



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

September 18, 2019

Ms. Kimberly A. Campbell, Chief Clerk
North Carolina Utilities Commission
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Docket No. E-22, Sub 562 & E-22, Sub 566

Dear Ms. Campbell:

In connection with the above-captioned docket, I transmit herewith for filing on behalf of the Public Staff the exhibit and supporting schedules for the Joint Testimony of James S. McLawhorn, Director, Electric Division and Sonja R. Johnson, Staff Accountant, Accounting Division, filed on September 17, 2019.

By copy of this letter, we are providing copies to all other parties of record.

Sincerely,

/s/ Heather D. Fennell
Staff Attorney
heather.fennell@psncuc.nc.gov

Executive Director (919) 733-2435	Communications (919) 733-5610	Economic Research (919) 733-2267	Legal (919) 733-6110	Transportation (919) 733-7766
Accounting (919) 733-4279	Consumer Services (919) 733-9277	Electric (919) 733-2267	Natural Gas (919) 733-4326	Water (919) 733-5610

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
REVENUE IMPACT OF SETTLED AND UNRESOLVED ADJUSTMENTS
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 1

Line No.	Item	Per Public Staff (a)	Per Company (b)	Difference (c) ^{9/}
1	Non-fuel revenue requirement increase per Company application	\$ 26,958 ^{1/}	\$ 26,958	\$ -
2	Revenue impact of Company update in first supplemental filing	(2,079) ^{2/}	(2,079)	-
3	Non-fuel revenue requirement increase per Company after updates	24,879	24,879	\$ -
4	Revenue impact of Public Staff adjustments: ^{3/}			
5	Settled Issues			
6	Change in equity ratio from 53.65% to 52.00% equity	(1,903)	(1,903)	-
7	Change in debt cost rate from 4.442% to 4.442%	-	-	-
8	Change in return on equity from 10.75% to 9.75%	(8,064)	(8,064)	-
9	Change in retention factor - uncollectibles	(17)	(17)	-
10	Adjust uncollectibles	(238)	(238)	-
11	Adjust allocation of state accumulated deferred income taxes	-	-	-
12	Remove Mt Storm Impairment costs	(470)	(470)	-
13	Adjust NUG Contract Termination Expense - Regulatory Asset	(36)	(36)	-
14	Adjust outside services	(177)	(177)	-
15	Eliminate certain ADIT balances	-	-	-
16	Remove Skiffes Creek mitigation costs	(153)	(153)	-
17	Remove executive compensation costs	(92)	(92)	-
18	Remove Chesterfield Units 3 & 4 wet-to-dry conversion costs	-	-	-
19	Adjustment to remove federal unprotected EDIT treatment as a rider	(287)	(287)	-
20	Adjust lobbying expense	(42)	(42)	-
21	Adjust storm costs	(81)	(81)	-
22	Remove employee severance program costs	(304)	(304)	-
23	Remove advertising costs	(12)	(12)	-
24	Adjust annual incentive plan costs	(358)	(358)	-
25	Adjust employee VRP Backfill costs	-	-	-
26	Adjust expenses for customer growth, usage, and weather normalization	(90)	(90)	-
27	Adjust variable non-fuel O&M expenses for displacement	(142)	(142)	-
28	Adjust inflation adjustment	(9)	(9)	-
29	Adjust uncollectibles for decrease in base fuel rate	(7)	(7)	-
30	Adjust cash working capital under present rates	(83) ^{8/}	(83) ^{8/}	-
31	Adjust cash working capital under proposed rates	(282) ^{8/}	(282) ^{8/}	-
32	Adjustment to reflect kWh change in revenue annualization	49	49	-
33	Adjustment for New Office Building	(720)	(720)	-
34	Rounding	1	1	-
35	Total Settled Issues	(13,517)	(13,517)	-
36	Unsettled Issues			
37	Adjust coal combustion residual (CCR) costs	(7,096) ^{7/}	(2,750) ^{7/}	(4,346)
38	Adjust cash working capital for CCR adjustment	(74) ^{8/}	(29) ^{8/}	(45)
39	Total Unsettled Issues	(7,170)	(2,779)	(4,391)
40	Recommended increase in non-fuel revenue requirement	\$ 4,192 ^{4/}	\$ 8,583	\$ (4,391)
41	Public Staff recommended decrease in base fuel revenue requirement	\$ (2,155) ^{5/}	\$ (2,155)	\$ -
42	Annual EDIT Rider recommended by Public Staff for 5 year period	\$ 649 ^{6/}	\$ 649	\$ -

1/ Company Exhibit PMM-1, Page 1, Line 6, Column (6).

2/ Company Supplemental Exhibit PMM-1, Page 10.

3/ Calculated based on Johnson Settlement Exhibit 1, Schedules 2, 3, 4, 5, and backup schedules.

4/ Johnson Settlement Exhibit 1, Schedule 5, Line 7.

5/ Johnson Settlement Exhibit 1, Schedule 5, Line 6.

6/ Johnson Settlement Exhibit 2, Schedule 1, Line 14.

7/ DENC and the Public Staff have agreed on a small portion of this issue involving compounding of financing costs.

8/ Calculated based on including and excluding Public Staff and Company CCR adjustments in spreadsheet calculation.

