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Dominion's projects could cost ratepayers $29 more per month by 2023

MARK GORMUS/TIMES-DISPATCH
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A list of projects Dominion Energy pitched to investors in March — but initially declined to tell state regulators about — could cost the average household an additional $29.37 per month by 2023.

Dominion disclosed the figure Friday in a filing requested by the State Corporation Commission, which slammed the utility for lack of transparency last month.

SCC commissioners and staff members chided the utility over a March 25 presentation to Wall Street investors that showed the company plans to spend $16.4 billion on an array of projects that are not reflected in the revised long-range plan the company submitted to the commission just over two weeks earlier.

Dominion told investors in that presentation, which is subject to federal Securities and Exchange Commission regulations, that over the next five years, it planned capital investments in solar energy, upgrades to its transmission lines, a new energy storage facility and more.

Dominion estimates it will seek to recoup $12.1 billion of those investments from Virginia ratepayers, boosting the base cost of energy generation passed on to ratepayers from $18 billion to $30.1 billion. That’s an increase of 67 percent.

Dominion told the SCC in its filing that it anticipates the cost of the projects will be offset in part by reductions in projected fuel costs driven by the decreasing cost of natural and renewable energy generation. Those savings total $14.65 per month, meaning the increase would be $14.72 per month rather than the overall project cost of $29.37.

The typical residential customer using 1,000 kilowatt-hours paid $114.42 per month as of December. With the new project costs of $14.72 along with anticipated rate increases of $3.23 for the cleanup of the state’s legacy coal ash, Dominion expects residential electric bills will rise to $132.37 per month for the typical residential customer by 2023. That’s a nearly 16 percent increase.

The ratepayer increases, which have not been approved by the SCC, would be phased in incrementally through the end of 2023.

Dominion’s March filing to the commission reflected just $8.26 billion in anticipated projects.

During a May 8 hearing before the SCC, which would have to approve Dominion's long-range energy generation plans, commissioners questioned the discrepancy.

"Dominion knew exactly what they were going to tell Wall Street. ... You could have filed it with this filing," said SCC Judge Mark Christie, referring to Dominion's revised plan.

"The whole point of an IRP is that it should be a snapshot, and not one that is photoshopped," he said, referring to Dominion's Integrated Resource Plan. "This is not an accurate picture. It's not telling the public, the consumer and the legislators what is coming down the road."

Representatives of Dominion did not dispute the differences between the two documents. Robert Thomas, director of energy market analysis for Dominion, at one point said of the 2018 Integrated Resource Plan that "the value of it is not much right now."

Nevertheless, the company said its revised 2018 IRP simply addresses questions the commission posed when it rejected the original long-range plan first filed last fall. The company said that document is based on projections and plans made at that time.