

**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 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 APPROVING PUBLIC
	)	NOTICE OF TEMPORARY RATES
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 for	)	
Certain Capital and Operating Costs	)	
Associated with the Greenville County	)	
Combined Cycle Addition	)	

BY THE CHAIR: On March 29, 2019, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC), filed an application with the Commission in Docket No. E-22, Sub 562 requesting authority to increase its rates and charges for retail electric service in North Carolina effective on May 1, 2019. DENC also stated its intent to implement the rate increase on November 1, 2019, pursuant to N.C. Gen. Stat. § 62-135, which authorizes public utilities to place new rates into effect, on a temporary basis and subject to refund with interest, seven months after filing an application for a rate change.

On October 11, 2019, DENC filed a Motion for Approval of Notice Required by N.C. Gen. Stat. § 62-135 to Implement Temporary Rates, Subject to Refund, and Authorization of Riders. In summary, DENC requests that the Commission take action as it deems necessary to enable DENC to implement temporary base rates and its proposed fuel charge decrement Rider A1 and Rider EDIT on November 1, 2019. DENC's motion includes a proposed Public Notice of Temporary Rates Effective on November 1, 2019 (Public Notice) that DENC intends to publish upon approval of the Public Notice by the Commission.

Also on October 11, 2019, DENC filed a motion for approval of financial undertaking that obligates DENC to refund to its customers any amount of temporary rates that may be finally determined by the Commission to be excessive, plus 10% interest per annum. It also obligates DENC to make refunds in a manner consistent with any terms and conditions imposed by the Commission.

According to DENC's motion and proposed Public Notice, the proposed temporary rates and charges reflect the adjustments settled upon by the Public Staff and DENC, as set forth in the Stipulation filed in this docket on September 17, 2019, which include an increase in non-fuel base revenues of approximately \$8.6 million and a decrease in base fuel revenues of \$2.155 million, equating to an overall increase of approximately \$6,428,000 over the base fuel and base non-fuel rates and charges currently in effect. DENC also proposes to place in effect for the period November 1, 2019, through January 31, 2020 decrement Rider A1 to reduce DENC's estimated over-recovery of fuel expenses. Finally, the Company proposed to implement Rider EDIT 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.

DENC requests approval of its proposed Public Notice on or before October 18, 2019, in order for DENC to make the necessary changes to its billing system to implement the new rates and charges on November 1, 2019.

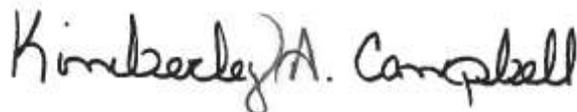
Based upon DENC's motion and the record in this docket, the Chair finds good cause to approve the Public Notice of Temporary Rates, attached to this Order as Attachment A.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 18<sup>th</sup> day of October, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Handwritten signature of Kimberly A. Campbell in black ink.

Kimberly A. Campbell, Chief Clerk

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BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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	)	PUBLIC NOTICE OF TEMPORARY
	)	RATES EFFECTIVE ON
DOCKET NO. E-22, SUB 566	)	NOVEMBER 1, 2019, SUBJECT TO
	)	REFUND
In the Matter of	)	
Petition of Virginia Electric and Power	)	
Company, d/b/a Dominion Energy North	)	
Carolina for an Accounting Order for Certain	)	
Capital and Operating Costs Associated with the	)	
Greenville County Combined Cycle Addition	)	

NOTICE IS HEREBY GIVEN that Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or Company), is authorized to increase its North Carolina retail rates and charges effective November 1, 2019, on a temporary basis, subject to refund, pursuant to N.C. Gen. Stat. § 62-135. The November 1, 2019 rate changes are not final rates, and remain subject to the North Carolina Utilities Commission’s final determination of the just and reasonable rates to be charged by DENC on a permanent basis.

The temporary increase will reflect the net of an increase in non-fuel base revenues of approximately \$8.6 million and a decrease in base fuel revenues of \$2.155 million, equating to an overall increase of approximately \$6,428,000 over the base fuel and base non-fuel rates and charges currently in effect. 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.<sup>1</sup>

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.

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 18, 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

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<sup>1</sup> 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.

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:

<b>Customer Class</b>	<b>Proposed Percentage Changes in Total Revenues</b>
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

	<b>Under Existing Rates (\$ /month)</b>	<b>Under Proposed Rates (\$ /month)</b>	<b>Change (\$ /month)</b>	<b>Percent Change (%)</b>
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](http://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

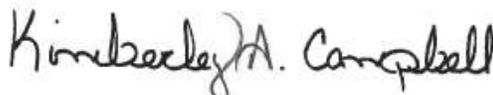
The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to:

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 18<sup>TH</sup> day of October, 2019.

NORTH CAROLINA UTILITIES COMMISSION



Kimberley A. Campbell, 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.