

McGuireWoods LLP
434 Fayetteville Street
Suite 2600
PO Box 27507 (27611)
Raleigh, NC 27601
Phone: 919.755.6600
Fax: 919.755.6699
www.mcguirewoods.com

Andrea R. Kells
Direct: 919.755.6614

McGUIREWOODS

akells@mcguirewoods.com

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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 Notice Required to Implement Temporary Rates*.

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:mth

Enclosures

Oct 11 2019

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 Dominion Energy) MOTION FOR APPROVAL
North Carolina for Adjustment of) OF NOTICE REQUIRED BY
Rates and Charges Applicable to) N.C. GEN. STAT. § 62-135
Electric Service in North Carolina) TO IMPLEMENT
) TEMPORARY RATES,
) SUBJECT TO REFUND, AND
) AUTHORIZATION OF
) RIDERS

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 approvals and relief identified herein in order to satisfy the procedural requirements of N.C. Gen. Stat. § 62-135 to implement temporary rates on and after November 1, 2019. Specifically, DENC requests the Commission issue an Order approving the Company’s proposed notice to the Company’s customers via publication (the “Notice”) included as Attachment A to this Motion and grant any other relief the Commission determines necessary for DENC to implement temporary rates, as well as authorize Rider A1 – Fuel Cost Decrement Rider (“Rider A1”) and proposed Rider EDIT to become effective, on November 1, 2019.

The temporary non-fuel base and base fuel rates to be recovered, subject to refund, through the temporary rates and charges planned to become effective November 1, 2019, are based on and consistent with the Agreement and Stipulation of Partial

Settlement between the Company and the Public Staff filed on September 17, 2019 (“Stipulation”) in the above-captioned proceeding. Consistent with the Stipulation, the Company also seeks authorization to place fuel decrement Rider A1 and Rider EDIT into effect on November 1, 2019, in order to maintain rate stability and consistency from the period during which temporary rates are anticipated to be in effect to the period during which final rates approved by the Commission will become effective.

DENC respectfully requests the Commission approve the Notice on or before October 18, 2019, in order for the Company to timely provide the Notice to the various newspapers for circulation on or before October 22, 2019. The Public Staff has reviewed and provided input to the Notice 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 13, 2019, DENC filed its annual fuel factor application pursuant to N.C. Gen. Stat. § 62-133.2 in Docket No. E-22, Sub 579 (“2019 Fuel Case”). DENC’s 2019 Fuel Case Application presented updated fuel rates, and also supported a three-month Rider A1, proposed to become effective from November 1, 2019, through January 31, 2020. On August 14, 2019, DENC filed additional supplemental testimony of Company Witness Paul B. Haynes, providing a further update to the base fuel rate, Rider A, and proposed Rider A1 to become effective November 1, 2019. Rider A1 would be effective for usage through and including January 31, 2020.

5. 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. Also on September 12, 2019, the Company filed its Rebuttal Testimony, which responded to testimony filed by the Public Staff and other parties.

6. On September 17, 2019, the Company filed Stipulation on behalf of itself and the Public Staff (the "Stipulating Parties"). The Stipulation provides for an adjusted base non-fuel revenue increase of approximately \$8,583,000, based on the Company's position regarding unresolved issues, as well a decrease in base fuel revenues of approximately \$2,155,000, which equates to an overall increase of approximately \$6,428,000 over the base fuel and base non-fuel rates and charges currently in effect. In addition to this total base revenue change, there will be an increase in revenue associated with Rider EDIT of \$649,000 and a decrease of approximately \$16 million associated with Rider A1. 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.¹ 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. In order to implement temporary rates on November 1, 2019, notice must be provided to the Commission and customers by October 22, 2019. N.C. Gen. Stat. § 62-135(a) (requiring the utility to notify the Commission and its consumers not

¹ 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.

less than 10 days prior to the day when proposed temporary rates shall be placed in effect). To date, notice of the Company's general intent to implement temporary rates has been made in the Company's Application and supplemental and rebuttal testimony, as well as the Commission's Procedural Orders and prior public notice to customers. In order to assure compliance with the statutory requirements of N.C. Gen. Stat. § 62-135, DENC again provides notice to the Commission of its intent to place its increased rates and charges into effect on a temporary basis on November 1, 2019. DENC will also notify customers by publishing the Notice in newspapers of general circulation in its service territory on or before October 22, 2019.

