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For Executive Review: 12/08/21

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

APPLICATION OF	)	
	)	
VIRGINIA ELECTRIC AND POWER COMPANY	)	
	)	Case No. PUR-2021-00247
For approval of its 2021 DSM Update	)	
pursuant to § 56-585.1 A 5 of the Code of Virginia	)	

APPLICATION

Virginia Electric and Power Company ("Dominion Energy Virginia" or the "Company"), by counsel, hereby files and requests approval of its 2021 Demand-Side Management update ("2021 DSM Update"). This 2021 DSM Update is filed pursuant to § 56-585.1 A 5 ("Subsection A 5") of the Code of Virginia ("Va. Code"), Rules 10 (20 VAC 5-204-10) and 60 (20 VAC 5-204-60) of the State Corporation Commission of Virginia's ("Commission") Rules Governing Utility Rate Case Applications and Annual Informational Filings of Investor-Owned Electric Utilities (20 VAC 5-204-10, *et seq.*) ("Rate Case Rules"), the Commission's Rules Governing Utility Promotional Allowances (20 VAC 5-303-10, *et seq.*) ("Promotional Allowances Rules"), the Commission's Rules Governing Cost/Benefit Measures Required for Demand Side Management Programs (Rules 20 VAC 5-304-10, *et seq.*) ("Cost/Benefit Rules"), the Commission's Rules Governing the Evaluation Measurement and Verification of the Effects of Utility-Sponsored Demand-Side Management Programs (20 VAC 5-318-10, *et seq.*) ("EM&V Rules"), and the directive contained in Ordering Paragraph (4) of the Commission's September 7, 2021 Final Order ("2020 DSM Update Final Order") in Case No. PUR-2020-00274[1] ("2020

[1] *Petition of Virginia Electric and Power Company, For approval of its 2020 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2020-00274, Final Order (Sept. 7, 2021).

DSM proceeding"). The 2021 DSM Update includes, among other things, the Company's requests for:

(i) Approval to implement new Demand-Side Management programs (individually, "DSM Program" or "Program" and collectively with other DSM Programs, the "DSM Portfolio" or "Portfolio") as the Company's "Phase X" Programs, including approval for additional funding and extension of existing DSM Programs;

(ii) Approval to increase funding for customer awareness and marketing to drive increased participation in the Company's DSM Programs; and

(iii) Annual update to continue rate adjustment clauses ("RACs"), designated Riders C1A, C2A, C3A, and C4A

(collectively, the "Application").

The Company further requests limited waiver of certain Rate Case Rules. Specifically, pursuant to Rule 10 E of the Rate Case Rules, 20 VAC 5-204-10 E, and for the reasons stated herein, the Company requests a limited waiver of the requirements of Rules 60 and 90 of the Rate Case Rules, 20 VAC 5-204-60 and 20 VAC 5-204-90, with respect to hard copies of certain Filing Schedule 46 materials as it relates to the provision of "economic analyses, contracts, studies, investigations, results from requests for proposals, cost benefit analyses . . . ," which are voluminous.

In support of the Company's 2021 DSM Update, the Company respectfully states the following:

I. BACKGROUND

1. Dominion Energy Virginia is a public service corporation organized under the

laws of the Commonwealth of Virginia, furnishing electric service to the public within its certificated service territory. The Company also supplies electric service to non-jurisdictional customers in Virginia and to the public and businesses in portions of North Carolina. Dominion Energy Virginia's electric system, consisting of facilities for generation, transmission, and distribution of electric energy, as well as associated facilities, is interconnected with the electric systems of neighboring utilities and is part of the interconnected network of electric systems serving the continental United States. The Company is engaged in the business of generating, transmitting, distributing, and selling electric power and energy to the public for compensation. The Company is also a public utility under the Federal Power Act, and certain of its operations are subject to the jurisdiction of the Federal Energy Regulatory Commission. The Company is an operating subsidiary of Dominion Energy, Inc. By reason of its operation in Virginia and North Carolina and its interconnections with other electric utilities, the Company engages in interstate commerce.

2. The Company's name and post office address are:

Virginia Electric and Power Company
120 Tredegar Street
Richmond, Virginia 23219

3. The names, post office addresses and telephone number of the attorneys for the Company are:

Paul E. Pfeffer
Audrey T. Bauhan
Lisa R. Crabtree
Dominion Energy Services, Inc.
120 Tredegar Street
Richmond, Virginia 23219
(804) 787-5607 (PEP)
(804) 819-2029 (ATB)
(804) 819-2612 (LRC)

Vishwa B. Link

Jontille D. Ray
April M. Jones
McGuireWoods LLP
Gateway Plaza
800 East Canal Street
Richmond, Virginia 23219
(804) 775-4330 (VBL)
(804) 804-775-1173 (JDR)
(804) 775-1042 (AMJ)

4. Since 2009, the Company has annually filed updates to its DSM Portfolio, including requests to implement new DSM Programs, continue or expand existing DSM Programs, and/or update cost information.

