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Oct 11 2019

October 11, 2019

**VIA Electronic Filing**

Ms. Kimberley A. Campbell, Chief Clerk  
North Carolina Utilities Commission  
Dobbs Building  
430 North Salisbury Street  
Raleigh, North Carolina 27603

**Re: Docket Nos. E-22, Sub 562 and E-22, Sub 566**

Dear Ms. Campbell:

Enclosed for filing in the above-referenced docket on behalf of Virginia Electric and Power Company d/b/a Dominion Energy North Carolina is its Motion for Approval of Undertaking.

Please feel free to contact me with any questions. Thank you for your assistance in this matter.

Very truly yours,

/s/Andrea R. Kells

ARK:mtb

Enclosures

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH  
DOCKET NO. E-22, SUB 562  
DOCKET NO. E-22, SUB 566**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	
Application of Virginia Electric and Power	)	MOTION FOR APPROVAL OF
Company, d/b/a Dominion North Carolina	)	UNDERTAKING REQUIRED
Power, for Adjustment of Rates and Charges	)	BY N.C. GEN. STAT. § 62-
Applicable to Electric Service in North Carolina	)	135(c) TO IMPLEMENT
	)	TEMPORARY RATES,
	)	SUBJECT TO REFUND

NOW COMES Virginia Electric Power Company, d/b/a Dominion Energy North Carolina (“DENC” or “Company”), pursuant to North Carolina General Statute (“N.C. Gen. Stat.”) § 62-135 and Rule R1-7 of the rules and regulations of the North Carolina Utilities Commission (“Commission”), and requests the Commission issue an Order approving the Company’s undertaking included as Attachment A to this Motion (“Undertaking”), including implementation of Rider A1 – Fuel Cost Decrement Rider (“Rider A1”) and Rider EDIT on November 1, 2019, and grant any other relief the Commission determines necessary for DENC to implement temporary rates. Commission approval of the Company’s Undertaking, notice the Commission of the Company’s intent to place temporary rates into effect, and notice to the Company’s customers via publication<sup>1</sup> (the “Notice”), respectively, satisfy the procedural requirements of N.C. Gen. Stat. § 62-135 to implement temporary rates. The Company hereby submits its Undertaking for approval and gives notice to the Commission that the Company intends to implement the rates and charges developed in the Agreement and

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<sup>1</sup> Contemporaneous with filing this Motion, the Company has also filed the proposed final form of the notice for publication in this docket.

Stipulation of Partial Settlement between the Company and the Public Staff filed in this docket on September 17, 2019 (“Stipulation”) on a temporary basis, subject to refund, along with decrement Rider A1 and Rider EDIT on November 1, 2019.

DENC respectfully requests the Commission approve the Undertaking on or before October 18, 2019, in order for the Company to make the necessary changes to its billing system to implement these new rates and charges on November 1, 2019. The Public Staff has reviewed and provided input to the Undertaking proposed herein, and does not object to DENC’s request in this Motion. In support of this Motion, DENC states the following:

1. On March 29, 2019, DENC filed an application with the Commission pursuant to N.C. Gen. Stat. §§ 62-133 and 62-134 requesting authority to adjust and increase its general rates and charges for retail electric service in North Carolina, effective May 1, 2019 (“Application”). The Application requested approval to adjust non-fuel base rates and charges to allow the Company to recover an additional approximately \$27 million in base non-fuel revenues. Presuming that the Commission would suspend the proposed rates, DENC also provided the Commission notice in its Application of the Company’s intent to implement its proposed rates on a temporary basis, subject to refund, on November 1, 2019. The Application requested that new permanent rates as approved by the Commission become effective on and after January 1, 2020.

2. The Commission issued orders on April 29, 2019, and May 30, 2019, which, among other things, declared this proceeding to be a general rate case, suspended the proposed rates for up to 270 days, and established a procedural schedule for this

docket (“Procedural Orders”). The Procedural Orders recognized the Company’s stated intent to place new base rates into effect on a temporary basis on November 1, 2019. In addition, the Procedural Orders required public notice to be published in newspapers of general circulation in the Company’s service territory and mailed to customers. The public notice also recognized DENC’s intent to implement temporary non-fuel base and base fuel rates, subject to refund, on November 1, 2019.

3. On August 5, 2019, DENC filed supplemental testimony in this proceeding. DENC’s supplemental testimony updated the Company’s test period information through June 30, 2019, and adjusted the Company’s requested overall base non-fuel revenue increase.

4. On August 14, 2019, the Company filed its Additional Supplemental Testimony, and updated the Placeholder Base Fuel rate presented in Company Witness Paul B. Haynes’ direct testimony, proposed Rider A1, and updated presentation of present and proposed fuel cost recovery by customer class.

5. On September 12, 2019, the Company filed its Rebuttal Testimony, which responded to testimony filed by the Public Staff and other parties. Also on September 12, 2019, DENC filed additional supplemental testimony and exhibits of Company Witness Paul M. McLeod, supplemental Form E-1 items, and supplemental Commission Rule R1-17 information to reflect certain updates to the Company’s proposed changes to base fuel and base non-fuel revenues.