9/ Column (a) - Column (b).

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
SUPPORT FOR RECONCILIATION SCHEDULE
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 1(a)

Line No.	Item	Rate Base Impact (a)	Income Statement Impact (b)	Total Revenue Impact (c)
1	Remove Mt Storm Impairment costs	\$0	(\$470)	(\$470)
2	Remove Skiffes Creek mitigation costs	(108)	(45)	(153)
3	Remove Chesterfield Units 3 & 4 wet-to-dry conversion costs	-	-	-
4	Adjust CCR costs	(977)	(6,119)	(7,096)

1/ Johnson Settlement Exhibit 1, Schedule 2-1, Line 11.

2/ Johnson Settlement Exhibit 1, Schedule 3-1, Line 20.

3/ Column (a) plus Column (b).

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
CALCULATION OF GROSS REVENUE EFFECT FACTORS
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 1-2

Line No.	Item	Capital Structure (a)	Cost Rates (b)	Retention Factor (c)	Gross Revenue Effect (d)
1	<u>Rate Base Factor</u>				
2	Long-term debt	48.000% 1/	4.442% 1/	0.9954193 2/	0.0214217 4/
3	Common equity	52.000% 1/	9.75% 1/	0.7403645 3/	0.0684798 4/
4	Total (Sum of Lines 2 and 3)	<u>100.000%</u>			<u>0.0899015</u>
					<u>Amount</u>
5	<u>Net Income Factor</u>				
6	Total revenue				1.0000000
7	Uncollectibles				0.0032850 5/
8	Balance (L6 - L7)				0.9967150
9	Regulatory fee (L8 x 0.130%)	6/			0.0012957
10	Balance (L8 - L9)				0.9954193
11	State income tax (L10 x 5.8517%)	7/			0.0582490
12	Balance (L10 - L11)				0.9371703
13	Federal income tax (L12 x 21%)	8/			0.1968058
14	Retention factor (L12 - L13)				<u>0.7403645</u>

- 1/ Per Settlement Agreement.
2/ Line 10.
3/ Line 14.
4/ Column (a) times Column (b) divided by Column (c).
5/ Johnson Settlement Exhibit 1, Schedule 3-1(b), Line 5.

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
CALCULATION OF WEIGHTED
STATE INCOME TAX RATE
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 1-3

Line No.	Item	Total System (a)	Virginia (b)	North Carolina (c)	Washington DC (d)	West Virginia (e)
1	<u>Weighted state income tax rate</u>					
2	Apportionment factor		93.5230% ^{2/}	3.6873% ^{4/}	0.0000% ^{2/}	2.2788% ^{2/}
3	State income tax rate		6.00% ^{2/}	2.50% ^{5/}	8.25% ^{2/}	6.50% ^{2/}
4	Weighted state income tax rate	<u>5.8517% ^{1/}</u>	<u>5.61138% ^{3/}</u>	<u>0.09218% ^{3/}</u>	<u>0.00000% ^{3/}</u>	<u>0.14812% ^{3/}</u>
5	<u>Composite income tax rate</u>					
6	Weighted state income tax rate (L4)	5.8517%				
7	Federal income tax rate	21% ^{6/}				
8	Composite income tax rate	25.6228% ^{7/}				

- 1/ Sum of Columns (b) through (e).
- 2/ NCUC Form E-1, Item No. 13a6(2)va_new.
- 3/ Line 1 times Line 2.
- 4/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 286, Line 3.
- 5/ Based on North Carolina Department of Revenue Notice dated December 2018.
- 6/ Statutory rate.
- 7/ 1 minus ((1 minus Line 6) times (1 minus Line 7)).

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
ORIGINAL COST RATE BASE
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 2

Line No.	Item	Under Present Rates			After Public Staff Recommended Increase	
		NC Retail Adjusted Per Company ^{1/} (a)	Public Staff Adjustments ^{2/} (b)	After Public Staff Adjustments ^{3/} (c)	Rate Increase (d)	After Rate Increase ^{5/} (e)
1	Electric plant in service	\$2,142,169	(\$1,671)	\$2,140,498	\$0	\$2,140,498
2	Accumulated depreciation and amortization	(777,432)	(352)	(777,784)	-	(777,784)
3	Net electric plant in service (L1 + L2)	1,364,737	(2,024)	1,362,713	-	1,362,713
4	Materials and supplies	40,755	-	40,755	-	40,755
5	Cash working capital	14,451	(547)	13,904	456 ^{4/}	14,360
6	Other additions	37,149	(14,607)	22,542	-	22,542
7	Other deductions	(26,130)	-	(26,130)	-	(26,130)
8	Customer deposits	(4,615)	-	(4,615)	-	(4,615)
9	Accumulated deferred income taxes	(278,395)	984	(277,411)	-	(277,411)
10	Total original cost rate base (Sum of L3 thru L9)	<u>\$1,147,952</u>	<u>(\$16,194)</u>	<u>\$1,131,758</u>	<u>\$456</u>	<u>\$1,132,214</u>

1/ Company Supplemental Exhibit PMM-1, Page 2, Column 5.

2/ Johnson Settlement Exhibit 1, Schedule 2-1, Column (h).

