

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA-SUPPLEMENTAL
January 29, 2018**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

D. ELECTRIC

- P1. DOCKET NO. E-22, SUBS 483 AND 549 – VIRGINIA ELECTRIC AND POWER COMPANY, D/B/A DOMINION ENERGY NORTH CAROLINA – PETITION FOR APPROVAL OF FUEL PURCHASE, SALE AND SERVICES AGREEMENT WITH DOMINION ENERGY FUEL SERVICES, INC.

EXPLANATION: On December 20, 2012, the Commission issued an Order Accepting Affiliate Agreement and Allowing Payment Thereunder in Docket No. E-22, Sub 483 (2012 Order). In summary, the 2012 Order approved an affiliate agreement between Dominion North Carolina Power (DNCP), now Dominion Energy North Carolina (DENC or Company), and Virginia Power Energy Marketing, Inc. (VPEM) for the provision of fuel purchases, sales and services by and between DENC and VPEM (Current Agreement). The Current Agreement was approved for filing, subject to certain conditions and reporting requirements, for a five-year period, from January 1, 2013, through December 31, 2017. Ordering Paragraph No. 1 of the 2012 Order states, in pertinent part:

[I]f DNCP and VPEM wish to continue to operate under this Agreement after the five-year period of authorization, subsequent Commission authorization is required.

On December 6, 2017, DENC and an affiliate, Dominion Energy Fuel Services, Inc. (DEFUEL) (collectively, Petitioners), filed a petition for approval of a revised Fuel Purchase, Sale and Services Agreement (Revised Agreement) pursuant to G.S. 62-153(b) and a request for extension of the Current Agreement through January 31, 2018. On December 15, 2017, the Commission approved the Company's request to extend the Current Agreement through January 31, 2018. This Revised Agreement contemplates affiliate transactions regarding the purchase and sale of "Fuel" and the "Transportation" of "Fuel" and "Emission Reduction Products," as those terms are defined in the Revised Agreement, with the Revised Agreement having a proposed effective date of February 1, 2018, and remaining in effect for a period of five years. DEFUEL is a wholly-owned direct subsidiary of Dominion Energy, Inc. (DEI), and engages in the provision of fuel-related

services to affiliated and unaffiliated customers. DENC is also a wholly-owned subsidiary of DEI.

The Petitioners state that the Revised Agreement is substantially the same as the Current Agreement, and indicate that this is a status-quo filing, i.e. the Company and DEFUEL are not proposing any substantive changes to (or different terms from) the Current Agreement. The only changes proposed in the Revised Agreement are changes to the names of the entities that are listed therein; for example, references to “VPEM” have been changed to “DEFUEL”. The Company indicates that this Agreement has resulted in reduced costs for the Company and its customers by allowing the Company to be able to transact Fuel, and the Transportation of Fuel and Emission Reduction Products, with DEFUEL for the economic benefit of the Company’s customers.

The Petitioners state that transactions under the Revised Agreement will continue to be evaluated on a one-time basis, at the time the arrangement for procuring Fuel with the Third-party source is secured, and prior to execution for compliance with the lower of Cost at the Delivery Point or Market Price at the Delivery Point (for DEFUEL’s sales to the Company), or the higher of Cost at the Delivery Point or Market at the Delivery Point (for the Company’s sales to DEFUEL). The Company and DEFUEL also state that they will continue to provide detailed quarterly reports of transactions executed under these standards to the Commission, consistent with the requirements of the 2012 Order in Docket No. E-22, Sub 483, with which the Company has complied.

The Petitioners further state that to the extent that the Petitioners enter into a transaction whereby DEFUEL provides Transportation services to the Company, and DEFUEL uses the services of another DEI affiliate, the services of that affiliate will be charged to the Company at the lower of cost or market.¹ Transportation services involving third parties would continue to be provided at cost with no mark-up from DEFUEL.

