

KIMBERLY B. PATE
DIRECTOR

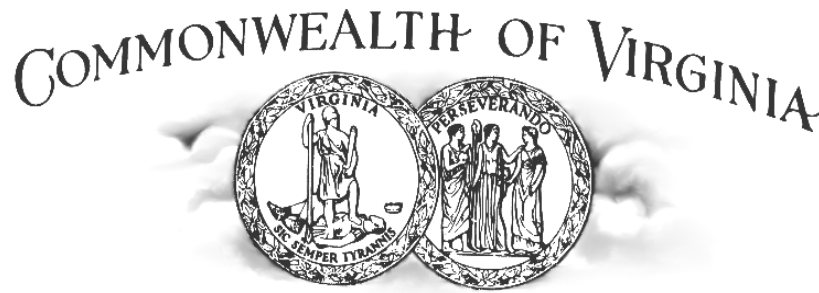
PATRICK W. CARR
DEPUTY DIRECTOR

SCOTT C. ARMSTRONG
DEPUTY DIRECTOR

ANDREA B. MACGILL
DEPUTY DIRECTOR

CAROL B. MYERS
DEPUTY DIRECTOR

FARRIS M. MADDOX
ASSOCIATE DIRECTOR



TYLER BUILDING
1300 EAST MAIN STREET
FOURTH FLOOR B
RICHMOND, VIRGINIA 23219

TELEPHONE: (804) 371-9950
FAX NO.: (804) 371-9447

ACCOUNTING@SCC.VIRGINIA.GOV

SCC.VIRGINIA.GOV

**STATE CORPORATION COMMISSION
DIVISION OF UTILITY ACCOUNTING AND FINANCE**

February 24, 2026

The Honorable R. Lee Ware
General Assembly Building, Room 707
201 North 9th Street
Richmond, VA 23219

Dear Delegate Ware,

I am writing in response to your letter dated February 19, 2026. Your letter requested additional information concerning specific financial impacts to Virginia ratepayers concerning Senate Bill 253, engrossed by the Senate on February 17, 2026.

Specifically, your letter requested the following information:

1. The legislation was recently amended to extend Dominion Energy's strategic underground program to 2033. Could you please provide:
 - a. An estimate of the total costs of this provision – both cumulatively and for residential customers specifically – over the entire period this provision will create customer costs?

Answer: The estimated maximum level of additional cost due to the continuance of the strategic underground program through 2033 would be approximately \$1.6 billion excluding financing costs. Customers will pay an additional approximately \$3.8 billion including financing costs.

For residential customers specifically, the estimated maximum level of additional cost due to the continuance of the strategic underground program would be approximately \$1.1 billion excluding financing costs. Residential customers will pay \$2.7 billion including financing costs.

- b. An estimate of the monthly cost impacts of this provision for an average residential customer (using 1,000 kWh per month), for each year this provision will create customer costs?

Answer: Based on the maximum level of additional costs shown above, the customer bill impacts (based on 1,000 kWh per month) are estimated in the following table through 2045.¹ Customer bills will also continue to include the cost of previous Strategic Underground Program phases, as previously estimated for phases 1 through 9 in our letter dated February 13, 2026 (for example, \$4.88 per month in 2026 as identified in the letter).

Residential Customer Bill Impacts based on 1,000 kWh per Month
SB 253 Enactment Clause 2 Maximum Investment

2027	\$	0.08
2028	\$	0.21
2029	\$	0.74
2030	\$	1.51
2031	\$	2.25
2032	\$	2.96
2033	\$	3.65
2034	\$	4.31
2035	\$	4.93
2036	\$	5.53
2037	\$	6.10
2038	\$	6.65
2039	\$	6.69
2040	\$	6.43
2041	\$	6.18
2042	\$	5.95
2043	\$	5.74
2044	\$	5.54
2045	\$	5.36

2. For the provisions in the legislation placing capacity market costs and substation financing costs on customers of 25 MW or greater and a load factor of 75 percent or greater, could you please provide:
- a. An estimate of the total residential customer savings of each of these provisions over the entire period these provisions would create residential customer savings?
- Answer: Assuming the Commission approves the cost allocation proposal included in Enactment Clause 3, the estimated total residential customer savings are estimated to be \$1.1 billion for capacity market costs and \$165 million for substation financing costs.***

¹ We provided customer bill impacts through 2045; however, costs will be recovered from customers through approximately 2072.

- b. An estimate of the monthly cost savings that an average residential customer (using 1,000 kWh per month) will receive from each of these provisions, for each year in which these provisions would create residential customer cost savings? In determining this answer for the capacity market provision of the legislation, please take into account the recently announced extension of the PJM capacity auction price cap to 2030. For estimating capacity prices past 2030, please use best reasonable assumptions based on available information regarding data center trends and capacity market prices.

Answer: Assuming the Commission approves the cost allocation proposal included in Enactment Clause 3, the estimated monthly customer bill savings are estimated to be:

Residential Customer Bill Impacts based on 1,000 kWh per Month
SB253 Enactment Clause 3

2027	\$ (5.52)
2028	\$ (5.45)
2029	\$ (5.29)
2030	\$ (5.61)
2031	\$ (7.11)
2032	\$ (6.85)
2033	\$ (5.84)

3. What is the cumulative impact of this legislation for Dominion’s average residential customer (using 1,000 kWh per month)?