3/ Column (a) plus Column (b).

4/ Johnson Settlement Exhibit 1, Schedule 2-1(g), Line 44, Column (k).

5/ Column (c) plus Column (d).

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF RATE BASE
ADJUSTMENTS
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibi
Schedule 2-1

Line No.	Item	Adjust ADIT for Certain Balances (a)	Remove Mt Storm Impairment Costs (b)	Adjust NUG Contract Terminations Expense (c)	Remove Skiffes Creek Mitigation Costs (d)	Remove Chesterfield Units 3 & 4 Conversion Costs (e)	Adjustment to Remove Federal Unprotected EDIT (f)	Adjust CCR Costs (g)	Adjust Cash Working Capital (h)	Total Rate Base Adjustments (i)
1	Electric plant in service	\$0	\$0	\$0	\$ (1,671)	\$ -	\$ -	\$0	\$0	(\$1,671)
2	Accumulated depreciation and amortization	-	-	(397)	45	-	-	-	-	(352)
3	Net electric plant in service (L1 + L2)	-	-	(397)	(1,627)	-	-	-	-	(2,024)
4	Materials and supplies	-	-	-	-	-	-	-	-	-
5	Cash working capital	-	-	-	-	-	-	(547)	-	(547)
6	Other additions	-	-	-	-	-	(14,607)	-	-	(14,607)
7	Other deductions	-	-	-	-	-	-	-	-	-
8	Customer deposits	-	-	-	-	-	-	-	-	-
9	Accumulated deferred income taxes	-	-	-	428	-	(\$3,187)	3,743	-	984
10	Total original cost rate base (Sum of L3 thru L9)	\$0	\$0	(\$397)	(\$1,199)	\$0	(\$3,187)	(\$10,864)	(\$547)	(\$16,194)
11	Revenue requirement impact	^{13/} \$0	\$0	(\$36)	(\$108)	\$0	(\$287)	(\$977)	(\$49)	(\$1,456)

1/ Johnson Settlement Exhibit 1, Schedule 2-1(a), Line .
2/ Johnson Settlement Exhibit 1, Schedule 2-1(c), Column .
3/ Johnson Settlement Exhibit 1, Schedule 2-1(d), Line 11.
4/ Johnson Settlement Exhibit 1, Schedule 2-1(b), Line 3.
5/ Johnson Settlement Exhibit 1, Schedule 2-1(b), Line 5.
6/ Johnson Settlement Exhibit 1, Schedule 2-1(b), Line 4.
7/ Johnson Settlement Exhibit 1, Schedule 2-1(e), Line 3.

8/ Johnson Settlement Exhibit 1, Schedule 2-1(e), Line 5.
9/ Johnson Settlement Exhibit 1, Schedule 2-1(h), Line 4.
10/ Per Public Staff witness Maness.
11/ Johnson Settlement Exhibit 1, Schedule 2-1(f), Line 45.
12/ Sum of Column (a) through Column (g).
13/ Line 10 times rate base retention factor of 0.0899015 from Johnson Settlement Exhibit 1, Schedule 1-2.
14/ Maness Supplemental Exhibit I, Schedule 1, Line 14.
15/ Maness Supplemental Exhibit I, Schedule 1, Line 15.

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
ADJUSTMENT TO ELIMINATE CERTAIN ADIT
BALANCES
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 2-1(a)

<u>Line</u> <u>No.</u>	<u>Item</u>	<u>Amount</u>
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ADJUSTMENT NO LONGER REQUIRED

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
ADJUSTMENT TO REMOVE SKIFFES CREEK MITIGATION COSTS
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 2-1(b)

Line No.	Item	Amount
1	Skiffes Creek Mitigation Costs - System	\$ 39,787 ^{1/}
2	NC Power Supply Transmission Factor 2	4.2009% ^{2/}
3	Public Staff adjustment to Skiffes Creek mitigation costs from rate base (L3 x L4)	<u>\$ (1,671)</u>
4	Adjustment to ADIT associated with Skiffes Creek	<u>\$ 428 ^{3/}</u>
5	Accumulated Depreciation associated with Skiffes Creek	<u>\$ 45 ^{4/}</u>
6	Depreciation expense associated with Skiffes Creek	<u>\$ (45) ^{5/}</u>

- 1/ Per Settlement Agreement.
- 2/ Factor 2 from NCUC Form E-1, Item No. 45a, Schedule 15, Line 14.
- 3/ Negative of Line 3 amount times composite income tax rate.
- 4/ Negative of Line 3 amount per Settlement Agreement.
- 5/ Per Settlement Agreement.

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
ADJUSTMENT TO REMOVE IMPAIRMENT COSTS FOR MT
STORM
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 2-1(c)

Line No.	Item	Amount
1	Mt Storm Fuel Flexibility Project Impairment - System	\$ 62,364 ^{1/}
2	Adjustment per Public Staff	<u>(31,182) ^{2/}</u>
3	Revised Mt Storm Impairment Expense (L1 - L2)	31,182
4	NC Retail Factor 1	4.9507%
5	NC Retail Regulatory Asset (L3 x L4)	<u>\$ 1,544</u>
6	Amortization Period	<u>2.75 ^{3/}</u>
7	Regulatory Asset Amortization per Public Staff (L5/L6)	561
8	Regulatory Asset Amortization per Company	<u>1,029 ^{1/}</u>
9	Public Staff Adjustment to Mt Storm Impairment Expense (L7 - L8)	<u><u>\$ (468)</u></u>

- 1/ Company Adjustment SUPP-5.
2/ Per Settlement Agreement.
3/ Per Settlement Agreement.

