

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 562
DOCKET NO. E-22, SUB 577
DOCKET NO. E-22, SUB 578
DOCKET NO. E-22, SUB 579

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-22, SUB 562)

In the Matter of)
Application of Dominion Energy North Carolina)
for Adjustment of Rates and Charges)
Applicable to Electric Service in North Carolina)

DOCKET NO. E-22, SUB 577)

In the Matter of)
Petition for Approval of Demand-Side)
Management and Energy Efficiency Cost)
Recovery Rider Pursuant to N.C.G.S.)
§ 62-133.9 and Commission Rule R8-69)

ORDER APPROVING NEW
RATES, REFUND OF OVER
RECOVERY, AND NOTICE TO
CUSTOMERS OF CHANGE IN
RATES

DOCKET NO. E-22, SUB 578)

In the Matter of)
Petition for Approval of Renewable Energy)
and Energy Efficiency Portfolio Standard Cost)
Rider Pursuant to N.C.G.S. § 62-133.8 and)
Commission Rule R8-67)

DOCKET NO. E-22, SUB 579)

In the Matter of)
Application Pursuant to N.C.G.S. § 62-133.2)
and Commission Rule R8-55 Regarding Fuel)
and Fuel-Related Cost Adjustments for)
Electric Utilities)

BY THE COMMISSION: 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 the above-captioned dockets (Rate Order), in Docket No. E-22, Sub 562, the general rate application of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or Company).

On April 24, 2020, DENC filed a Motion for Reconsideration or Clarification of the Rate Order (DENC's Motion). On the same date the Public Staff filed a Motion for Reconsideration or Clarification of the Rate Order (Public Staff's Motion).

On July 28, 2020, the Commission issued an Order granting in part and denying in part DENC's Motion, and dismissing the Public Staff's Motion as moot (Reconsideration Order). In addition, the Reconsideration Order required DENC to file within ten days its new revenue requirement and customer rates based on the Rate Order, and to calculate and make a proposal for refunding the excess revenues received by DENC, plus interest at 10%, resulting from the temporary rates placed into effect by DENC on November 1, 2019.

On August 7, 2020, DENC made a Compliance Filing in response to the Reconsideration Order. In summary, DENC's Compliance Filing included the calculations required by the Reconsideration Order, and a proposed Customer Notice of Changes in Rates (Customer Notice). DENC stated that the proposed Customer Notice also includes information about the rate changes made by the Commission in the Company's 2019 annual fuel case (Docket No. E-22, Sub 579), the Company's 2019 demand-side management and energy efficiency case (Docket No. E-22, Sub 577), and the Company's 2019 renewable energy case (Docket No. E-22, Sub 578). Further, DENC stated that the Public Staff reviewed and verified DENC's calculations of the revenue requirement and DENC's proposed rate design that was used to develop the rate schedules and terms and conditions included in DENC's Compliance Filing consistent with the Rate Order.

Based on DENC's Compliance Filing and the record in these dockets, the Commission finds good cause to approve the new rates as shown in DENC's Compliance Filing, the rate refund proposal of DENC, and the Customer Notice in the form attached hereto as Attachment A. Further, the Commission finds good cause to direct that DENC shall include the Customer Notice as a bill insert in all customer bills issued in DENC's next billing cycle.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 26th day of August, 2020.

NORTH CAROLINA UTILITIES COMMISSION



Janice H. Fulmore, Deputy Clerk

Commissioners Kimberly W. Duffley, Floyd B. McKissick, Jr., and Jeffrey A. Hughes did not participate in this decision.

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DOCKET NO. E-22, SUB 562
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BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-22, SUB 562)	
)	
In the Matter of)	
Application of Dominion Energy North)	
Carolina for Adjustment of Rates and)	
Charges Applicable to Electric Service in)	
North Carolina)	
)	
DOCKET NO. E-22, SUB 577)	NOTICE TO CUSTOMERS OF
)	CHANGE IN RATES
In the Matter of)	
Petition for Approval of Demand-Side)	
Management and Energy Efficiency Cost)	
Recovery Rider Pursuant to N.C.G.S.)	
§ 62-133.9 and Commission Rule R8-69)	
)	
DOCKET NO. E-22, SUB 578)	
)	
In the Matter of)	
Petition for Approval of Renewable Energy)	
and Energy Efficiency Portfolio Standard)	
Cost Rider Pursuant to N.C.G.S. § 62-)	
133.8 and Commission Rule R8-67)	
)	
DOCKET NO. E-22, SUB 579)	
)	
In the Matter of)	
Application Pursuant to N.C.G.S.)	
§ 62-133.2 and Commission Rule R8-55)	
Regarding Fuel and Fuel-Related Cost)	
Adjustments for Electric Utilities)	

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission (Commission) has authorized Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or Company), to implement an overall decrease in its rates and charges paid by customers for retail electric service in North Carolina, as detailed

below. The new rates will recover increases in DENC's base non-fuel rates. Further, the new rates reflect changes in the Company's cost of purchasing renewable energy, cost and incentives for providing demand-side management and energy efficiency (DSM/EE) programs, and are offset by Commission approved decreases in DENC's total fuel costs (Fuel, REPS and DSM/EE Riders).