The Public Staff has reviewed the Revised Agreement and the Regulatory Conditions and Code of Conduct approved by the Commission in Docket No. E-22, Sub 380. Regulatory Condition 19 from that docket provides that DENC shall have the burden of proving that all goods and services procured from the Company’s affiliates have been procured on the most favorable terms and conditions reasonably available in the market, which must include a showing that such goods or services could not have been procured at a lower cost from non-Affiliate sources or that DENC could not have provided the services or goods itself at a lower cost.

Based upon its review, the Public Staff recommends that the Commission accept the Revised Agreement for filing, effective as of February 1, 2018, for an additional five-year

¹ In Docket No. E-22, Sub 434, the Company and VPEM identified two Dominion Resources Inc. (now DEI) affiliates – Dominion Terminal Company, Inc. (now Dominion Energy Terminal Company, Inc.), and Dominion Energy Brayton Point, LLC (sold in 2013) – that could be involved in DEFUEL’s provision of Transportation services to the Company under the Current Agreement. These same affiliates also could potentially be involved in DEFUEL’s provision of Transportation services to the Company under the Revised Agreement.

period, authorize DENC to make payments pursuant to the Agreement subject to the conditions listed below, and provide that if the Petitioners wish to operate under this Agreement after the five-year period of authorization, subsequent Commission authorization is required. The Public Staff further recommends that the order state that for ratemaking purposes, this action does not constitute approval of the amount of compensation paid pursuant to the Agreement, and that the authority granted by the order is without prejudice to the right of any party to take issue with any provision in a future proceeding.

The conditions recommended by the Public Staff are as follows:

- (1) DENC shall continue to procure coal from the Central Appalachian region as it currently does, with purchases conducted in DENC's name, as its standard operating procedure, but may, from time to time, subject to being able to demonstrate significant cost savings for its North Carolina retail customers, purchase Central Appalachian coal from DEFUEL;
- (2) DENC shall include a demonstration in its annual fuel charge adjustment proceeding at the time it files its application that any DEFUEL purchases of Fuel for, and any provision of Transportation services to, DENC resulted in cost savings to DENC's customers and that DENC received the lowest-priced Fuel and Transportation services for such purchases after taking into account differences in volumes, quality, and term;
- (3) That with respect to DEFUEL's purchases of Fuel for, and provision of Transportation services to, DENC, other affiliated companies, and non-affiliated companies, DENC shall be given first preference to the lowest-priced coal and the lowest-priced Transportation services, after taking into account differences between volumes, quality, and term;
- (4) DENC, DEFUEL, and DEI shall ensure that DENC's regulated native load operations are assigned the highest priority of service for Fuel procured, and for Transportation provided pursuant to the Revised Agreement;
- (5) That with respect to Transportation services, it is expected that DEFUEL mainly will use physical assets owned by unaffiliated third parties, and DENC shall demonstrate that it obtained such Transportation services from DEFUEL at DEFUEL's cost, with no mark-up; to the extent DEFUEL uses its own assets to provide Transportation services or obtains Transportation services from other DEI affiliates for provision to DENC, DENC shall demonstrate that the Transportation services provided by DEFUEL using assets owned by such affiliates were provided at the lower of cost or market price;
- (6) That sales of Fuel and Transportation by DENC to DEFUEL, directly or indirectly, may be made from time to time when DENC has excess or can otherwise demonstrate benefits to its North Carolina retail customers from such sales;