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
ADJUSTMENT TO NUG CONTRACT TERMINATION EXPENSE
REGULATORY ASSET
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 2-1(d)

Line No.	Description	Amount (a)
1	NUG Contract Termination Expense - System	\$ 135,000 ^{1/}
2	Less: Net Capacity Revenue/Replacement Cost	<u>21,400</u> ^{2/}
3	Revised NUG Contract Termination Expense (L1 - L2)	\$ 113,600
4	NC Retail Factor 1	<u>4.9507%</u>
5	NUG Contract Termination Expense per Public Staff (L3 x L4)	\$ 5,624
6	Remaining Months in Contract (April 2019 - November 2021)	32
7	Monthly Amortization	\$ 176
8	Times: Twelve Months	<u>12</u>
9	Annual Amortization per Public Staff (L7 x L8)	\$ 2,109
10	Annual Amortization per Company	<u>2,506</u> ^{1/}
11	Public Staff Adjustment to NUG Contract Termination Expense Reg Asset	<u><u>\$ (397)</u></u>

1/ Company Adjustment SUPP-2.

2/ Based on information provided by the Company. (Email 8/15/19)

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
ADJUSTMENT TO REMOVE COSTS FOR CHESTERFIELD UNITS 3 &
4
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 2-1(e)

ADJUSTMENT NO LONGER REQUIRED

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL FROM
LEAD / LAG STUDY UNDER PRESENT RATES
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit
Schedule 2-1(f)

Line No.	Item	Per Books Amounts ^{1/}	Company Ratemaking Adjustments ^{5/}	After Company Adjustments ^{7/}	Public Staff Adjustments ^{8/}	After Public Staff Adjustments ^{9/}	(Lead) / Lag Days ^{10/}	Working Capital From Lead/ Lag Study ^{14/}
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Electric operating revenues:							
2	Rate revenues	\$353,978 ^{2/}	(\$5,393) ^{6/}	\$348,585	(\$48)	\$348,537	43.36 ^{11/}	\$41,404
3	Sales for resale revenues	1,126 ^{2/}	-	1,126	-	1,126	38.91 ^{11/}	120
4	Other operating revenues	5,941 ^{2/}	(823) ^{6/}	5,118	-	5,118	25.19 ^{11/}	353
5	Electric operating revenues	361,045	(6,216)	354,829	(48)	\$354,781	43.08	41,877
6	Account 501 - Fuel	24,682	(3,709)	20,973	(382)	20,591	(33.27) ^{12/}	(1,877)
7	Account 518 - Nuclear Fuel	8,487	(1,275)	7,212	(131)	7,080	(3.21) ^{12/}	(62)
8	Account 547 - Other Fuel	55,934	(8,405)	47,529	(866)	46,664	(33.27) ^{12/}	(4,253)
9	Account 555 - Purchased Power	49,912	(25,884)	24,028	(773)	23,255	(28.21)	(1,797)
10	Account 557 - Deferred Fuel	(27,204)	27,204	-	-	-	- ^{13/}	-
11	Payroll expense	34,032	(2,339)	31,693	(356)	31,337	(26.90) ^{12/}	(2,309)
12	Benefits and pension expense	8,485	(293)	8,192	-	8,191	(31.81) ^{12/}	(714)
13	OPEB expense	(1,721)	-	(1,721)	-	(1,721)	(20.64) ^{12/}	97
14	Uncollectibles expense	1,109	272	1,381	(236)	1,144	(254.79)	(799)
15	Stores expense	9,243	-	9,243	-	9,243	(43.92)	(1,112)
16	Accrued vacation expense	81	-	81	-	81	- ^{13/}	-
17	Worker's compensation expense	73	-	73	-	73	-	-
18	Prepaid insurance amortization expense	412	-	412	-	412	-	-
19	Director's deferred compensation expense	-	-	-	-	-	-	-
20	Miscellaneous prepaid expense	503	-	503	-	503	-	-
21	Other O&M expense	34,997	7,805	42,802	(1,660)	41,142	(43.65) ^{12/}	(4,920)
22	Total O&M expenses	199,025	(6,624)	192,401	(4,404)	187,995		(17,746)
23	Depreciation and amortization expense	60,066 ^{3/}	4,521	64,587	(6,602)	57,985	-	-
24	Current state and federal income taxes	(2,846)	723	(2,123)	2,599	476	87.90 ^{12/}	115
25	Deferred state and federal income taxes	13,456	138	13,594	-	13,594	-	-
26	Deferred ITC	(74)	-	(74)	-	(74)	-	-
27	Total income taxes	10,536	861	11,397	2,599	13,996		115
28	North Carolina franchise tax	486	-	486	-	486	(523.00)	(696)
29	Property tax expense	10,642	(84)	10,558	-	10,558	(111.96)	(3,239)
30	West Virginia B&O tax expense	1,045	-	1,045	-	1,045	(39.54)	(113)
31	Payroll taxes	2,307	(179)	2,128	-	2,128	(27.26)	(159)
32	Other taxes	102	-	102	-	102	(31.06)	(9)
33	Total taxes other than income	14,582	(263)	14,319	-	14,319		(4,216)
34	Gain / loss on disposition of property	238	(13)	225	-	225	-	-