On November 1, 2019, DENC exercised its right under N.C. Gen. Stat. § 62-135 to place into effect temporary base non-fuel rates, subject to refund with interest, depending on the Commission's final order in Docket No. E-22, Sub 562 (Sub 562), DENC's general rate case application. 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 Sub 562 (Rate Order). The Rate Order approved a lower base non-fuel rate revenue requirement than that which was placed into temporary effect by DENC on November 1, 2019. Further, the rate changes effectuated by the Fuel, REPS and DSM/EE Riders became effective on a final basis for usage on and after February 1, 2020. The Commission's orders authorizing the Fuel, REPS and DSM/EE Rider changes were issued on January 17, 2020, in Docket No. E-22, Sub 577; on January 24, 2020, in Docket No. E-22, Sub 578; and on January 23, 2020, in Docket No. E-22, Sub 579, respectively.

Final Base Non-Fuel Rate Increase and Base Fuel Rate Decrease

As was DENC's choice under N.C. Gen. Stat. § 62-135, on November 1, 2019, DENC implemented a temporary base non-fuel revenue increase of \$8,583,000, and a temporary base fuel revenue decrease of \$2,155,000, subject to refund with interest, pending the Commission's final determination of DENC's just and reasonable rates to be charged on a permanent basis. The Commission's Rate Order on February 24, 2020, along with a subsequent Order issued on July 28, 2020, approved a base non-fuel increase of \$5,039,000, and a base fuel decrease of \$2,155,000, resulting in a combined total base revenue increase of \$2,884,000, effective November 1, 2019. These base non-fuel and base fuel charges will result in a monthly increase of approximately \$1.74 for a residential customer using 1,000 kilowatt hour (kWh) per month during calendar year 2020.

Refund of Excessive Amount Collected Under Temporary Rates

Pursuant to N.C. Gen. Stat. § 62-135, the Commission has ordered DENC to refund with 10% interest per annum the amount collected from customers under DENC's November 1, 2019 temporary rates in excess of the Commission approved permanent rates finally determined by the Commission in the Rate Order to be just and reasonable. Eligible active customers will receive a credit, including interest, on their first bill issued after DENC has calculated the refund amount, in accordance with the rebilling and refund procedure approved by the Commission. The rebilling procedure calculates the credit based on the difference between approved permanent rates versus the November 1, 2019 temporary rates. Interest on the refund amount is calculated through the date that the credit was posted to the customer's account. For active accounts,

interest is credited through the next bill date following the rebilling. For closed accounts, interest is credited through the rebilling date. DENC will mail refund checks to eligible inactive customers at such customer's last known address on file with DENC within 30 days of the date the Commission accepted DENC's permanent rates for filing.

Non-Base Fuel Rate Decrease

On January 23, 2020, in Docket No. E-22, Sub 579, the Commission approved annual non-base fuel Experience Modification Factor (EMF) increment riders to become effective February 1, 2020. DENC's fuel cost recovery includes recovery of the Company's North Carolina fuel expense under collection of \$550,353, including the North Carolina regulatory fee. The fuel cost recovery was approved by the Commission after review of the Company's fuel expenses and related revenues during the 12-month period ending June 30, 2019, and represents changes experienced by the Company with respect to its reasonable costs of fuel and the fuel component of purchased power. The EMF increment fuel factors (Rider B) approved by the Commission are:

Residential	SGS & Public Authority	LGS	NS	6VP	Outdoor Lighting	Traffic
0.014 ¢/kWh	0.014 ¢/kWh	0.014 ¢/kWh	0.013 ¢/kWh	0.013 ¢/kWh	0.014 ¢/kWh	0.014 ¢/kWh

The Commission also adjusted Fuel Rider A to zero, as the full expected cost of fuel in 2020 is now included in the base fuel rate approved in the Rate Order. The net change of the EMF rider (Rider B) and Fuel Rider A, excluding the effect of Rider A1 which expired January 31, 2020, will result in a monthly decrease of approximately \$4.49 for a residential customer using 1,000 kWh per month during the rate period February 1, 2020 – January 31, 2021. DENC's total net fuel factors for each customer class are:

Residential	SGS & Public Authority	LGS	NS	6VP	Outdoor Lighting	Traffic
2.132 ¢/kWh	2.129 ¢/kWh	2.112 ¢/kWh	2.049 ¢/kWh	2.078 ¢/kWh	2.132 ¢/kWh	2.132 ¢/kWh

Rider EDIT

Rider EDIT will be implemented to recover certain federal excess deferred income taxes (EDIT), from ratepayers over a two-year period on a levelized basis, with a return. As reflected on Settlement Exhibit II, Schedule 2, accepted by the Commission in the Rate Order, the appropriate amount to be recovered from customers is a total of \$1,299,369, and is based on the following per kWh charges.