5. In its 2020 DSM Update Final Order, the Commission approved the Company's Phase IX petition to implement 11 new DSM Programs (which included a mixture of "energy efficiency" ("EE") DSM programs and "demand response" ("DR") DSM programs).[2] The Commission approved the Phase IX Programs for a period of five years, subject to future extensions as requested by the Company and granted by the Commission, with the exception of approving the HB 2789 (Solar Component) Program for a period of three years.[3]

6. The 2020 DSM Update Final Order also approved: (1) an extension of the Company's Phase II Non-residential Distributed Generation Program for additional two years; (2) expansion of the eligibility requirements proposed by the Company for its Phase VII and Phase VIII Non-residential Lighting Systems and Controls, Non-residential Heating and Cooling Efficiency, Non-residential Window Film, and Non-residential Small Manufacturing Programs; and (3) the Company's plan to retain the renewable energy certificates ("RECs") generated by the HB 2789 (Solar Component) Program for use in fulfilling the Company's renewable energy portfolio standards ("RPS") obligations. Finally, the Commission approved Riders C1A, C2A,

[2] 2020 DSM Update Final Order at 2-3, 9, 14.
[3] *Id.* at 2, 13-14.

C3A, and C4A effective for usage on and after October 1, 2021.[4] The Commission directed the Company to file its next DSM update "no later than January 3, 2022."[5]

7. Lastly, in the 2020 DSM Update Final Order, the Commission directed the Company to comply with, among other things, the following requirements applicable to this instant filing:

- Present a long-term plan ("LTP") to comply with the total energy savings targets in the Virginia Clean Economy Act ("VCEA") and investment levels in the Grid Transformation and Security Act ("GTSA");[6]

- Provide an exhibit measuring the Company's actual and projected compliance or noncompliance with the total energy savings requirements in Va. Code § 56-596.2, using both net and gross savings metrics;

- Provide the most current results of the Company's investigation (and implementation, if appropriate) of opportunities to streamline its audit programs going forward;

- Provide information reflecting how EM&V plans are developed in conjunction with DSM program design rather than after such DSM programs are implemented;

- Provide with its next DSM filing a chart that summarizes the following for all active programs through the end of the True-up period: (i) total incentives; (ii) incentive cost per participant; (iii) non-incentive cost per participant; (iv) margin cost per participant; (v) total cost per participant; and (vi) the percentage of margin and non-incentive costs in relation to total costs;

- Provide detailed supporting cost information for the measures included in its IAQ Programs going forward; and

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[4] *Id.* at Ordering Paragraph (3).
[5] *Id.* at Ordering Paragraph (4).
[6] As directed by the 2020 DSM Update Final Order and Preliminary Order, the Company's LTP shall address the following requirements: (i) proposed Program savings and budgets for the five-year period beginning January 1, 2022, sufficient to comply with the total energy savings targets in the VCEA and investment levels in the GTSA; (ii) a proposed plan and framework for consolidating, streamlining, and marketing the public-facing aspects of the Company's approved and proposed DSM Programs to facilitate participation at the levels required to achieve the VCEA targets; and (iii) a detailed project management plan and risk management strategy demonstrating that the Company has identified and planned for deployment of the resources required to implement its revised Programs. This strategic plan shall reflect short-term, medium-term, and long-term recommendations for improvement of the Company's DSM Portfolio.

- Calculate return on equity ("ROE") only for purposes of the True-Up and do not include margin as part of the calculation for the Projected Cost Recovery Factor; exclude margin for Company's operations and maintenance ("O&M") costs until the Commission determines the Company has met its annual energy efficiency standards and margin will be applied as part of the future true-up.

8. On October 18, 2021, the Commission issued a Preliminary Order in this instant proceeding directing the Company to note the specific location or locations within the DSM Application of the information and analyses required from the 2020 DSM Update Final Order and reiterated its request, at minimum, for the following specific information in the Company's 2021 DSM Update: (i) the Company's proposed long-term-plan that measures the Company's compliance with the total energy savings targets in the VCEA and investment levels in the GTSA, using both a net savings metric and a gross savings metric; (ii) an exhibit measuring actual and projected compliance or noncompliance with total energy savings requirements; and (iii) the Company's results of its efforts to streamline its audit programs. Please see the Application Filing Index attached hereto as Attachment 1 for the specific location of, among other things, the aforementioned information requested from the Commission and other pertinent components of the Company's 2021 DSM Update.