9. The proposed temporary rates to be made effective November 1, 2019, will not result in an increase of twenty percent (20%) or more for any single-rate classification. N.C. Gen. Stat. § 62-135(b). The level of rates and charges planned to be made effective November 1, 2019, for each customer class are presented in Witness Haynes' Stipulation Testimony filed on September 17, 2019. The Company plans to file tariffs with the Commission on or before October 21, 2019, identifying the rates and charges that the Company plans to begin billing for usage on and after November 1, 2019, on a temporary basis, subject to refund.

10. As described above, the Company also seeks authorization to place fuel decrement Rider A1 and Rider EDIT into effect on November 1, 2019, in order to maintain rate stability and consistency from the November 1, 2019, to January 31, 2020, period during which temporary rates are anticipated to be in effect pursuant to N.C. Gen. Stat. § 62-135, to the time when permanent rates approved by the Commission will become effective.

11. The Public Staff has reviewed and provided input to the Notice and requested rate authorization presented 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 Notice, 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
434 Fayetteville Street, Suite 2600
PO Box 27507 (27611)
Raleigh, North Carolina 27601
(919) 755-6614 (ARK)
akells@mcguirewoods.com

ATTACHMENT A

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 Dominion Energy)	PUBLIC NOTICE OF
North Carolina for Adjustment of)	TEMPORARY RATES
Rates and Charges Applicable to)	EFFECTIVE ON
Electric Service in North Carolina)	NOVEMBER 1, 2019

NOTICE IS HEREBY GIVEN that increased rates and charges of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or Company) shall become effective on a temporary basis, subject to refund, pursuant to authority granted to the Company in G.S. § 62-135. The temporary increase will reflect the net of an increase in non-fuel base revenues of \$8.6 million and a decrease in base fuel revenues of \$2.155 million. The decrease in base fuel revenues is not inclusive of a separate decrement Rider A1 to reduce DENC's estimated over-recovery of fuel expenses for the period November 1, 2019, through January 31, 2020. The Company is also implementing Rider EDIT on November 1, 2019, which is designed to recover all unprotected federal excess deferred corporate income taxes (federal EDIT) partially offset by the refund of federal EDIT amortization attributable to the 22-month period from January 1, 2018 through October 31, 2019. Rider A1 and Rider EDIT will not be subject to refund.²

On March 29, 2019, DENC filed an application with the Commission requesting authority to adjust and increase its general rates and charges for retail electric service in North Carolina, effective May 1, 2019 ("Application"). The Company initially requested an overall base non-fuel revenue increase of approximately \$27 million, which DENC stated would be partially offset by an expected reduction in approved fuel rates. DENC further explained that the Company intended to implement new base rates on a temporary basis, subject to refund, under the authority of N.C.G.S. § 62-135. The Application also included proposed Rider EDIT.

² Should the Commission ultimately determine that Rider EDIT is not appropriate, the Company commits to submit an accounting to the Commission addressing the EDIT amount recovered from customers during the temporary rate period, which could then be addressed in the alternative mechanism approved by the Commission.

On August 5, 2019, DENC filed supplemental testimony supporting updates to its actual revenues, expenses, rate base, and cost of capital for the period ending June 30, 2019. DENC filed additional supplemental testimony on August 14, 2019 and updated the Placeholder Base Fuel Rate used in its prior calculations to reflect the values used in the Company's Fuel Factor Filing in Docket No. E-22, Sub 579, which was filed on August 13, 2019 and also proposed Rider A1. DENC filed additional supplemental testimony on September 12, 2019 to reflect certain updates to the Company's proposed changes to base fuel and base non-fuel revenues. The net result of DENC's supplemental testimony updates was to reduce the Company's requested overall base non-fuel revenue increase to \$24.2 million and to decrease base fuel revenues to \$2.2 million.

On September 12, 2019, DENC also filed rebuttal testimony in response to testimony filed by the Public Staff and other intervenors.