Residential	SGS & Public Authority	LGS	NS	6VP	Outdoor Lighting	Traffic
0.021 ¢/kWh	0.016 ¢/kWh	0.011 ¢/kWh	0.007 ¢/kWh	0.010 ¢/kWh	0.051 ¢/kWh	0.025 ¢/kWh

The implementation of Rider EDIT will result in a monthly increase of approximately \$0.21 for a residential customer using 1,000 kWh per month during the rate period.

Demand-Side Management and Energy Efficiency Related Rate Increase

On January 17, 2020, in Docket No. E-22, Sub 577, the Commission approved rates to become effective February 1, 2020, that are designed to collect \$3,934,290 in annual North Carolina retail costs and utility incentives associated with offering the Company’s portfolio of DSM/EE programs. The rate increase was approved by the Commission after review of the Company’s projected DSM/EE program expenses and utility incentives for the rate period February 1, 2020 through January 31, 2021, and a true-up of calendar year 2018 DSM/EE expenses and utility incentives through an EMF Rider. The combined projected (Rider C) and EMF (Rider CE) rates result in the following per kWh charges for usage during the rate period.

Residential	SGS & Public Authority	LGS	NS	6VP	Outdoor Lighting	Traffic
0.125 ¢/kWh	0.176 ¢/kWh	0.108 ¢/kWh	0.000 ¢/kWh	0.000 ¢/kWh	0.000 ¢/kWh	0.000 ¢/kWh

The change in the DSM/EE rates will result in a monthly increase of approximately \$0.004 for a residential customer using 1,000 kWh per month during the rate period. Commercial customers with annual consumption of 1,000,000 kWh or greater in the prior calendar year, and all industrial customers, may elect not to participate in the Company's DSM/EE programs and thereby avoid paying these charges by notifying the Company that they have implemented or will implement their own DSM or EE measures. Commercial and industrial customers choosing this option will receive an offsetting credit to the DSM/EE rates on their monthly bills. For additional details on DSM/EE opt out

eligibility, go to <https://www.dominionenergy.com/large-business/energy-conservation-programs/nc-dsm-program-opt-out>.

Renewable Energy and Energy Efficiency Portfolio Standard Rate Increase

On January 24, 2020, in Docket No. E-22, Sub 578, the Commission approved the Company's updated Riders RP and RPE to become effective February 1, 2020, which are designed to recover annual North Carolina retail revenues of \$1,352,104 associated with the Company's annual obligation to purchase electricity produced by renewable energy resources under North Carolina's Renewable Energy Portfolio and Energy Efficiency Standard (REPS). The rate increase was approved by the Commission after review of DENC's incremental REPS compliance costs incurred during the period July 1, 2018 through June 30, 2019, Rider RP revenues recovered during that period, and compliance costs projected to be incurred during the rate period February 1, 2020 through January 31, 2021. The combined Rider RP and Rider RPE charges, including the North Carolina regulatory fee, result in the following monthly per-account customer charges for usage during the February 1, 2020 through January 31, 2021 rate period.

Residential	Commercial	Industrial
\$0.55	\$3.08	\$20.83

The change in the REPS charges will result in a monthly increase of \$0.12 for a residential customer during the rate period. DENC's REPS charges are not applicable to agreements under the Company's outdoor lighting rate schedules, nor for sub-metered service agreements. Additionally, the REPS charges are not applicable to small auxiliary separately metered services provided to a customer on the same property as a residential or other service account. An auxiliary service is defined as a non-demand metered, nonresidential service provided on schedule SGS or SG, at the same premises, with the same service address, and with the same account names as an agreement for which a monthly REPS charge has been applied. To qualify for an auxiliary service not subject to the REPS charge, the customer must notify DENC and the Company must verify that such agreement is considered an auxiliary service, after which the REPS charge will not be applied to qualifying auxiliary service agreements. The customer is also responsible for notifying the Company of any change in service that results in the service no longer qualifying as auxiliary. Please contact the Company at 1-866-DOM-HELP or 1-866-366-4357 or go to <https://www.dom.com/REPS-opt-out> for additional detail on qualifying as an eligible auxiliary service account.

Summary of Rate Changes

The foregoing changes to DENC's approved rates and charges relating to renewable energy costs, DSM/EE, and fuel expenses are effective on a final basis for usage on and after February 1, 2020. The foregoing changes to DENC's approved rates and charges relating to base non-fuel rates became effective on a temporary basis on November 1, 2019 and later became effective on a final basis on November 1, 2019. Compared to the rates previously approved by the Commission effective prior to

November 1, 2019, the total aggregate monthly impact of these rate changes for a residential customer using 1,000 kWh per month is a decrease of \$1.67, or 1.47%.

ISSUED BY ORDER OF THE COMMISSION.

This 26th day of August, 2020.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink, appearing to read "Janice H. Fulmore". The signature is written in a cursive style with a large initial "J" and "F".

Janice H. Fulmore, Deputy Clerk