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL FROM
LEAD / LAG STUDY UNDER PRESENT RATES
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit
Schedule 2-1(f)

Line No.	Item	Per Books Amounts ^{1/}	Company Ratemaking Adjustments ^{5/}	After Company Adjustments ^{7/}	Public Staff Adjustments ^{8/}	After Public Staff Adjustments ^{9/}	(Lead) / Lag Days ^{10/}	Working Capital From Lead/ Lag Study ^{14/}
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
35	Total electric operating expenses	284,447	(1,518)	282,929	(8,408)	274,519		(21,847)
36	AFUDC	235	(235)	-	-	-	-	-
37	Charitable contributions	330	(330)	-	-	-	-	-
38	Interest on customer deposits	72	-	72	-	72	(182.50)	(36)
39	Interest on tax deficiencies	76	-	76	-	76	-	-
40	Interest expense	24,539	(902)	23,637	807	24,444	(90.93)	(6,090)
41	Income available for common equity	51,816 ^{4/}	(3,701) ^{4/}	48,115	7,552	55,667	-	-
42	Total requirement	<u>\$ 361,045</u>	<u>\$ (6,216)</u>	<u>\$ 354,829</u>	<u>\$ (48)</u>	<u>\$ 354,779</u>		<u>\$ (27,973)</u>
43	Cash working capital per Public Staff (L5 + L41)							\$13,904
44	Amount per Company application							<u>14,451</u> ^{15/}
45	Adjustment to cash working capital							<u>(\$547)</u>

- 1/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 308, Column (1), unless footnoted otherwise.
- 2/ NCUC Form E-1, Item No. 45a, Schedule 2.
- 3/ Company Supplemental Exhibit PMM-1, Page 1, Line 9, Column (3).
- 4/ Line 5 minus (Sum of Lines 35 through 39).
- 5/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 308, Column (2), unless footnoted otherwise.
- 6/ Company Supplemental Exhibit PMM-1, Page 1, Lines 2 through 5, Column (4).
- 7/ Column (a) plus Column (b).
- 8/ Johnson Settlement Exhibit 1, Schedule 2-1(f)(1), Column (z).
- 9/ Column (c) plus Column (d).
- 10/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 308, Column (6), unless footnoted otherwise.
- 11/ Calculated based on the Company's lead-lag workpapers, and the per books amounts for 2015.
- 12/ Calculated by Public Staff.
- 13/ Updated composite revenue lag from Column (f), Line 5.
- 14/ Column (e) divided by 365 days times Column (f).
- 15/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 308, Column (8).

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE
REFLECTED IN LEAD LAG CALCULATION
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 2-1(f)(1)
Page 1 of 3

Line No.	Item	Adjust ADIT for Certain Balances 1/ (a)	Reflect Decrease in State Income Tax Rate 1/ (b)	Adjust Uncollectibles 1/ (c)	Adjust Storm Costs 1/ (d)	Adjust Nuclear Outage Costs 1/ (e)	Remove Mt Storm Impairment Costs 1/ (f)	Adjust Allocation of Revenues from Sale of RECs 1/ (g)	Remove Employee Severance Costs 1/ (h)	Remove Skiffes Creek Mitigation Costs 1/ (i)
1	Electric operating revenues:									
2	Rate revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-	-	-	-	-
4	Other operating revenues	-	-	-	-	-	-	-	-	-
5	Electric operating revenues	-	-	-	-	-	-	-	-	-
6	Account 501 - Fuel	-	-	-	-	-	-	-	-	-
7	Account 518 - Nuclear Fuel	-	-	-	-	-	-	-	-	-
8	Account 547 - Other Fuel	-	-	-	-	-	-	-	-	-
9	Account 555 - Purchased Power	-	-	-	-	-	-	-	-	-
10	Account 557 - Deferred Fuel	-	-	-	-	-	-	-	-	-
11	Payroll expense	-	-	-	-	-	-	-	-	-
12	Benefits and pension expense	-	-	-	-	-	-	-	-	-
13	OPEB expense	-	-	-	-	-	-	-	-	-
14	Uncollectibles expense	-	-	(236)	-	-	-	-	-	-
15	Stores expense	-	-	-	-	-	-	-	-	-
16	Accrued vacation expense	-	-	-	-	-	-	-	-	-
17	Worker's compensation expense	-	-	-	-	-	-	-	-	-
18	Prepaid insurance amortization expense	-	-	-	-	-	-	-	-	-
19	Director's deferred compensation expense	-	-	-	-	-	-	-	-	-
20	Miscellaneous prepaid expense	-	-	-	-	-	-	-	-	-
21	Other O&M expense	(42)	-	-	(81)	-	-	-	(302)	-
22	Total O&M expenses	(42)	-	(236)	(81)	-	-	-	(302)	-
23	Depreciation and amortization expense	-	-	-	-	-	(468)	-	-	(45)
24	Current state and federal income taxes	11	-	60	21	-	120	-	77	11
25	Deferred state and federal income taxes	-	-	-	-	-	-	-	-	-
26	Deferred ITC	-	-	-	-	-	-	-	-	-
27	Total income taxes	11	-	60	21	-	120	-	77	11
28	North Carolina franchise tax	-	-	-	-	-	-	-	-	-
29	Property tax expense	-	-	-	-	-	-	-	-	-
30	West Virginia B&O tax expense	-	-	-	-	-	-	-	-	-
31	Payroll taxes	-	-	-	-	-	-	-	-	-
32	Other taxes	-	-	-	-	-	-	-	-	-
33	Total taxes other than income	-	-	-	-	-	-	-	-	-
34	Gain / loss on disposition of property	-	-	-	-	-	-	-	-	-
35	Total electric operating expenses	(31)	-	(176)	(60)	-	(348)	-	(225)	(34)
36	Charitable contributions	-	-	-	-	-	-	-	-	-
37	Interest on customer deposits	-	-	-	-	-	-	-	-	-
38	Interest on tax deficiencies	-	-	-	-	-	-	-	-	-
39	Interest expense	-	-	-	-	-	-	-	-	-
40	Income available for common equity	31	-	176	60	-	348	-	225	34
41	Total requirement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