6. On September 17, 2019, the Company filed the Agreement and Stipulation of Partial Settlement (“Stipulation”) on behalf of itself and the Public Staff (the “Stipulating Parties”). Commission acceptance of the Company’s position regarding the

unresolved issues and approval of the Stipulation would result in an adjusted base non-fuel revenue increase of approximately \$8,583,000. The Stipulation also provides a decrease in base fuel revenues of approximately \$2,155,000, which with the base non-fuel revenue increase equates to an overall increase of approximately \$6,428,000 over the fuel and base non-fuel rates and charges currently in effect. The Company filed testimony in support of the Stipulation including the filing of Form E-1, Item No. 39 and Form E-1, Item No. 42 sponsored by Company Witness Haynes which includes work papers showing derivation of rates by rate schedule to recover the base non-fuel revenue increase of approximately \$8,583,000 and the proposed Rider EDIT revenue increase of \$649,000. In addition, the Company proposed Rider A1 will result in a decrease in revenue of approximately \$16 million. The overall change in total revenue is a decrease of approximately \$8.8 million.

7. N.C. Gen. Stat. § 62-135(a) authorizes a public utility to place proposed rates into effect on a temporary basis, upon the expiration of six months after the date when such rates would have become effective, if not so suspended.<sup>2</sup> The temporary rate authority granted to public utilities in N.C. Gen. Stat. § 62-135 is subject to the approvals, parameters, and requirements of N.C. Gen. Stat. § 62-135(a)-(d).

8. The Company's Undertaking committing to make refund of any over-recovery received under temporary rates complies with N.C. Gen. Stat. § 62-135(c), and is consistent with the form of undertaking approved by the Commission's *Order Approving Financial Undertaking*, issued October 12, 2016, in Docket No. E-22, Sub 532. If temporary rates are determined to be excessive, the Company's Undertaking

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<sup>2</sup> November 1, 2019 is six months after May 1, 2019, which is the date that DENC proposed its new rates and charges would become effective, unless suspended by the Commission.

commits to make refund of the excess plus interest to its customers, consistent with terms and conditions required by the Commission's final Order in this case. N.C. Gen. Stat. § 62-135(d).

9. The Public Staff has reviewed the Undertaking proposed herein, and does not object to its form or DENC's request in this Motion.

WHEREFORE, DENC respectfully requests that the Commission approve the Company's Undertaking, included as Attachment A to this Motion, on or before October 18, 2019, authorize the Company to place Rider A1 and Rider EDIT into effect on November 1, 2019, and provide any further relief the Commission deems necessary and appropriate.

Respectfully submitted, this the 11th day of October, 2019.

DOMINION ENERGY NORTH CAROLINA  
By:

/s/ Andrea S. Kells  
Andrea R. Kells  
McGuireWoods LLP  
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STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. E-22, SUB 562

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION


In the Matter of	)	
Application of Virginia Electric and Power	)	UNDERTAKING OF
Company, d/b/a Dominion North Carolina	)	DOMINION ENERGY NORTH
Power, for an Increase in, and Revisions to its	)	CAROLINA
Rates and Charges Applicable to Electric Utility	)	
Service in North Carolina	)	

NOW COMES Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina ("Applicant"), and files this Undertaking as follows:

UNDERTAKING

The Applicant, by and through its undersigned executive officer, makes its written undertaking to the North Carolina Utilities Commission that it will refund to its customers any amount of temporary rates made effective on and after November 1, 2019 pursuant to G.S. § 62-135, plus 10% interest per annum, that may be finally determined by the Commission to be excessive and is required by Final Order of the Commission in this docket. Such refund will be made consistent with any terms and conditions requested by the Commission's Final Order.

This 11<sup>th</sup> day of October, 2019.

By:  \_\_\_\_\_  
Carlos M. Brown  
Senior Vice President and General Counsel

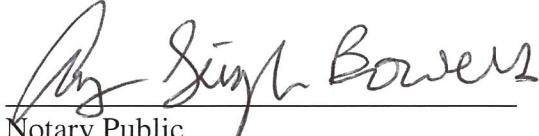
\_\_\_\_\_  
COMMONWEALTH OF VIRGINIA

City of Richmond

)  
)  
)

to wit:

The foregoing instrument was sworn to and acknowledged before me this 11  
day of October, 2019.

  
\_\_\_\_\_  
Notary Public

My registration number is 7296406 and my commission expires:

7/31/2021

Amy Leigh Bowers  
NOTARY PUBLIC  
Commonwealth of Virginia  
Reg. #7296406  
My Commission Expires 7/31/2021



**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing Motion for Approval of Undertaking, filed in Docket Nos. E-22, Sub 562 and 566, were served electronically or via U.S. mail, first-class postage prepaid, upon all parties of record.

This the 11<sup>th</sup> day of October, 2019.

/s/ Nicholas A. Dantonio

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*Attorney for Virginia Electric and Power  
Company, d/b/a Dominion Energy North  
Carolina*