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March 1, 2011

FILED

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Clerk's Office
N.C. Utilities Commission

Ms. Renne Vance, Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Raleigh, North Carolina 27603

Re: Docket Nos. E-100, Sub 128 and E-100, Sub 129

Dear Ms. Vance:

Please find enclosed one original and thirty (30) copies of the Reply Comments of Dominion North Carolina Power to the Comments of the Public Staff in the above-captioned proceeding.

Also enclosed is a copy of this filing to be file-stamped and returned with our courier. Please do not hesitate to call me if you have any questions regarding this matter. Thank you for your assistance in this matter.

Sincerely,

Andrea R. Kells

Andrea R. Kells

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cc: Parties of Record

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STATE OF NORTH CAROLINA
UTILITIES COMMISSION

DOCKET NO. E-100, SUB 128
DOCKET NO. E-100, SUB 129

FILED

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Clerk's Office
N.C. Utilities Commission

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-100, SUB 128)	
)	
In the Matter of)	REPLY COMMENTS OF
Investigation of Integrated Resource)	DOMINION NORTH
Planning in North Carolina - 2010)	CAROLINA POWER
)	
DOCKET NO. E-100, SUB 129)	
)	
In the Matter of)	
2010 REPS Compliance Plans and 2009)	
Compliance Reports)	

REPLY COMMENTS OF DOMINION NORTH CAROLINA POWER

On September 1, 2010, as amended on September 3, 2010, and February 9, 2011, Virginia Electric and Power Company d/b/a Dominion North Carolina Power ("DNCP" or the "Company") filed its 2010 Integrated Resource Plan ("IRP") pursuant to Rules R8-60 and R8-62 of the North Carolina Utilities Commission ("Commission") and its Renewable Energy and Energy Efficiency Portfolio Standards Plan ("REPS Plan") pursuant to Rule R8-67.

Pursuant to an Order issued January 19, 2011, the Commission granted to the Public Staff and other intervenors in the proceeding an extension of time until February 10, 2011 in which to file comments on the IRPs filed by electric power suppliers (the "utilities") in North Carolina. Comments on the utilities' IRPs and REPS compliance plans were subsequently filed by the Public Staff, the North Carolina Waste Awareness and Reduction Network, Inc. ("NC Warn") and the Southern Alliance for Clean Energy

(“SACE”) on February 10 and 11, 2011. No party objected to DNCP’s IRP or its REPS Compliance Plan. The Public Staff was the only party to address DNCP’s IRP in its Comments. DNCP hereby files its reply comments to the Comments submitted by the Public Staff.

Comments

The Company agrees with the Public Staff’s statements that:

- (1) “[a]ll of the utilities use accepted econometric and end-use analytical models to forecast their peak and energy needs;”¹
- (2) “DNCP’s peak load and energy sales forecasts are reasonable for planning purposes;”² and
- (3) “the projected operating and capital costs used [by the utilities] in the production models and the evaluation [by the utilities] of resource options were conducted in a reasonable manner for purposes of this proceeding.”³

On pages 13-14 of its Comments, the Public Staff states: “It is not evident in their IRPs that the IOUs have fully considered the use of their DSM resources to achieve fuel savings. The Public Staff recommends that the Commission require both the IOUs and EMCs to investigate this use of their DSM resources and include a discussion of their investigations in their next IRPs...the Public Staff encourages each IOU and EMC to investigate, develop, and implement all available cost-effective DSM/EE.” As noted by the Public Staff on page 16 of its Comments, the Company indicated in a response to a Public Staff data request, and reiterates here, that it intends to use its DSM resources to

¹ *In the Matter of Investigation of Integrated Resource Planning in North Carolina-2010*, N.C.U.C. Docket No. E-100, Sub 128, Comments of the Public Staff, at 5 (Feb. 10, 2011).

² *Id.* at 8.

³ *Id.* at 19.

the fullest extent within the design constraints of the individual programs once all programs are approved by the Commission. Also as noted by Public Staff, the Company stated in its IRP that it is currently reviewing eight potential additional DSM programs and may file those for Commission approval in the future.⁴ On September 1, 2010, Dominion filed pursuant to Rule R8-69, in Docket No. E-22, Sub 464, an application for recovery of costs associated with six new DSM and EE programs. Contemporaneously with that application, the Company filed for approval of the six new DSM/EE programs, including the Air Conditioner Cycling Program (Docket No. E-22, Sub 465), the Residential Lighting Program (Docket No. E-22, Sub 468), the Commercial HVAC Upgrade Program (Docket No. E-22, Sub 467), the Commercial Lighting Program (Docket No. E-22, Sub 469), the Low Income Program (Docket No. E-22, Sub 463), and Commercial Distributed Generation Program (Docket No. E-22, Sub 466). These requests for approval as well as the cost recovery application are currently pending at the Commission.

Also on page 18 of its Comments, the Public Staff notes that DNCP discontinued two consumer education efforts included in its 2009 IRP, its CFL Education program and the Energy Saving Tip of the Day program. As the Company explained in its IRP, the CFL Education program was discontinued because its web content referenced the company's CFL price reduction program, which concluded on December 31, 2009. This material was replaced with information about the Company's Residential Lighting Program. Also as explained in the IRP, the Energy Saving Tip of the Day program was discontinued because the Company is focusing its energy conservation web content on the DSM Programs recently approved by the Virginia SCC. Although DNCP removed

⁴ *Id.* at 17.

this content from its web site, more than 100 energy saving tips are still available on www.dom.com.

Regarding the 2010 REPS Compliance Plan, on page 25 of its Comments, the Public Staff states that “after discussions with the Public Staff, DNCP has agreed to obtain in-state RECs for 75% of the [Town of Windsor’s] requirements as required by G.S. 62-133.8(c)(2)(d).” To clarify, subsequent to discussions with Public Staff, DNCP agreed that it would make a serious effort to find in-state solar RECs to use to meet the Town’s REPS compliance requirements. DNCP has kept records of its efforts to obtain in-state solar RECs for this purpose, but so far has only been able to obtain 4 solar RECs for purposes of the Town’s compliance, and needs approximately 10 total RECs for the Town. The Company is currently in discussions with several solar REC developers in North Carolina with available solar RECs that can comply with 2010 Solar RECs requirements, but those developers are awaiting Commission approval as new Renewable Energy Facilities. The Company plans to continue to search for sources for the remaining solar RECs needed for the Town.


Also on page 25 of its Comments, the Public Staff cites to DNCP’s currently-effective avoided cost rates as accepted in Docket No. E-100, Sub 117. DNCP notes that, as reflected in its revised REPS Compliance Plan submitted February 9, 2011, in this proceeding, at Figure 1.6.2, it has filed for updated avoided cost rates in Docket No. E-100, Sub 127. The Commission has not yet ruled upon these updated avoided cost forecasts.

Conclusion

Wherefore, Dominion North Carolina Power respectfully requests that the Commission accept these reply comments and approve its 2010 Integrated Resource Plan and REPS Plan.

Respectfully submitted,

DOMINION NORTH CAROLINA POWER

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Attorneys for Virginia Electric and Power Company

Dated: March 1, 2011

Certificate of Service

I hereby certify that, pursuant to Rule R1-7(c), a copy of the foregoing Reply Comments of Dominion North Carolina Power in Docket Nos. E-100, Sub 128 and E-100, Sub 129 was served electronically or by first-class mail, postage prepaid, upon all parties of record.

This, the 1st day of March, 2011.

A handwritten signature in black ink, appearing to read "Andrea R. Kells", written over a horizontal line.

Andrea R. Kells