On September 17, 2019, DENC and the Public Staff ("Stipulating Parties") filed an Agreement and Stipulation of Partial Settlement ("Stipulation"). Reflecting the Company's position regarding the unsettled issues, the Stipulating Parties recommend the Commission authorize an increase in non-fuel base revenues of \$8.583 million. The Stipulation also provides that the Company should implement the decrease in the base fuel factor, the corresponding resetting of Rider A to zero, and decrement Rider A1 on November 1, 2019. Rider EDIT will recover \$1.3 million of federal EDIT over a two-year period beginning November 1, 2019.

The November 1 Temporary Rate Changes are not final rates, and remain subject to the Commission's final determination of the just and reasonable rates to be charged by DENC on a permanent basis. On October [], 2019, the Commission issued an Order approving DENC's financial undertaking to make refund to customers of any amount of temporary rates determined by the Commission in its final Order to be excessive.

The Commission has held public hearings on the Company's application in Halifax on July 30, 2019, Williamston on July 31, 2019, and Manteo on August 7, 2019. On September 23, 2019, the Commission held another public hearing and began the evidentiary hearing on the Company's application in Raleigh.

EFFECT OF TEMPORARY RATE CHANGE

The following table shows proposed percentage changes in North Carolina retail revenues by customer classes that will result from temporary rates implemented on November 1 Temporary Rate Changes:

Customer Class	Proposed Percentage Changes in Total Revenues
Residential	0.18%
Small General Service and Public Authority	-3.33%
Large General Service	-4.97%
Schedule 6VP	-5.45%
Schedule NS	-6.67%
Traffic Control	-1.58%
Outdoor Lighting	2.05%
Overall	-2.37%

For customers on Residential Schedule 1, the November 1 Temporary Rate Changes, if approved by the Commission, will increase the typical residential customer's average monthly bill as follows:

**Residential Schedule 1
Monthly Bill Based on 1,000 kWh per Month Billed**

	Under Existing Rates (\$ /month)	Under Proposed Rates (\$ /month)	Change (\$ /month)	Percent Change (%)
Average	\$ 113.13	\$ 113.29	\$ 0.16	0.14%

PROPOSED RATE DESIGN / RATE SCHEDULE CHANGES

The November 1 Temporary Rate Changes will not include certain modifications to the Company's tariffs, as initially requested in the Company's application. The Company will defer implementation of the following changes until final approval is received from the Commission: (i) modifications to Rider D – Tax Effect Recovery; and (ii) modifications to Terms and Conditions of Service to revise language and update the Facilities Charges, and other miscellaneous service charges. These changes are proposed to become effective when permanent rates become effective as approved by the Commission.

ADDITIONAL INFORMATION

A list of present rates, together with details of the November 1 Temporary Rate Change, can be obtained at the business offices of DENC or at the Office of the Chief Clerk of the North Carolina Utilities Commission, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of the application is available for review. These materials, as well as pleadings, the pre-filed testimony and exhibits of all parties, the transcripts of all hearings, briefs, and proposed orders, may be viewed as they become available on the Commission's web site at www.ncuc.net. Click on "Docket Search" and type in the docket number E-22 and sub number 562.

Persons desiring to send written statements to inform the Commission of their positions in the matter should address their statements to the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325 and reference Docket No. E-22, Sub 562.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any information which the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to

Mr. Christopher J. Ayers
Executive Director
Public Staff - NC Utilities Commission
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to

The Honorable Joshua Stein
Attorney General of North Carolina
c/o Utilities Division
9001 Mail Service Center
Raleigh, North Carolina 27699-9001

ISSUED BY ORDER OF THE COMMISSION

This the ___th day of October, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Chief Clerk

NOTE TO PRINTER: DENC shall pay advertising costs. It is required that an Affidavit of Publication be filed with the Commission by DENC.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Motion for Approval of Notice Required to Implement Temporary Rates, 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 11th day of October, 2019.

/s/ Nicholas A. Dantonio

Nicholas A. Dantonio
McGuireWoods LLP
434 Fayetteville Street, Suite 2600
PO Box 27507 (27611)
Raleigh, North Carolina 27601
Telephone: (919) 755-6605
ndantonio@mcguirewoods.com

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