- (7) For any DENC sales of Fuel to DEFUEL, DENC shall include a demonstration in its annual affiliate transaction report that the sale was prudent and the price was at the higher of Market Price at the Delivery Point or Cost at the Delivery Point, evaluated at the time the Transaction is entered into, as defined and set forth in the Revised Agreement;
- (8) For any DENC sales of Transportation services to DEFUEL, DENC shall include a demonstration in its annual affiliate transaction report that the sale was prudent and the price received was at the higher of cost or market price;
- (9) For any DENC sales of Fuel to DEFUEL, DENC shall file a report in its annual affiliate transaction report that demonstrates that the sale was prudent and the price was at the higher of Market Price at the Delivery Point or Cost at the Delivery Point, evaluated at the time the Transaction is entered into, as defined and set forth in the Revised Agreement;
- (10) In its annual fuel filing, DENC shall credit fuel expense for any gain on sale of Fuel to DEFUEL that occurred during the fuel test period;
- (11) DENC and DEFUEL shall provide 15 days' written notice to the Commission prior to DEFUEL's use of affiliates to provide services or commodities to DEFUEL for DEFUEL's provision of services and commodities to DENC pursuant to the Revised Agreement, not including Dominion Energy Terminal Company, Inc.;
- (12) Acceptance of the Revised Agreement shall be limited to the specific transactions identified therein and allowed by Commission Order. Should the Petitioners wish to enter into additional transactions or the same transactions on different terms, separate Commission approval shall be required;
- (13) DENC shall file with the Commission any proposed amendments to the terms and conditions of the Revised Agreement, as filed with the Commission in this docket, prior to such amendments becoming effective, including successors and assigns;
- (14) All terms of the Revised Agreement and the activities conducted pursuant thereto remain subject to DENC's compliance with its North Carolina-approved Regulatory Conditions and Code of Conduct;
- (15) Acceptance of this Revised Agreement shall have no ratemaking implications and provides no implication as to any recovery of any costs or treatment of any revenues directly or indirectly related to the Revised Agreement;
- (16) All terms of the Revised Agreement and the activities conducted pursuant thereto remain subject to ongoing review as to their appropriateness and reasonableness and to modification by Commission Order upon its own motion or upon the motion of any party;

- (17) All goods and services rendered pursuant to the Revised Agreement and the costs and benefits assigned and or allocated in connection with such services, and the determination or calculation of the bases and factors utilized to assign or allocate such costs and benefits, remain subject to ongoing review as to their appropriateness and reasonableness and to further action by Commission Order upon its own motion or upon the motion of any party.

- (18) DENC and DEFUEL shall file quarterly reports with the Commission within 45 days after the end of the quarter, beginning with the quarter ending December 31, 2017, and including all transactions under the Revised Agreement for the quarter in question. These reports shall include the following information:
 - (a) A description of all Fuel and Transportation purchases and sales by DENC from or to DEFUEL;
 - (b) The quantity of Fuel and Transportation purchased or sold;
 - (c) The delivered price charged to DENC by DEFUEL or charged to DEFUEL by DENC broken down by components (e.g., Fuel, Transportation, taxes, insurance, etc.);
 - (d) The corresponding market price;
 - (e) The third party that provided such market price;
 - (f) A demonstration that DENC purchased Fuel and Transportation services from DEFUEL at the lower of cost or market price and that DENC sold Fuel and Transportation services to DEFUEL at the higher of cost or market price;
 - (g) In the event DEFUEL provides Transportation services to DENC and DEFUEL uses the services of another DEI affiliate, including Dominion Energy Terminal Company, Inc., DENC shall provide the identity of such affiliate and provide the following information: (i) the specific affiliate providing the service; (ii) the specific service the affiliate provided; (iii) the cost of such service; and (iv) the calculation of such charges with supporting detail demonstrating that DENC received such services at the lower of cost or market price; and
 - (h) The FERC account in which each transaction is booked.

- (19) DENC shall include all transactions under the Revised Agreement in its Annual Report of Affiliate Transactions. In addition to the information currently provided, the following with respect to the Revised Agreement shall be reported:
 - (a) A description of all Fuel and Transportation purchases and sales by DENC from or to DEFUEL;
 - (b) The quantity of Fuel and Transportation purchased or sold;
 - (c) The delivered price charged to DENC by DEFUEL or charged to DEFUEL by DENC broken down by components (e.g., Fuel, Transportation, taxes, insurance, etc.);
 - (d) The corresponding market price;