1/ Based on adjustments made by Public Staff in Johnson Exhibit 1, Schedule 3-1.

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE
REFLECTED IN LEAD LAG CALCULATION
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 2-1(f)(1)
Page 2 of 3

Line No.	Item	Adjust Chesapeake Retired Plant Levelized Amortization ^{1/} (j)	Remove Executive Compensation Costs ^{1/} (k)	Adjust CCR Costs ^{1/} (l)	Remove Chesterfield Units 3 & 4 Conversion Costs ^{1/} (m)	Adjust Annual Incentive Plan Costs ^{1/} (n)	Adjust O&M VRP Costs ^{1/} (o)	Remove Advertising Expense ^{1/} (p)	Adjust Outside Services ^{1/} (q)	Inflation Adjustment (r)
1	Electric operating revenues:									
2	Rate revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-	-	-	-	-
4	Other operating revenues	-	-	-	-	-	-	-	-	-
5	Electric operating revenues	-	-	-	-	-	-	-	-	-
6	Account 501 - Fuel	-	-	-	-	-	-	-	-	-
7	Account 518 - Nuclear Fuel	-	-	-	-	-	-	-	-	-
8	Account 547 - Other Fuel	-	-	-	-	-	-	-	-	-
9	Account 555 - Purchased Power	-	-	-	-	-	-	-	-	-
10	Account 557 - Deferred Fuel	-	-	-	-	-	-	-	-	-
11	Payroll expense	-	-	-	-	(356)	-	-	-	-
12	Benefits and pension expense	-	-	-	-	-	-	-	-	-
13	OPEB expense	-	-	-	-	-	-	-	-	-
14	Uncollectibles expense	-	-	-	-	-	-	-	-	-
15	Stores expense	-	-	-	-	-	-	-	-	-
16	Accrued vacation expense	-	-	-	-	-	-	-	-	-
17	Worker's compensation expense	-	-	-	-	-	-	-	-	-
18	Prepaid insurance amortization expense	-	-	-	-	-	-	-	-	-
19	Director's deferred compensation expense	-	-	-	-	-	-	-	-	-
20	Miscellaneous prepaid expense	-	-	-	-	-	-	-	-	-
21	Other O&M expense	-	(91)	-	-	-	-	(12)	(176)	(10)
22	Total O&M expenses	-	(91)	-	-	(356)	-	(12)	(176)	(10)
23	Depreciation and amortization expense	-	-	(6,090)	-	-	-	-	-	-
24	Current state and federal income taxes	-	23	1,560	-	91	-	3	45	3
25	Deferred state and federal income taxes	-	-	-	-	-	-	-	-	-
26	Deferred ITC	-	-	-	-	-	-	-	-	-
27	Total income taxes	-	23	1,560	-	91	-	3	45	3
28	North Carolina franchise tax	-	-	-	-	-	-	-	-	-
29	Property tax expense	-	-	-	-	-	-	-	-	-
30	West Virginia B&O tax expense	-	-	-	-	-	-	-	-	-
31	Payroll taxes	-	-	-	-	-	-	-	-	-
32	Other taxes	-	-	-	-	-	-	-	-	-
33	Total taxes other than income	-	-	-	-	-	-	-	-	-
34	Gain / loss on disposition of property	-	-	-	-	-	-	-	-	-
35	Total electric operating expenses	-	(68)	(4,530)	-	(265)	-	(9)	(131)	(7)
36	Charitable contributions	-	-	-	-	-	-	-	-	-
37	Interest on customer deposits	-	-	-	-	-	-	-	-	-
38	Interest on tax deficiencies	-	-	-	-	-	-	-	-	-
39	Interest expense	-	-	-	-	-	-	-	-	-
40	Income available for common equity	-	68	4,530	-	265	-	9	131	7
41	Total requirement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE
REFLECTED IN LEAD LAG CALCULATION
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(in Thousands)