9. On October 27, 2021, the Commission issued its Final Order in the Evaluation, Measurement, and Verification ("EM&V") proceeding in Case No. PUR-2020-00156 ("EM&V Final Order"). The Commission initiated the EM&V proceeding to determine, among other things, the baseline for each of the Company's currently active DSM Programs, and for each measure within programs that contain multiple DSM measures, as well as the basis for measuring energy savings related to each program and measure. In its EM&V Final Order, the Commission directed the Company to comply with, among other things, the following requirements applicable to this instant filing:

- Provide an executive summary dashboard in the December filing and in May with the EM&V Report, which will present a summary of the Company's 2020 DSM Portfolio performance;

- Provide a sample data chart for existing and proposed programs, which will present a mix of verified persistent savings and projections for future years; and

- File the EM&V Report in the Company's December DSM filing (in electronic form for the December filing) and in May of the docket of the prior complete DSM update case.

II. LEGISLATIVE UPDATE

10. The VCEA became effective on July 1, 2020, and contains several provisions amending the laws related to DSM programs. According to Subsection A 5 c of the VCEA, a petition for energy efficiency programs shall include a "proposed budget for the design, implementation, and operation of the energy efficiency program, including anticipated savings from and spending on each program, and the Commission shall grant a final order on such petitions within eight months of initial filing." This Subsection also includes provisions that the Commission shall allow a margin for recovery on operating expenses for energy efficiency programs until January 1, 2022, after which a margin is dependent on what the Company has proposed, what the Commission has approved, and whether the Company has met its total annual savings targets. Within this Subsection, the VCEA also repealed the opportunity to seek lost revenues through RACs.

11. Va. Code § 56-596.2 further directs that at least 15% of costs be for programs designed to benefit low-income and elderly, disabled individuals, or veterans.

12. The VCEA, through Va. Code § 56-596.2, also specifies total annual energy savings targets, starting in year 2022 through 2025, with savings targets to be set by the Commission thereafter.

13. Additionally, the VCEA modified which customers are eligible to participate in and required to pay for costs associated with energy efficiency programs, by removing the automatic exemption under Subsection A 5 c for large commercial and industrial customers. More specifically, the VCEA redefined a Large General Service Customer ("LGS") as a customer that has a verifiable history of having used more than one megawatt ("MW") of demand from a single site and directed the Commission to establish a qualification and opt-out process for eligible LGS Customers that implement energy efficiency measures at their own expense. Now, the VCEA allows LGS Customers to opt-out and request an exemption from the energy efficiency requirements provided for in Subsection A 5. The Commission initiated rulemaking pursuant to this change in law in Case No. PUR-2020-00172. On January 29, 2021, the Commission issued its Order Adopting Regulations, which adopted rules governing the exemption process and exemption for LGS Customers (20 VAC 5-350-10, *et seq*). Through this process, LGS Customers requesting an exemption must submit notices of nonparticipation by March 1 of each year, and the Company, in turn, must accept or reject the notices.

14. Lastly, the VCEA through Va. Code § 56-596.2 expanded the scope of the stakeholder group to include feedback and input on (i) the development of energy efficiency programs and portfolios of programs; (ii) compliance with total annual energy savings targets and effect on integrated resource plans; (iii) recommended policy reforms to ensure maximum and cost-effective energy efficiency; and (iv) best practices for EM&V services. Section 56-596.2 also requires a utility to use a third party evaluator to perform EM&V on total annual savings targets, and requires a third party evaluator to provide reports on its findings concurrently to the Commission and the utility.

III. PROPOSED PHASE X PROGRAMS

15. In this proceeding, the Company seeks approval of the following new Phase X Programs, which include EE DSM Programs, as this term is defined by Va. Code § 56-576:

- Residential Income and Age Qualifying Home Energy Report (EE)
- Non-residential Income and Age Qualifying Program for Health Care and Rental Property Owners (EE)
- Small Business Behavioral (EE)
- Non-residential Data Centers and Server Rooms (EE)
- Non-residential Health Care (EE)
- Non-residential Hotel and Lodging (EE)
- Voltage Optimization (EE)
- Enhancement of the Residential Income and Age Qualifying Home Improvement (EE)
- Extension of the Non-residential Lighting Systems & Controls Program (EE).