- (e) The third party that provided such market price;
 - (f) A demonstration that DENC purchased Fuel from DEFUEL at the lower of cost or market price and that DENC sold Fuel to DEFUEL at the higher of cost or market price;
 - (g) The demonstration required by Conditions (6) and (8), above;
 - (h) In the event DEFUEL uses any other DEI affiliate in the provision of Fuel to DENC, DENC shall provide the following information: (i) the identity of each specific affiliate providing the service and/or commodity; (ii) the specific service and/or commodity the affiliate provided; (iii) the cost of such service and/or commodity; and (iv) the calculation of such charges with supporting detail demonstrating that the services or commodity indirectly provided by the affiliate to DENC were provided at the lower of cost or market price;
 - (i) In the event DEFUEL uses its own assets to provide Transportation services or obtains Transportation services from other DEI affiliates for provision to DENC, including Dominion Energy Terminal Company, Inc., DENC shall provide the following information: (i) the identity of each specific affiliate providing the service; (ii) the specific service the affiliate provided; (iii) the cost of such service; and (iv) the calculation of such charges with supporting detail demonstrating that the services DENC received such services at the lower of cost or market price; and
 - (j) The FERC account in which each transaction is booked;
- (20) DENC shall include all transactions pursuant to the Revised Agreement, including the use of additional affiliates to provide services or commodities to DEFUEL for DEFUEL's provision of services and commodities to DENC under the Revised Agreement, in its Annual Report of Affiliate Transactions filed with the Commission. Documentation reflecting the additional safeguards will be retained for review and audit by the Commission and the Public Staff.
- (21) DENC shall provide the Commission and the Public Staff with prompt access to the books and records of both DENC and its affiliates for the purposes of reviewing all aspects of the transactions made pursuant to this Revised Agreement.

DENC has agreed to the conditions proposed by the Public Staff.

RECOMMENDATION: (Peedin/Coleman/Holt) That the Commission issue the proposed order, which is attached as Exhibit No. P-1.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 483
DOCKET NO. E-22, SUB 549

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Petition of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina For Approval of Fuel Purchase, Sale and Services Agreement with Dominion Energy Fuel Services, Inc.)	PROPOSED ORDER ACCEPTING AGREEMENT FOR FILING AND ALLOWING PAYMENTS PURSUANT TO G.S.62-153 SUBJECT TO CONDITIONS

BY THE COMMISSION: On December 20, 2012, the Commission issued an Order Accepting Affiliate Agreement and Allowing Payment Thereunder in Docket No. E-22, Sub 483 (2012 Order). In summary, the 2012 Order approved an affiliate agreement between Dominion North Carolina Power (DNCP), now Dominion Energy North Carolina (DENC or Company), and Virginia Power Energy Marketing, Inc. (VPEM) for the provision of fuel purchases, sales and services by and between DENC and VPEM (Current Agreement). The Current Agreement was approved for filing, subject to certain conditions and reporting requirements, for a five-year period, from January 1, 2013 through December 31, 2017. Pursuant to Ordering Paragraph No. 1 of the 2012 Order, in pertinent part:

[I]f DNCP and VPEM wish to continue to operate under this Agreement after the five-year period of authorization, subsequent Commission authorization is required.

On December 6, 2017, DENC and an affiliate, Dominion Energy Fuel Services, Inc. (DEFUEL) (collectively, Petitioners), filed a petition for approval of a revised Fuel Purchase, Sale and Services Agreement (Revised Agreement) pursuant to G.S. 62-153(b) and a request for extension of the Current Agreement through January 31, 2018. On December 15, 2017, the Commission approved the Company's request to extend the Current Agreement through January 31, 2018. This Revised Agreement contemplates affiliate transactions regarding the purchase and sale of "Fuel" and the "Transportation" of "Fuel" and "Emission Reduction Products," as those terms are defined in the Revised Agreement, with the Revised Agreement having a proposed effective date of February 1, 2018, and remaining in effect for a period of five years. DEFUEL is a wholly-owned direct

subsidiary of Dominion Energy, Inc. (DEI), and engages in the provision of fuel-related services to affiliated and unaffiliated customers. DENC is also a wholly-owned subsidiary of DRI.