Johnson Settlement Exhibit 1
Schedule 2-1(f)(1)
Page 3 of 3

Line No.	Item	Adjust for Customer Growth, Usage and Weather Normalization ^{1/} (s)	Non-Fuel Variable O&M Expense Displacement Adjustment ^{1/} (t)	Annualize Fuel Revenue and Expense at Current Fuel Revenue Rate ^{1/} (u)	Set Expense to Reflect Recommended Base Fuel Factor (v)	Set Revenue to Reflect Recommended Base Fuel Factor ^{1/} (w)	Adjust New Office Building	Adjust PJM Capacity Rate ^{1/} (w)	Adjust Marketer Percentage ^{1/} (x)	Interest Synchronization ^{1/} (y)	Total Public Staff Adjustments ^{1/} (z)
1	Electric operating revenues:										
2	Rate revenues	\$0	\$0	\$0	\$0	(\$48)	\$0	\$0	\$0	\$0	(\$48)
3	Sales for resale revenues	-	-	-	-	-	-	-	-	-	-
4	Other operating revenues	-	-	-	-	-	-	-	-	-	-
5	Electric operating revenues	-	-	\$0	-	(48)	-	-	-	-	(48)
6	Account 501 - Fuel	-	-	-	(382)	-	-	-	-	-	(382)
7	Account 518 - Nuclear Fuel	-	-	-	(131)	-	-	-	-	-	(131)
8	Account 547 - Other Fuel	-	-	-	(866)	-	-	-	-	-	(866)
9	Account 555 - Purchased Power	-	-	-	(773)	-	-	-	-	-	(773)
10	Account 557 - Deferred Fuel	-	-	-	-	-	-	-	-	-	-
11	Payroll expense	-	-	-	-	-	-	-	-	-	(356)
12	Benefits and pension expense	-	-	-	-	-	-	-	-	-	-
13	OPEB expense	-	-	-	-	-	-	-	-	-	-
14	Uncollectibles expense	-	-	-	-	-	-	-	-	-	(236)
15	Stores expense	-	-	-	-	-	-	-	-	-	-
16	Accrued vacation expense	-	-	-	-	-	-	-	-	-	-
17	Worker's compensation expense	-	-	-	-	-	-	-	-	-	-
18	Prepaid insurance amortization expense	-	-	-	-	-	-	-	-	-	-
19	Director's deferred compensation expense	-	-	-	-	-	-	-	-	-	-
20	Miscellaneous prepaid expense	-	-	-	-	-	-	-	-	-	-
21	Other O&M expense	(89)	(141)	-	-	-	(716)	-	-	-	(1,660)
22	Total O&M expenses	(89)	(141)	-	(2,152)	-	(716)	-	-	-	(4,404)
23	Depreciation and amortization expense	-	-	-	-	-	-	-	-	-	(6,602)
24	Current state and federal income taxes	23	36	-	551	(12)	183	-	-	(207)	2,599
25	Deferred state and federal income taxes	-	-	-	-	-	-	-	-	-	-
26	Deferred ITC	-	-	-	-	-	-	-	-	-	-
27	Total income taxes	23	36	-	551	(12)	183	-	-	(207)	2,599
28	North Carolina franchise tax	-	-	-	-	-	-	-	-	-	-
29	Property tax expense	-	-	-	-	-	-	-	-	-	-
30	West Virginia B&O tax expense	-	-	-	-	-	-	-	-	-	-
31	Payroll taxes	-	-	-	-	-	-	-	-	-	-
32	Other taxes	-	-	-	-	-	-	-	-	-	-
33	Total taxes other than income	-	-	-	-	-	-	-	-	-	-
34	Gain / loss on disposition of property	-	-	-	-	-	-	-	-	-	-
35	Total electric operating expenses	(86)	(105)	-	(1,601)	(12)	(533)	-	-	(207)	(8,408)
36	Charitable contributions	-	-	-	-	-	-	-	-	-	-
37	Interest on customer deposits	-	-	-	-	-	-	-	-	-	-
38	Interest on tax deficiencies	-	-	-	-	-	-	-	-	-	-
39	Interest expense	-	-	-	-	-	-	-	-	807	807
40	Income available for common equity	66	105	-	1,601	(36)	533	-	-	(601)	7,552
41	Total requirement	\$0	\$0	\$0	\$0	(\$48)	\$0	\$0	\$0	\$0	(\$48)

DOMINION ENERGY NORTH CAROLINA
Docket No. E 22, Sub 562
North Carolina Retail Operations

Johnson Settlement Exhibit 1
Schedule 2 1(g)
Page 1 of 2

CALCULATION OF WORKING CAPITAL FROM
LEAD / LAG STUDY AFTER RATE INCREASE
For the Test Year Ended December 31, 2018
(in Thousands)