The direct testimony and schedules of Company Witnesses Michael T. Hubbard and Robert S. Wright, Jr. provide details regarding these Programs and the measures included therewith, as well as the projected participation and energy and demand savings.

16. The Company seeks approval of the Enhancement of the Residential Income and Age Qualifying Home Improvement (EE), as noted in the list above. Specifically, the Company proposes an enhancement to the recently approved Phase IX Residential Income and Age Qualifying Home Improvement Program. The enhancement proposed in this proceeding incorporates program measures that will allow the local weatherization service providers ("WSPs") to target and obtain deeper savings on qualifying residential dwellings.

17. The Company also seeks approval of the Extension of the Non-residential Lighting Systems & Controls Program (EE) referenced in the list above. The Company proposes an extension of the DSM Phase VII Non-residential Lighting Systems and Controls Program through an updated program design. The Program would provide non-residential customers with an incentive to implement more efficient lighting technologies that can produce verifiable savings. The Company notes that the Program measures and incentive levels are the same as in the approved DSM Phase VII Non-residential Lighting Systems & Controls Program.

18. In this filing, the Company also respectfully requests authorization to operate the Phase X DSM Programs, as well as all previously-approved DSM Programs without a predetermined closure date. The Phase X Programs would begin operation at the beginning of 2023. Elimination of Program predetermined end dates will be in the best interest of customers, would be an area of regulatory flexibility that will unlock additional energy efficiency savings, and support the future restructuring of the Company's DSM portfolio, as recommended in the DSM Long-Term Plan ("LTP" or "DSM LTP") created by Cadmus, the Company's third-party vendor hired to develop the DSM LTP. Please see the direct testimony of Company Witness Nathan J. Frost for details pertaining to the Company's request for authorization to operate the Phase X DSM Programs, as well as all previously-approved DSM Programs without a predetermined closure date. Moreover, Company Witness Terry M. Fry sponsors the Company's DSM LTP.

19. The proposed cost cap for the Phase X Programs in the aggregate is approximately $140 million. Information regarding the individual proposed cost caps for each Program, and the associated details, are provided by Company Witness Jarvis E. Bates. In this

DSM Update, the Company requests the ability to exceed the spending cap by no more than 15%.

20. The Company's Application, through the pre-filed direct testimony and exhibits of its witnesses and Filing Schedule 46, demonstrates that the Company's proposed Programs meet the guidelines specified in the Cost/Benefit Rules as well as the standards specified in the Promotional Allowances Rules. In accordance with the Cost/Benefit Rules, the Company has analyzed each of the proposed DSM Programs individually and as a portfolio, using the four required cost/benefit tests: the Participant Test, the Utility Cost Test, the Ratepayer Impact Measure Test, and the Total Resource Cost Test. The results of each of the tests are set forth in Company Witness Edmund Hall's pre-filed direct testimony and schedules.

IV. ADDITIONAL REQUESTS

A. Additional Funding for the Residential Efficiency Products Marketplace Programs

21. The Company seeks Commission approval of additional funding for the Company's Phase VII Residential Efficient Products Marketplace Program, which was approved for a five-year period in Case No. PUR-2018-00168. This Program continues to be high in demand, popular, and an important Program for the Company's residential customer class, with over 8 million energy efficiency measures (as of September 30, 2021) discounted as point-of-sale purchases within the Company's service territory. This Program is playing an important role in the Company's DSM Portfolio, and the savings being achieved are critical to the Company's path to reaching the energy efficiency savings targets set forth in the VCEA. Because of this Program's popularity, approximately 53% of the approved Program budget of $39.9 million has been spent. As such, the Company is seeking additional funds for the last two years of the Program approval period, years 2022 and 2023, to avoid slowing down participation or having to

wind down the Program earlier that the anticipated program end date. The increase in the cost cap will allow the Program to continue to operate throughout the initially planned five-year period and allow customers to continue to take advantage of the discounted energy efficiency measures that the Program offers.

B. Future Closure of the AC Cycling Program

22. The Company seeks approval for future closure of its AC Cycling Program, with the ability to continue to recover costs for program wind down through base rates through 2023. The Company received a two-year extension for this Program through March 31, 2023, pursuant to the Commission's Final Order in the Company's 2019 DSM Proceeding (Case No. PUR-2019-00201). The Company has evaluated the long-term strategy and usefulness of this Program and has determined that the Program has exhausted its operational program life and should close. As such, and for reasons further detailed in the pre-filed direct testimony of Company Witness Michael Hubbard, the Company plans to methodically wind down the Program and notify customers of the opportunity to participate in the Company's DSM Phase VII Residential Smart Thermostat DR Program as an alternative.