The Petitioners state that the Revised Agreement is substantially the same as the Current Agreement, and indicate that this is a status-quo filing, i.e. the Company and DEFUEL are not proposing any substantive changes to (or different terms from) the Current Agreement. The only changes proposed in the Revised Agreement are changes to the names of the entities that are listed therein, for example, references to "VPEM" have been changed to "DEFUEL". The Company indicates that this Agreement has resulted in reduced costs for the Company and its customers by allowing the Company to be able to transact Fuel, and the Transportation of Fuel and Emission Reduction Products, with DEFUEL for the economic benefit of the Company's customers.

The Petitioners state that transactions under the Revised Agreement will continue to be evaluated on a one-time basis, at the time the arrangement for procuring Fuel with the Third-party source was secured, and prior to execution for compliance with the lower of Cost at the Delivery Point or Market Price at the Delivery Point (for DEFUEL's sales to the Company), or the higher of Cost at the Delivery Point or Market at the Delivery Point (for the Company's sales to DEFUEL). The Company and DEFUEL also state that they will continue to provide detailed quarterly reports of transactions executed under these standards to the Commission, consistent with the requirements of the 2012 Order in Docket No. E-22, Sub 483, with which the Company has complied.

The Petitioners further state that to the extent that the Petitioners enter into a transaction whereby DEFUEL provides Transportation services to the Company, and DEFUEL uses the services of another DEI affiliate, the services of that affiliate will be charged to the Company at the lower of cost or market.² Transportation services involving third parties would continue to be provided at cost with no mark-up from DEFUEL.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on January 29, 2018, and recommended that the Commission accept the Revised Agreement for filing effective as of February 1, 2018, for an additional five-year period, authorize DENC to make payments pursuant to that agreement subject to the conditions listed in the agenda item, and provide that if the Petitioners wish to operate under this Agreement after the five-year period of authorization, subsequent Commission

² In Docket No. E-22, Sub 434, the Company and VPEM identified two DRI affiliates – Dominion Terminal Company, Inc. (now Dominion Energy Terminal Company, Inc.), and Dominion Energy Brayton Point, LLC (sold in 2013) that could be involved in DEFUEL's provision of Transportation services to the Company under the Current Agreement. These same affiliates also could potentially be involved in DEFUEL's provision of Transportation services to the Company under the Revised Agreement.

authorization is required. Based upon its review of the Revised Agreement and the Regulatory Conditions and Code of Conduct approved by the Commission in Docket No. E-22, Sub 380 (the Sub 380 Order), the Public Staff stated that it believes the conditions are necessary, particularly to ensure that the requirements of Regulatory Condition 19 are met. The Public Staff further recommended that the Commission's order state that for ratemaking purposes, this action does not constitute approval of the amount of compensation paid pursuant to the Agreement, and that the authority granted by the order is without prejudice to the right of any party to take issue with any provision in a future proceeding. Additionally, the Public Staff stated that DENC agreed to the proposed conditions.

Regulatory Condition 19, as approved in the Sub 380 Order, provides that DENC shall have the burden of proving that all goods and services procured from the Company's affiliates have been procured on the most favorable terms and conditions reasonably available in the market, which must include a showing that such goods or services could not have been procured at a lower cost from non-Affiliate sources or that DENC could not have provided the services or goods itself at a lower cost.

Based upon the foregoing and the entire record in this proceeding, the Commission concludes that the Public Staff's recommendations should be accepted and its proposed conditions are hereby adopted.