Answer: The cumulative customer bill impacts of the legislation are estimated to be as follows through 2045:

Residential Customer Bill Impacts based on 1,000 kWh per Month
Cumulative Impacts of SB 253 Enactment Clauses 2 and 3

	Enactment <u>Clause 2</u>	Enactment <u>Clause 3</u>	<u>Total</u>
2027	\$ 0.08	\$ (5.52)	\$ (5.44)
2028	\$ 0.21	\$ (5.45)	\$ (5.24)
2029	\$ 0.74	\$ (5.29)	\$ (4.54)
2030	\$ 1.51	\$ (5.61)	\$ (4.10)
2031	\$ 2.25	\$ (7.11)	\$ (4.86)
2032	\$ 2.96	\$ (6.85)	\$ (3.89)
2033	\$ 3.65	\$ (5.84)	\$ (2.19)
2034	\$ 4.31	\$ -	\$ 4.31
2035	\$ 4.93	\$ -	\$ 4.93
2036	\$ 5.53	\$ -	\$ 5.53
2037	\$ 6.10	\$ -	\$ 6.10
2038	\$ 6.65	\$ -	\$ 6.65
2039	\$ 6.69	\$ -	\$ 6.69
2040	\$ 6.43	\$ -	\$ 6.43
2041	\$ 6.18	\$ -	\$ 6.18
2042	\$ 5.95	\$ -	\$ 5.95
2043	\$ 5.74	\$ -	\$ 5.74
2044	\$ 5.54	\$ -	\$ 5.54
2045	\$ 5.36	\$ -	\$ 5.36

Please provide an estimate of the net lifetime costs or savings this legislation would create for an average residential customer.

Answer: The net lifetime cost of the legislation for residential customers is estimated to be:

Cumulative Cost to Residential Customers SB 253 Enactment Clauses 2 and 3		
	<u>2027-2033</u>	<u>2034-2072</u>
Enactment Clause 2	\$0.4 billion	\$2.3 billion
Enactment Clause 3	(\$1.3 billion)	\$0.0 billion
Cumulative Cost	(\$0.9 billion)	\$2.3 billion

- In 2019, the Commission found that approximately 1.8% of Dominion’s 2.5 million retail customers would be served either directly or downline from a tap line converted to underground service through the supplemental underground program.² Please provide updated information about the percent of customers who benefit from the current program and who would be expected to benefit from the program extension outlined in Senate Bill 253. Specifically, please address what percent of Dominion customers:

²Final Order, PUR-2019-00046, October 31, 2019, <https://www.scc.virginia.gov/docketsearch/DOCS/4jk%2501!.PDF>, 4.

- a. Have benefited from the supplemental underground program as of December 31, 2025?

Answer: Staff does not have data specifically as of December 31, 2025. However, as of August 11, 2025, Phases 1 through 8 of the Strategic Underground Program (“SUP”) had converted approximately 137,159 customers (including direct and downline), representing about 5.49% of Dominion’s 2.5 million retail customers. If the latest phase (Phase 9), which is currently before the Commission, is approved, an estimated additional 23,841 customers would be converted. Including these projected conversions, the total would represent approximately 6.44% of Dominion’s Virginia retail customer base.

- b. Have benefited and will benefit from the supplemental underground program if the program expires as scheduled in 2028?

Answer: Approximately 1,386 miles remain to be converted out of the roughly 4,000 total miles identified for the SUP program. Based on Dominion’s current conversion rate of approximately 300 to 350 miles per year, it appears the Company would not be able to complete all remaining miles by 2028. In addition, Staff does not currently have data on the number of customers who would benefit from converting these remaining miles.

- c. Would be expected to benefit from the extension of the supplemental underground programs outlined in this legislation?

Answer: Based on the maximum annual investment and an average cost of \$900,000 per mile, the legislation would enable Dominion to convert approximately 327 miles per year from 2027 through 2033. This equates to an additional 2,289 miles (or approximately 903 miles more in total than the 4,000 miles identified for the SUP program).

Dominion has represented that it plans to complete a total of 4,500 miles if the program is extended through 2033, compared to the 4,000 miles originally identified for the program.

5. According to the analysis of SCC staff, as well as any relevant Commission determinations, is the supplemental underground program cost-effective? Please explain.

Answer: It should first be noted that §56-585.1 A 6 (“Subsection A 6”) of the Code of Virginia, as revised by the 2018 Acts of Assembly, provides that the replacement of

certain overhead distribution tap lines with underground facilities is deemed to provide local and system-wide benefits and to be cost beneficial.³

Please let me know if you need further assistance.

Sincerely,

Kimberly B. Pate

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³Specifically, Subsection A 6 provides that “[t]he [replacement of any subset of a utility’s existing overhead distribution tap lines that have, in the aggregate, an average of nine or more total unplanned outage events-per-mile over a preceding 10-year period with new underground facilities in order to improve electric service reliability] on or after September 1, 2016, is deemed to provide local and system-wide benefits and to be cost beneficial...”