C. Funding for Increased Customer Awareness and Marketing

23. The Company seeks approval of increased funding for customer awareness and marketing, which would be a common cost to the DSM Portfolio. The Company is working with Cadmus, its consultant, to increase customer awareness of its DSM Programs by first developing a high level marketing strategy. Dominion Energy Virginia plans to invest $2.5 million annually (approximately 1.5% to 4% of the portfolio budget) over the years 2022-2026 in portfolio-level marketing. The requested marketing budget will be used to raise general customer awareness of its DSM programs with the help of a firm (or firms) that specialize(s) in DSM program customer awareness and outreach.

D. Approval of an Administrative Process

24. As set forth in the direct testimony of Company Witness Nathan J. Frost, the Company seeks approval of an administrative process by which to make modifications or adjustments to approved DSM Programs, in between annual update proceedings, when such amendments do not affect the approved Program cost. The Company proposes the administrative process to provide the flexibility needed to adjust to changing market conditions but still maintain the Commission's approval and cost caps.

E. Use of the Gross Savings Metric for VCEA Compliance

25. Lastly, the Company seeks Commission approval to use only the gross savings metric to measure the Company's actual and projected compliance or noncompliance with the total energy savings requirements in Va. Code§ 56-596.2, as recommended in the LTP.

V. APPROVAL OF UPDATED RIDERS C1A, C2A, C3A, AND C4A

A. Rate Year

26. The Company presents a rate year of September 1, 2022 through August 31, 2023, ("Rate Year") for the updated Riders C1A, C2A, C3A, and C4A.

B. Assignment and Allocation of Costs

27. The costs for the DSM Programs may be viewed primarily in two categories: direct (Program costs) and indirect (Common costs). The estimated Program costs include costs primarily based on signed vendor contracts for the approved Programs and estimated costs based on updated vendor pricing information for the proposed Phase X Programs. Costs that are part of the implementation of Programs that are not specifically associated with any individual DSM Program are Common costs and include certain customer communication costs, Energy Conservation department labor costs, dues and association costs, customer service, and external

vendor costs. The Company proposes to determine cost responsibility in the same manner as the Commission approved in the 2020 DSM proceeding. The approach for determining jurisdictional responsibility is first to assign Program costs to the jurisdiction based upon participation in the Programs, and second to allocate Common costs to the jurisdiction based on the jurisdiction's Program costs, both capital and expenses, compared to total Program costs for the system. Customer class responsibility is determined by allocating costs to the customer classes on the basis of an average and excess production demand factor. The pre-filed direct testimony of Company Witness Christopher C. Hewett addresses how Program costs and Common costs will be assigned or allocated to the Virginia Jurisdiction using appropriate factors.

C. Revenue Requirement Request

28. The cost components of Riders C1A, C2A, C3A, and C4A are comprised of operating expenses projected to be incurred during the Rate Year and a Monthly True-Up Adjustment comparing actual costs for the 2020 calendar year to the actual revenues collected during the same period. Detailed costs were used to calculate the requested revenue requirement for Riders C1A, C2A, C3A, and C4A for the proposed Rate Year. The calculation of the revenue requirement is discussed in the pre-filed direct testimony of Company Witness Justin A. Wooldridge.

29. The projected Rate Year operating expenses from September 1, 2022 through August 31, 2023, are included for recovery on a current basis during the Rate Year. A margin is authorized to be recovered effective for qualifying expenditures. Consistent with the Commission's Final Order in the Company's 2020 DSM Update, the Company has calculated margin only for purposes of the True-Up and has not included margin as part of the calculation

for the Projected Cost Recovery Factor. For purposes of the Rate Year, pursuant to Va. Code § 56-585.1 a 5 c, the margin "shall be equal to the general rate of return on common equity determined as described in subdivision A 2 of [§ 56-585.1]." For purposes of this Application and consistent with the Commission's November 18, 2021 Final Order in the Company's 2021 Triennial Review Proceeding (Case No. PUR-2021-00058), the Company is utilizing the approved ROE of 9.35% for the period subsequent to the date of that Final Order. For the time periods prior to the Final Order in Case No. PUR-2021-00058, the Company is utilizing a ROE of 9.2%, as approved by the Commission in its November 21, 2019 Final Order in the Company's 2019 ROE Proceeding (Case No. PUR-2019-00050). Moreover, no such margin, however, is authorized by Subsection A 5 for the Rider C1A peak-shaving programs (*i.e.*, the Non-residential DG Program, the Residential Smart Thermostat Management Program (DR), the Residential Electric Vehicle Program (DR), and the Residential Water Savings Program (DR)), and none has been included on those projected operating expenses in this filing.