IT IS, THEREFORE, ORDERED, as follows:

- (1) That the Revised Agreement is accepted for filing effective February 1, 2018, may extend for five years from the effective date, and DENC is authorized to make payments pursuant thereto. If DENC and DEFUEL wish to continue to operate under this Agreement after the five-year period of authorization, subsequent Commission authorization is required;
- (2) DENC shall continue to procure coal from the Central Appalachian region as it currently does, with purchases conducted in DENC's name, as its standard operating procedure, but may, from time to time, subject to being able to demonstrate significant cost savings for its North Carolina retail customers, purchase Central Appalachian coal from DEFUEL;
- (3) DENC shall include a demonstration in its annual fuel charge adjustment proceeding at the time it files its application that any DEFUEL purchases of Fuel for, and any provision of Transportation services to, DENC resulted in cost savings to DENC's customers and that DENC received the lowest-priced Fuel and Transportation services for such purchases after taking into account differences in volumes, quality, and term;

- (4) That with respect to DEFUEL's purchases of Fuel for, and provision of Transportation services to, DENC, other affiliated companies, and non-affiliated companies, DENC shall be given first preference to the lowest-priced coal and the lowest-priced Transportation services, after taking into account differences between volumes, quality, and term;
- (5) DENC, DEFUEL, and DEI shall ensure that DENC's regulated native load operations are assigned the highest priority of service for Fuel procured, and for Transportation provided pursuant to the Revised Agreement;
- (6) That with respect to Transportation services, it is expected that DEFUEL mainly will use physical assets owned by unaffiliated third parties, and DENC shall demonstrate that it obtained such Transportation services from DEFUEL at DEFUEL's cost, with no mark-up; to the extent DEFUEL uses its own assets to provide Transportation services or obtains Transportation services from other DEI affiliates for provision to DENC, DENC shall demonstrate that the Transportation services provided by DEFUEL using assets owned by such affiliates were provided at the lower of cost or market price;
- (7) That sales of Fuel and Transportation by DENC to DEFUEL, directly or indirectly, may be made from time to time when DENC has excess or can otherwise demonstrate benefits to its North Carolina retail customers from such sales;
- (8) For any DENC sales of Fuel to DEFUEL, DENC shall include a demonstration in its annual affiliate transaction report that the sale was prudent and the price was at the higher of Market Price at the Delivery Point or Cost at the Delivery Point, evaluated at the time the Transaction is entered into, as defined and set forth in the Revised Agreement;
- (9) For any DENC sales of Transportation services to DEFUEL, DENC shall include a demonstration in its annual affiliate transaction report that the sale was prudent and the price received was at the higher of cost or market price;
- (10) For any DENC sales of Fuel to DEFUEL, DENC shall file a report in its annual affiliate transaction report that demonstrates that the sale was prudent and the price was at the higher of Market Price at the Delivery Point or Cost at the Delivery Point, evaluated at the time the Transaction is entered into, as defined and set forth in the Revised Agreement;
- (11) In its annual fuel filing, DENC shall credit fuel expense for any gain on sale of Fuel to DEFUEL that occurred during the fuel test period;

- (12) DENC and DEFUEL shall provide 15 days' written notice to the Commission prior to DEFUEL's use of affiliates to provide services or commodities to DEFUEL for DEFUEL's provision of services and commodities to DENC pursuant to the Revised Agreement, not including Dominion Energy Terminal Company, Inc.;
- (13) Acceptance of the Revised Agreement shall be limited to the specific transactions identified therein and allowed by Commission Order. Should the Petitioners wish to enter into additional transactions or the same transactions on different terms, separate Commission approval shall be required;
- (14) DENC shall file with the Commission any proposed amendments to the terms and conditions of the Revised Agreement, as filed with the Commission in this docket, prior to such amendments becoming effective, including successors and assigns;
- (15) All terms of the Revised Agreement and the activities conducted pursuant thereto remain subject to DENC's compliance with its North Carolina-approved Regulatory Conditions and Code of Conduct;
- (16) Acceptance of this Revised Agreement shall have no ratemaking implications and provides no implication as to any recovery of any costs or treatment of any revenues directly or indirectly related to the Revised Agreement;
- (17) All terms of the Revised Agreement and the activities conducted pursuant thereto remain subject to ongoing review as to their appropriateness and reasonableness and to modification by Commission Order upon its own motion or upon the motion of any party;
- (18) All goods and services rendered pursuant to the Revised Agreement and the costs and benefits assigned and or allocated in connection with such services, and the determination or calculation of the bases and factors utilized to assign or allocate such costs and benefits, remain subject to ongoing review as to their appropriateness and reasonableness and to further action by Commission Order upon its own motion or upon the motion of any party.
- (19) DENC and DEFUEL shall file quarterly reports with the Commission within 45 days after the end of the quarter, beginning with the quarter ending December 31, 2017, and including all transactions under the Revised Agreement for the quarter in question. These reports shall include the following information:
 - (a) A description of all Fuel and Transportation purchases and sales by DENC from or to DEFUEL;
 - (b) The quantity of Fuel and Transportation purchased or sold;

