company states that significant Distribution Integrity Management Plan ("DIMP") initiatives are currently underway and are expected to continue in the 12 months ending September 30, 2025. The Company requests approval of the annual amount of eligible safety activity costs of \$5.9 million necessary for the DIMP.

In its Application, the Company proposes an ROE of 10.85%, which it asserts falls at the midpoint of the proposed cost of equity range for CVA of 10.35% and 11.35%. CVA represents that its proposed rates will result in an increase of approximately 11.68%, inclusive of SAVE recovery, to the typical monthly bill for a residential customer using 5.1 dekatherms. The Company states that the average monthly bill of a residential customer using 5.1 dekatherms will increase from approximately \$76.26 to approximately \$85.17. The Company states that, for small general service ("SGS") customers, the typical monthly bill based on average usage will increase by approximately 13.10% for SGS<sub>1</sub> customers, 9.02% for SGS<sub>2</sub> customers, and 6.30% for SGS<sub>3</sub> customers.

The Company also proposes modifications to its currently effective Rate Schedules, General Terms and Conditions, and Form of Service Agreements (collectively, "Tariff"). The Company states that the proposed substantive modifications to the Tariff include: (a) revisions to Rate Schedule CSPA – Competitive Service Provider Service; (b) modification to the definition of Purchased Gas; and (c) modification to the Supplier Refund Process.

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

TAKE NOTICE that the Commission may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents and thus may adopt rates that differ from those appearing in the Company's Application and supporting documents.

The Commission entered an Order for Notice and Hearing in this proceeding that, among other things, scheduled a public hearing on CVA's Application. The Commission noted that the proposed revenue requirement, if approved, would result in an increase to customer bills. Pursuant to Code § 56-238, the Commission suspended CVA's proposed rates for a period of 150 days, the maximum allowed by law, and permitted CVA to implement the proposed rate increase and revisions to the Tariff on an interim basis, subject to refund with interest, on and after the first billing unit in October 2024.

On December 10, 2024, at 10 a.m., the Hearing Examiner assigned will hold the telephonic portion of the hearing for the purpose of receiving the testimony of public witnesses. On or before December 4, 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](https://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](https://scc.virginia.gov/pages/Webcasting).

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

On December 10, 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, the Hearing Examiner will convene a hearing to receive testimony and evidence related to the Application from the Company, any respondents, and the Commission Staff.

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 also may be obtained by submitting a written request to counsel for the Company: Vishwa B. Link, Esq., McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or [vlink@mcguirewoods.com](mailto:vlink@mcguirewoods.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](https://scc.virginia.gov/pages/Case-Information).

On or before December 4, 2024, any interested person may submit comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](https://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 with 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-2024-00030.

On or before September 18, 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](https://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. 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 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-2024-00030.

On or before October 16, 2024, each respondent may file with the Clerk of the Commission, at [scc.virginia.gov/clk/efiling](https://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 served on the Commission's Staff, the Company, and all other respondents simultaneously with its filing. 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-2024-00030.

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, the Commission's Rules of Practice, the Order for Notice and Hearing, and other documents filed in this case may be viewed on the Commission's website at: [scc.virginia.gov/pages/Case-Information](https://scc.virginia.gov/pages/Case-Information).