30. The revenue requirement also includes recovery of the True-up of actual costs and revenues for the period of January 1, 2020 through December 31, 2020, for eligible programs through a Monthly True-Up Adjustment. The actual 2020 calendar year expenditures are used to calculate a 2020 actual revenue requirement and then compared to the actual 2020 revenues to produce the Monthly True-Up Adjustment. For purposes of the margin authorized to be recovered for qualifying expenditures during the 2020 calendar year, the Company utilized a 9.2% ROE for the period of January 1, 2020 through December 31, 2020, per the Commission's Final Order in Case No. PUR-2019-00050.

31. Company Witness Wooldridge's pre-filed direct testimony details the projected Subsection A 5 costs, differentiated between capital and expense, and Riders C2A, C3A, and

C4A costs qualifying for the margin as provided for under Subsection A 5. In addition, Company Witness Wooldridge depicts the revenue requirement separately for Riders C1A, C2A, C3A, and C4A.

32. The Company requests recovery of the Rate Year Projected Revenue Requirement for Rider C1A in the amount of $3,860,407. This amount, combined with the Monthly Rider C1A True-up Adjustment of ($1,590,684), provides the Rider C1A total revenue requirement of $2,269,723. For Rider C2A, the Rate Year Projected Revenue Requirement of ($19,526) is combined with the Monthly Rider C2A True-up Adjustment of ($3,310,366) to provide the Rider C2A total revenue requirement of ($3,329,892). For Rider C3A, the Rate Year Projected Revenue Requirement of ($498,002) is combined with the Monthly Rider C3A True-up Adjustment of ($16,015,609) to provide the Rider C3A total revenue requirement of ($16,513,612). For Rider C4A, the Rate Year Projected Revenue Requirement constitutes the Rider C4A total revenue requirement of $108,234,299. Thus, for Riders C1A, C2A, C3A, and C4A, the combined revenue requirement in this proceeding totals $90,660,518.

D. Rate Design

33. The Riders C1A, C2A, C3A, and C4A, which are sponsored by Company Witness Emilia L. Catron, identify the rates, in cents per kilowatt-hour ("kWh"), that will apply to each Company Rate Schedule. If approved as proposed, the Riders C1A, C2A, C3A, and C4A will be applicable for billing purposes with a rate effective date for usage on or after the latter of September 1, 2022, or the first day of the month which is at least fifteen (15) days following the date of any Commission order approving Riders C1A, C2A, C3A, and C4A.

34. The implementation of the proposed Riders C1A, C2A, C3A, and C4A will increase the residential customer's monthly bill, based on 1,000 kWh usage per month, by $0.29.

Company Witness Catron's testimony provides typical bill changes for customers served under Residential Schedule 1, General Service Rate Schedules GS-1 and GS-2, and Church Rate Schedule 5C, showing the impact that the updated Riders C1A, C2A, C3A, and C4A will have on customer bills, at representative levels of consumption. This is because exempt customers would likely not receive service under one of these rate schedules and, therefore, all riders will apply. However, for customers served under Rate Schedules GS-3 and GS-4, typical bill changes are provided to show the impact of the Rider C1A alone, and the impact of Riders C1A, C2A, and C4A combined. Typical bill changes that reflect only the impact of Rider C1A alone would be applicable to customers opted out of C2A and C4A.

VI. SUPPORTING TESTIMONY, FILING SCHEDULES, AND REQUEST FOR LIMITED WAIVER

35. The Company's Application is supported by the pre-filed direct testimonies of Company Witnesses Nathan J. Frost, Terry M. Fry, Michael T. Hubbard, Robert S. Wright, Jr., Edmund J. Hall, Jarvis E. Bates, Justin A. Wooldridge, Christopher C. Hewett, Emilia L. Catron, and Dan Feng.

36. Section 20 VAC 5-204-60 of the Rate Case Rules provides that an application filed pursuant to Subsection A 5 "shall include Schedules 46 as identified and described in 20 VAC 5-204-90, which shall be submitted with the utility's direct testimony. Additionally, applications requiring an overall cost of capital shall include Schedules 3, 4, 5, and 8."