- (c) The delivered price charged to DENC by DEFUEL or charged to DEFUEL by DENC broken down by components (e.g., Fuel, Transportation, taxes, insurance, etc.);
 - (d) The corresponding market price;
 - (e) The third party that provided such market price;
 - (f) A demonstration that DENC purchased Fuel and Transportation services from DEFUEL at the lower of cost or market price and that DENC sold Fuel and Transportation services to DEFUEL at the higher of cost or market price;
 - (g) In the event DEFUEL provides Transportation services to DENC and DEFUEL uses the services of another DEI affiliate, including Dominion Energy Terminal Company, Inc., DENC shall provide the identity of such affiliate and provide the following information: (i) the specific affiliate providing the service; (ii) the specific service the affiliate provided; (iii) the cost of such service, and (iv) the calculation of such charges with supporting detail demonstrating that DENC received such services at the lower of cost or market price; and
 - (h) The FERC account in which each transaction is booked.
- (20) DENC shall include all transactions under the Revised Agreement in its Annual Report of Affiliate Transactions. In addition to the information currently provided, the following with respect to the Revised Agreement shall be reported:
- (a) A description of all Fuel and Transportation purchases and sales by DENC from or to DEFUEL;
 - (b) The quantity of Fuel and Transportation purchased or sold;
 - (c) The delivered price charged to DENC by DEFUEL or charged to DEFUEL by DENC broken down by components (e.g., Fuel, Transportation, taxes, insurance, etc.);
 - (d) The corresponding market price;
 - (e) The third party that provided such market price;
 - (f) A demonstration that DENC purchased Fuel from DEFUEL at the lower of cost or market price and that DENC sold Fuel to DEFUEL at the higher of cost or market price;
 - (g) The demonstration required by Conditions (6) and (8), above;
 - (h) In the event DEFUEL uses any other DEI affiliate in the provision of Fuel to DENC, DENC shall provide the following information: (i) the identity of each specific affiliate providing the service and/or commodity; (ii) the specific service and/or commodity the affiliate provided; (iii) the cost of such service and/or commodity, and (iv) the calculation of such charges with supporting detail demonstrating that the services or commodity indirectly provided by the affiliate to DENC were provided at the lower of cost or market price;

- (i) In the event DEFUEL uses its own assets to provide Transportation services or obtains Transportation services from other DEI affiliates for provision to DENC, including Dominion Energy Terminal Company, Inc., DENC shall provide the following information: (i) the identity of each specific affiliate providing the service; (ii) the specific service the affiliate provided; (iii) the cost of such service; and (iv) the calculation of such charges with supporting detail demonstrating that the services DENC received such services at the lower of cost or market price; and
 - (j) The FERC account in which each transaction is booked;
- (21) DENC shall include all transactions pursuant to the Revised Agreement, including the use of additional affiliates to provide services or commodities to DEFUEL for DEFUEL's provision of services and commodities to DENC under the Revised Agreement, in its Annual Report of Affiliate Transactions filed with the Commission. Documentation reflecting the additional safeguards will be retained for review and audit by the Commission and the Public Staff.
- (22) DENC shall provide the Commission and the Public Staff with prompt access to the books and records of both DENC and its affiliates for the purposes of reviewing all aspects of the transactions made pursuant to this Revised Agreement.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of January, 2018.

NORTH CAROLINA UTILITIES COMMISSION

Martha Lynn Jarvis, Chief Clerk