

**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

DOCKET NO. E-22, SUB 562

In the Matter of
Application of Virginia Electric and Power
Company, d/b/a Dominion Energy North
Carolina, for Adjustment of Rates and
Charges Applicable to Electric Service in
North Carolina

DOCKET NO. E-22, SUB 566

In the Matter of
Petition of Virginia Electric and Power
Company, d/b/a Dominion Energy North
Carolina for an Accounting Order to Defer
Certain Capital and Operating Costs
Associated with Greenville County
Combined Cycle Addition

ORDER PROVIDING NOTICE OF
COMMISSION QUESTIONS

BY THE CHAIR: On May 30, 2019, the Commission issued an Order Scheduling Investigation and Hearing, Establishing Intervention and Testimony Due Dates and Discovery Guidelines and requiring Public Notice (Order) in the above-captioned proceeding. In the Order, the Commission, among other things, scheduled the evidentiary hearing to begin on September 23, 2019, at 2:00 p.m., in Raleigh.

Based upon the filings, including all pre-filed testimony, the Chair finds good cause to provide notice of a subset of Commission questions, which is attached hereto as Attachment A, directed to DENC's witnesses. The Chair directs the Company to be prepared to answer these questions at the hearing. The Chair advises all parties that this list is not exclusive and that additional Commission questions will be asked during the hearing.

IT IS, THEREFORE, ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 16th day of September, 2019.

NORTH CAROLINA UTILITIES COMMISSION



Janice H. Fulmore, Deputy Clerk

QUESTIONS FOR DENC WITNESSES

Cost Allocation and Rate Design

1. Provide a late-filed exhibit, sponsored by a witness who can testify concerning the substance of such exhibit, showing for each customer class the amount of the fixed monthly charge that would be required to recover, solely from revenues attributable to such fixed charge, the following costs: (1) the customer meter, (2) the service line drop to the meter, and (3) an allocable share of overhead costs for the following functions: meter reading, billing, collection, and customer service operations (not including the cost of response to calls for service or repair). The exhibit should further show the effect of reallocating all remaining distribution system costs among customer classes based on demand.
2. Provide a witness knowledgeable concerning the Company's exploration, evaluation, and consideration of special rates and/or billing and payment plans for qualifying low income customers and the supporting rationale for any decisions concerning whether to propose or offer any such rates or billing plans.

Waste Coal Ash

1. Provide a witness who can testify, with respect to each of the Company's presently or formerly operating (either now decommissioned or in cold start status) coal-fired generating units, whether or not for purposes of depreciation of such units DENC historically included in terminal net salvage values any costs for permanent closure (i.e., as cost of removal) for associated (i) on-site or off-site coal waste impoundments, dry stacks or piles, landfills, (ii) removal and off-site disposal of ash wastes at third-party sites, or (iii) costs related to beneficial reuse. (Hereafter, each of (i), (ii), and (iii) shall be referred to as "waste ash facilities.") If the Company has not historically included such costs in terminal net salvage values, the witness should be prepared to testify concerning the rationale for the Company's position and should be prepared to offer as late-filed exhibits any internal documents and any third-party studies or analyses discussing, explaining or supporting such rationale. If the Company has historically included such costs in terminal net salvage values, then for each such generating unit, the witness should be prepared to provide the following information:
 - (a) the date DENC began including the costs of removal of waste ash facilities in its calculation of terminal net salvage values;
 - (b) the amount of costs so included and the aggregate amounts collected through depreciation rates on account of such costs of removal; and
 - (c) the amounts expended for permanent closure of waste ash facilities that have been offset against or are available for offset against accumulated depreciation as disclosed in item (b).

2. Provide late-filed exhibits comprising all reports, examinations, studies, analyses, recommendations, plans or planning documents, memoranda or records of decision, or similar documents prepared by the Company or by any third-party at the request of or on behalf of the Company that relate to options for and/or costs of permanent closure of any waste ash facilities at any of the Company's now or formerly operating (whether decommissioned or in cold start status) coal-fired generating units and provide a witness who can sponsor and can testify concerning the history and substance of the late-filed exhibit(s). The witness should also be prepared to testify concerning any actions taken in response to any such studies, reports, recommendations or similar documents, the rationale for any such actions, and the basis for and reasons for any decisions not to take action in response to any recommendations or suggestions for action contained in or considered in such documents.
3. Provide a witness who can testify concerning the Company's familiarity with and use of or consideration of (i) any of the exhibits adopted by Public Staff witness Lucas and incorporated from Docket No. E-7, Sub 1146, and (ii) [the AGO late-filed exhibit from the DEC general rate case which is the 2004 EPRI report on case studies involving closure of coal waste facilities.]
4. Provide a late-filed exhibit, sponsored by a witness able to testify concerning the preparation, compilation, substance and contents of the exhibit, which for each generating plant (and, where possible, for individual waste ash management units) itemizes by task or activity the components of the waste ash disposal costs for which the Company is seeking recovery in this case. Examples (for illustration only) of tasks or activities might include – consolidating ash stacks or piles, dewatering impoundments, excavating ash from landfills or impoundments, transportation for disposal, amounts paid to third parties for off-site disposal, costs of preparation for beneficial reuse, investigation and characterization of potential surface water or groundwater contamination, construction of new landfills, purchase and installation of landfill liners, construction of caps over waste ash facilities, installation of groundwater monitoring equipment, and ongoing monitoring, recordkeeping, and reporting costs. This listing is not meant to be exhaustive. For an example, see Exhibit 11 of John Kerin's testimony in Docket No. E-7, Sub 1146.
5. Provide a late-filed exhibit that provides a full accounting of all costs of the Chesapeake Energy Center (CEC) regulatory asset and the Yorktown regulatory asset and a witness that is able to testify regarding the costs that are included in the regulatory assets. Are any of the same CCR costs included in the CEC and Yorktown regulatory assets and in the July 1, 2016 through June 30, 2019 CCR deferral?