A. Filing Schedules

37. With this Application, the Company files the following Filing Schedules:

a. Filing Schedules 3 through 5 and Filing Schedule 8, sponsored by Company Witness Wooldridge, provide information regarding the Company's cost of capital.

b. Filing Schedule 46.c.1.i, Statements 1-9, are sponsored by Company Witness Bates. These Statements address the projected and actual costs by type of cost and year and by month, to the extent applicable, associated with the proposed RACs.

c. Filing Schedule 46.c.1.ii, Statements 1-9, are sponsored by Company Witness Bates and address the transaction-level details of the RACs.

d. Filing Schedule 46.c.1.iii, Statement 1, is sponsored by Company Witnesses Hubbard, Wright, and Hall. This Statement addresses the key documents supporting the costs of the RACs.

e. Filing Schedule 46.c.1.iv, consisting of Statements 1 through 4 is sponsored by multiple Company witnesses. Company Witness Wooldridge sponsors Filing Schedule 46.c.1.iv, Statements 1 through 3, which provide the annual revenue requirement for the Rate Year and duration of the proposed RACs, as well as the supporting calculations. Company Witness Hewett sponsors Filing Schedule 46.c.1.iv, Statement 4, which provides the annual revenue requirement by class for the duration of the proposed RACs.

f. Filing Schedule 46.c.1.v, Statement 1, is sponsored by Company Witnesses Hewett and Catron, and addresses the methodology for allocating the revenue requirement among rate classes and the design of class rates.

g. Filing Schedule 46.c.2.i, consisting of Statements 1 through 2 is sponsored by multiple Company witnesses. Through the EM&V Report, Company Witness Feng sponsors Filing Schedule 46.c.2.i, Statement 1, which provides evidence of the actual energy and demand savings achieved as a result of each specific program for which cost recovery is sought. Company Witness Hall sponsors Filing Schedule 46.c.2.i, Statement 2, which provides revised cost-benefit tests that incorporate actual utility-specific energy and demand savings and cost data.

h. Filing Schedule 46.c.2.ii, Statement 1, is sponsored by Company Witness Wooldridge. This Statement provides a description of the significant accounting procedures and internal controls in place for each energy efficiency program that is administered by either a third-party or by the Company.

B. Request for Limited Waiver of Filing Schedule 46 Requirements

38. The Company, for good cause shown and pursuant to 20 VAC 5-204-10 E, additionally respectfully requests that the Commission waive, in part, the requirements under Rules 60 and 90 of the Rate Case Rules with respect to paper copies of certain Filing Schedule 46 materials. Specifically, the Rate Case Rules require the Company to provide key documents,

including economic analyses, contracts, studies, investigations, results from requests for proposals, and cost benefit analyses that support projected costs proposed to be recovered via the rate adjustment clause. The supporting documentation responsive to this requirement is voluminous and not easily reviewed in hard copy (paper) format. Accordingly, the Company seeks waiver of the requirement to file 12 hard copies of this information. Instead, the Company proposes to provide this documentation to Commission Staff and any other future case participants in electronic format, and provide the Commission with one hard copy and three electronic copies on compact discs ("CDs"). The Company will make the electronic documents available via an e-room contemporaneously with this filing, with immediate access available to Commission Staff. This request is consistent with the Commission's recent orders granting similar limited waivers.[7] Should the Commission deny this request, the Company asks for a reasonable allowance of time to print the requisite filing copies of this material and submit it to the Commission prior to the Company's application being deemed incomplete.

VII. REQUEST FOR CONFIDENTIAL TREATMENT AND ADDITIONAL PROTECTIVE TREATMENT OF EXTRAORDINARILY SENSITIVE INFORMATION

39. The Company's Application contains, at points so designated, Confidential and Extraordinarily Sensitive information, which is being filed under seal and subject to the Company's Motion for Protective Ruling and Additional Protective Treatment filed coincident hereto. Because portions of the Company's Application contain such Confidential and Extraordinarily Sensitive information, in compliance with Rule 10 F of the Rate Case Rules and

[7] *See e.g., Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider BW, Brunswick County Power Station, for the Rate Years commencing September 1, 2022, and September 1, 2023*, Case No. PUR-2021-00239, Order for Notice and Hearing at 6 (Oct. 25, 2021); *see also Petition of Virginia Electric and Power Company, For approval of its annual RPS Development Plan under § 56-585.5 D 4 of the Code of Virginia and related requests*, Order Granting Limited Reconsideration at 2 (Aug. 26, 2021).

