

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. M-100, SUB 148
DOCKET NO. E-22, SUB 560
DOCKET NO. E-22, SUB 562

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. M-100, SUB 148)
)
In the Matter of)
The Federal Tax Cuts and Jobs Act)
)
DOCKET NO. E-22, SUB 560)
)
In the Matter of)
Dominion Energy North Carolina Filings to)
Reflect The Federal Tax Cuts and Jobs Act)
)
DOCKET NO. E-22, SUB 562)
)
In the Matter of)
Application by Virginia Electric and Power)
Company, d/b/a Dominion Energy North)
Carolina for Adjustment of Rates and)
Charges Applicable to Electric Utility)
Service in North Carolina)

ORDER GRANTING MOTION
REQUESTING AUTHORIZATION
TO DISCONTINUE QUARTERLY
REPORTING

BY THE COMMISSION: On October 5, 2018, in Docket No. M-100, Sub 148, the Commission issued an Order Addressing the Impacts of The Federal Tax Cuts and Jobs Act [the Tax Act] on Public Utilities (the October 5, 2018 Order). The October 5, 2018 Order directed certain utilities, including Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC), to “adjust their base rates to reflect the reduction in the federal corporate income tax rate to 21% for taxable years beginning after December 31, 2017, as outlined in the Tax Act.” The Commission further requested that certain utilities, including DENC, “file proposals . . . to adjust their rates to reflect the reduction in the federal corporate income tax rate to 21%” by no later than October 25, 2018 and that the Public Staff and other parties “file comments on the proposals by no later than Wednesday, November 14, 2018.” Finally, the Commission requested that the Public Staff work with DENC to determine the impact, if any, to DENC’s State Rider Excess Deferred Income Tax (EDIT) due to the Tax Act and to file a recommendation with the Commission on how the Commission should address the decrease in the federal corporate income tax rate on DENC’s State Rider EDIT.

The October 5, 2018 Order also required certain utilities, including DENC, to file quarterly reports on deferred accounts associated with the Tax Act once new rates and charges were approved. The reports were to detail the status of the provisional revenues collected since January 1, 2018 and the EDIT deferred account.

On October 25, 2018, DENC filed its proposal as required in the October 5, 2018 Order.

On March 4, 2019, the Commission issued its Order Approving Proposal and Requiring Filing of Revised Tariffs and Customer Notice wherein the Commission approved DENC's proposal and required DENC to file a clean copy of the revised tariffs that had been reviewed and determined to be accurate by the Public Staff and to notify customers of the rate change through either a bill insert or a bill notation.

On April 30, 2019, DENC filed its Initial Quarterly Status Report and Request to Discontinue Quarterly Reporting. DENC stated that it was making its request to discontinue the quarterly reporting in light of the fact that: (1) the Company is currently refunding the deferred provisionally collected revenues through a Commission-approved rebilling procedure; and (2) the Company has also proposed to address the federal EDIT associated with the Tax Act through adjustment to the Company's base rates in the Company's general rate case in Docket No. E-22, Sub 562.

DENC stated that the rebilling procedure to return the provisionally collected revenues will be completed for all North Carolina jurisdictional customers during the second quarter of 2019.

On June 19, 2019, the Public Staff filed a letter concerning DENC's April 30, 2019 filing. The Public Staff stated that it had reviewed the filing and does not support DENC's request to discontinue its quarterly reports filed under the October 5, 2018 Order. The Public Staff noted that the October 5, 2018 Order directed that the balance of the EDIT deferred account would be returned to customers in either the Company's next general rate case or in a proceeding to commence on October 5, 2021, if a general rate case has not been filed by the Company. The Public Staff asserted that although DENC has filed a general rate case¹, the Commission has not issued an Order adopting the final disposition of the Company's EDIT deferred account. The Public Staff stated that it anticipates additional reporting requirements concerning the EDIT deferred account balance would be addressed in the final order of the Commission addressing the final disposition of the EDIT deferred account.

The Public Staff further stated that it does not support DENC's request to discontinue reports on the balance of the provisional revenues collected by DENC until the Company has provided sufficient information to establish that the balance of the provisional revenues deferred account is zero. The Public Staff maintained that if the Company is able to show that the balance of the provisional revenues deferred account

¹ See March 29, 2019 application for a general rate case filed by DENC in Docket No. E-22, Sub 562.

is zero in its next quarterly filing, then the Public Staff would likely support a request discontinuing the reporting requirements concerning the provisional revenues deferred account.

On July 17, 2019, the Commission issued an Order Denying Request to Discontinue Quarterly Reporting Requirement wherein the Commission concluded that it was premature to discontinue the reporting requirement at that particular point in time.

On July 31, 2019, DENC filed its second Quarterly Status Report.

On September 17, 2019, DENC and the Public Staff filed an Agreement and Stipulation of Partial Settlement in DENC's rate case proceeding, Docket No. E-22, Sub 562. DENC noted that as part of the Stipulation, DENC and the Public Staff agreed that DENC would implement Rider EDIT to allow for recovery of federal EDIT of \$1.3 million on a levelized basis over a two-year period, with a return. DENC noted that the \$1.3 million is comprised of: (1) the amortization of all unprotected federal EDIT totaling approximately \$8.0 million partially offset by (2) the refund of approximately \$6.8 million associated with protected federal EDIT amortization attributable to the 22-month period January 1, 2018, through October 31, 2019.

On October 31, 2019, DENC filed its third Quarterly Status Report.

On January 31, 2020, DENC filed its Motion Requesting Authorization to Discontinue Quarterly Reporting. DENC states in its motion that the Commission's initial objectives in establishing the reporting requirements in the October 5, 2018 Order in Docket No. M-100, Sub 148 have been fully accomplished and that further reporting on these issues is no longer necessary.

DENC also notes that contemporaneously with filing its motion, the Company has filed a fourth Quarterly Status Report. DENC further notes that it has shared its instant request with the Public Staff, and the Public Staff has authorized DENC to represent that its concerns raised in its June 19, 2019 letter opposing DENC's initial request have been addressed and that the Public Staff supports DENC's request to discontinue its ongoing quarterly reporting requirements provided that the Commission's final order in the rate case proceeding does not have a requirement contrary to DENC's request.

DENC requests that the Commission authorize DENC to discontinue the quarterly reporting requirements related to federal EDIT initially established in Ordering Paragraph No. 8 of the October 5, 2018 Order in Docket No. M-100, Sub 148.

On February 24, 2020, the Commission issued its Order Accepting Public Staff Stipulation in Part, Accepting CIGFUR Stipulation, Deciding Contested Issues, and Granting Partial Rate Increase in DENC's general rate case proceeding (Docket No. E-22, Sub 562) which fully addressed the disposition of DENC's federal EDIT deferred accounts by approving Rider EDIT as described in the Stipulation and incorporating a going-level of federal protected EDIT amortization in base non-fuel rates. The February 24, 2020

Order does not contain a requirement contrary to DENC's request in its January 31, 2020 motion.

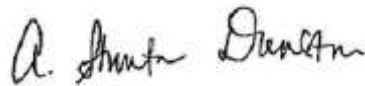
After carefully reviewing DENC's motion and the Commission's orders in Docket No. E-22, Sub 562 and Docket No. M-100, Sub 148, the Commission finds good cause to grant DENC's motion. Therefore, DENC is authorized to discontinue the quarterly reporting required in Ordering Paragraph No. 8 of the October 5, 2018 Order in Docket No. M-100, Sub 148.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 5th day of March, 2020.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "A. Shonta Dunston".

A. Shonta Dunston, Deputy Clerk