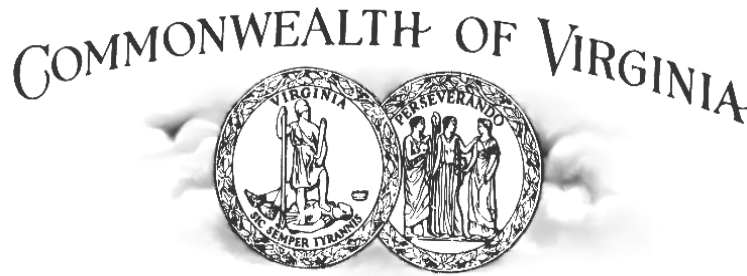


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**STATE CORPORATION COMMISSION  
DIVISION OF UTILITY ACCOUNTING AND FINANCE**

May 17, 2021

The Honorable Ralph S. Northam  
Governor  
Commonwealth of Virginia

The Honorable Richard L. Saslaw  
Chair, Committee on Commerce and Labor  
Senate of Virginia

The Honorable Jeion A. Ward  
Chair, Committee on Labor and Commerce  
Virginia House of Delegates

RE: Report on qualifying investment pursuant to Enactment Clause 23 of the  
Grid Transformation and Security Act

Dear Governor Northam, Senator Saslaw, and Delegate Ward:

On March 26, 2021, the SCC issued an order in Appalachian Power Company's ("APCo") triennial review proceeding modifying its November 24, 2020 Final Order and dismissing the case. Chapter 296 of the 2018 Acts of Assembly (Senate Bill 966) requires the State Corporation Commission ("Commission") to submit a report to the Governor, the General Assembly, and the Chairmen of the House and Senate Commerce and Labor Committees describing and quantifying certain investments made by the utility during the test periods under review. Specifically, Enactment Clause 23<sup>1</sup> specifies that such report should describe and quantify utility investment in:

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<sup>1</sup> 23. That within 60 days after the conclusion of each triennial review proceeding conducted pursuant to § 56-585.1 of the Code of Virginia, the State Corporation Commission (the Commission) shall submit a report to the Governor and the General Assembly and the Chairmen of the House and Senate Commerce and Labor Committees describing and quantifying all investments made by the utility during the test period or periods under review in both (i) new utility-owned generation facilities utilizing energy derived from sunlight or from onshore or offshore wind and (ii) electric distribution grid transformation projects, as determined by the utility's plant in service and construction work in progress balances related to such investments as recorded per books by the utility for financial reporting purposes as of the end of the most recent test period under review. The Commission's report shall include, but not be

(i) new utility-owned generation facilities utilizing energy derived from sunlight or from onshore or offshore wind and (ii) electric distribution grid transformation projects, as determined by the utility's plant in service and construction work in progress balances related to such investments as recorded per books by the utility for financial reporting purposes as of the end of the most recent test period under review.

In its triennial review of base rates for the test periods 2017-2019, APCo did not record any investments in solar generation, onshore or offshore wind, or distribution grid transformation projects. Therefore, the Commission cannot provide any analysis of the financial effects of such investments, including the effects on customer rates, customer bill credits, and the earnings and rate base of the utility.

Please let me know if I may be of further assistance.

Sincerely,

A handwritten signature in black ink that reads "Kimberly Pate". The signature is written in a cursive, slightly slanted style.

Kimberly Pate  
Director- Utility Accounting and Finance

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limited to, an analysis of the financial effects of such investments, including the effects on customer rates, customer bill credits, and the earnings and rate base of each utility subject to the triennial review provisions of § 56-585.1.