Rule 170 of the Commission's Rules of Practice and Procedure, 20 VAC 5-204-10 F and 5 VAC 5-20-170, this filing is accompanied by a separate Motion for Protective Ruling and Additional Protective Treatment, including a form Proposed Protective Ruling, filed contemporaneously with this Application.

VIII. COMPLIANCE WITH RULE 10 OF THE RATE CASE RULES

40. The Company's Application complies with the requirements contained in Rule 10 of the Rate Case Rules. In accordance with Rule 10 A, 20 VAC 5-204-10 A, the Company filed with the Commission on October 5, 2021, the Company's notice of intent to file this Application under Va. Code § 56-585.1 A 5. The Company has included all information required by Rule 10 B in its Application, including a table of contents, direct testimonies with one-page summaries, and properly labeled exhibits and schedules.

41. In accordance with Rule 10 H, the Company will make a searchable PDF version of the Application, direct testimonies, and Filing Schedules available via an eRoom contemporaneously with this filing, with immediate access available to (i) Commission Staff, including identified members of the Divisions of Utility Accounting and Financing and Public Utility Regulation; and (ii) identified members of the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). Also in accordance with Rule 10 H, the Company will make electronic spreadsheets supporting the schedules that contain calculations available via an eRoom contemporaneously with this filing, with immediate access available to Commission Staff.

42. Copies of this Application, to the extent required by Rule 10 J of the Rate Case Rules, along with the additional information required by Rule 10 J, are simultaneously with this filing being served upon persons addressed in that Rule. A complete copy of the Public Version

of this Application, along with testimony and supporting schedules, has been served upon Consumer Counsel, in conformity with Rule 10 J.

WHEREFORE, Dominion Energy Virginia respectfully requests that the Commission grant the Company:

(1) Authorization to offer new Phase X DSM Programs and Program enhancements to eligible customers;

(2) Authorization to operate the Phase X DSM Programs, as well as all previously-approved DSM Programs without a predetermined closure date;

(3) Approval of the aggregate Phase X DSM Program cost cap of $140 million, the individual cost caps presented by Company Witness Bates, and the ability to exceed the cost cap by no more than 15%;

(4) Approval of additional funding for the Company's Residential Efficiency Products Marketplace Programs;

(5) Approval to extend the Company's Non-residential Lighting Systems and Controls Program;

(6) Approval of the future closure of the AC Cycling Program, with the ability to continue to recover costs for program wind down through base rates through 2023;

(7) Approval of funding for increased customer awareness and marketing;

(8) Approval of an administrative process by which to make modifications or adjustments to approved DSM Programs in between annual update proceedings;

(9) Approval to use only the gross savings metric to measure the Company's actual and projected compliance or noncompliance with the total energy savings requirements in Va. Code§ 56-596.2, as recommended by the Company's LTP;

(10) Approval of the Rate Year beginning September 1, 2022 and ending August 31, 2023;

(11) Approval of a total revenue requirement of $90,660,518 to be recovered through revised Riders C1A, C2A, C3A, and C4A over the Rate Year;

(12) Approval of the same allocation methodology as previously-approved in 2020 DSM proceeding;

(13) Approve the Company's request to continue Riders C1A, C2A, C3A, and C4A to be effective for billing purposes on the latter of September 1, 2022, or the first day of the month which is at least 15 days following the date of any Commission order approving Riders C1A, C2A, C3A, and C4A;

(14) Approval of Phase X Program EM&V Plans;

(15) Approve the Company's request for limited waiver of Filing Schedule 46; and

(16) Provide any other relief as deemed appropriate and necessary.

Respectfully submitted,

VIRGINIA ELECTRIC AND POWER COMPANY

By:____
Counsel

Paul E. Pfeffer
Audrey T. Bauhan
Lisa R. Crabtree
Dominion Energy Services, Inc.
120 Tredegar Street
Richmond, Virginia 23219
(804) 787-5607 (PEP)
(804) 819-2029 (ATB)
(804) 819-2612 (LRC)
paul.e.pfeffer@dominionenergy.com
audrey.t.bauhan@dominionenergy.com
lisa.r.crabtree@dominionenergy.com

Vishwa B. Link
Jontille D. Ray
April M. Jones
McGuireWoods LLP
Gateway Plaza
800 East Canal Street
Richmond, Virginia 23219-3916
(804) 775-4330 (VBL)
(804) 804-775-1173 (JDR)
(804) 775-1042 (AMJ)
vlink@mcguirewoods.com
jray@mcguirewoods.com
amjones@mcguirewoods.com

Counsel for Virginia Electric and Power Company

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