Line No.	Item	Under Present Rates	(Lead)	Iteration 1		CWC Change
		After Adjustments	Lag Days	Increase	With Increase	
		(a)	(b)	(c)	(d)	(e)
1	Electric operating revenues					
2	Rate revenues	\$348,537	43.36	\$2,307	\$350,844	\$274
3	Sales for resale revenues	1,126	38.91	-	1,126	-
4	Other operating revenues	5,118	25.19	7	5,125	-
5	Electric operating revenues	354,781	43.08	2,314	357,095	274
6	Account 501 - Fuel	20,591	(33.27)	-	20,591	-
7	Account 518 - Nuclear Fuel	7,080	(3.21)	-	7,080	-
8	Account 547 - Other Fuel	46,664	(33.27)	-	46,664	-
9	Account 555 - Purchased Power	23,255	(28.21)	-	23,255	-
10	Account 557 - Deferred Fuel	-	-	-	-	-
11	Payroll expense	31,337	(26.90)	-	31,337	-
12	Benefits and pension expense	8,191	(31.81)	-	8,191	-
13	OPEB expense	(1,721)	(20.64)	-	(1,721)	-
14	Uncollectibles expense	1,144	(254.79)	8	1,152	(5)
15	Stores expense	9,243	(43.92)	-	9,243	-
16	Accrued vacation expense	81	-	-	81	-
17	Worker's compensation expense	73	-	-	73	-
18	Prepaid insurance amortization exp.	412	-	-	412	-
19	Director's deferred compensation exp.	-	-	-	-	-
20	Miscellaneous prepaid expense	503	-	-	503	-
21	Other O&M expense	41,142	(43.65)	3	41,145	-
22	Total O&M expenses	187,995		11	188,005	(5)
23	Depreciation and amortization exp.	57,985	-	-	57,985	-
24	Net current income taxes	476	87.90	590	1,066	142
25	Deferred state and federal income taxes	13,594	-	-	13,594	-
26	Deferred ITC	(74)	-	-	(74)	-
27	Total income taxes	13,996		590	14,586	142
28	North Carolina franchise tax	486	(523.00)	-	486	-
29	Property tax expense	10,558	(111.96)	-	10,558	-
30	West Virginia B&O tax expense	1,045	(39.54)	-	1,045	-
31	Payroll taxes	2,128	(27.26)	-	2,128	-
32	Other taxes	102	(31.06)	-	102	-
33	Total taxes other than income	14,319		-	14,319	-
34	Gain / loss on disposition of property	225	-	-	225	-
35	Total electric operating expenses	274,519		601	275,120	137
36	Char table contributions	-	-	-	-	-
37	Interest on customer deposits	72	(182.50)	-	72	-
38	Interest on tax deficiencies	76	-	-	76	-
39	Other expenses / (income)	148	-	-	148	-
40	Interest expense	24,444	(90.93)	-	24,444	-
41	Income available for common equity	55,667	-	1,713	57,380	-
42	Net operating income for return	80,112		1,713	81,824	-
43	Total requirement	\$354,779		\$2,314	\$357,093	\$137
44	Cumulative change in working capital					\$411
45	Rate base under present rates					1,131,758
46	Rate base after rate increase	\$1,131,758				\$1,132,169
47	Overall rate of return (L42 / L46)	7.08%				7.23%
48	Target rate of return	7.20%				7.20%

1/ Johnson Settlement Exhibit 1, Schedule 2-1(f), Column (e).
 2/ Johnson Settlement Exhibit 1, Schedule 2, Line 10, Column (c).
 3/ Johnson Settlement Exhibit 1, Schedule 4, Line 3, Column (h).
 4/ Johnson Settlement Exhibit 1, Schedule 2-1(f), Column (f).
 5/ Line 5 minus Line 4 minus Line 3.
 6/ ((Line 5 minus \$330,000) divided by (1 minus 0.00319951911162212)) minus (Line 5 minus \$330,000) plus \$330,000.
 7/ Line 5 times 0.3285%.
 8/ Line 5 times 0.130%.
 9/ (Line 41 divided by (1 minus 25.6228%)) minus Line 41.
 10/ Column (d) minus Column (a).
 11/ Column (a) plus Column (c), unless footnoted otherwise.
 12/ Line 46, Column (a) times 52.000% times 9.750%.
 13/ Column (c) divided by 365 days times Column (b).

DOMINION ENERGY NORTH CAROLINA
Docket No. E 22, Sub 562
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL
FROM LEAD / LAG STUDY AFTER RATE
INCREASE
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 2 1(g)
Page 2 of 2

Line No.	Item	Iteration 2			Iteration 3			After Increase	
		Increase (f)	With Increase (g)	CWC Change (h)	Increase (i)	With Increase (j)	CWC Change (k)	Cumulative Increase (l)	After Increase (m)
1	Electric operating revenues								
2	Rate revenues	(\$276) ^{5/}	\$350,567	(\$33)	\$4 ^{5/}	\$350,571	\$0	\$2,034	\$350,571
3	Sales for resale revenues	-	1,126	-	-	1,126	-	-	1,126
4	Other operating revenues	(1) ^{1/}	5,124	-	-	5,124	-	6	5,124
5	Electric operating revenues	(277)	356,817	(33)	4	356,821	-	2,040	356,821
6	Account 501 - Fuel	-	20,591	-	-	20,591	-	-	20,591
7	Account 518 - Nuclear Fuel	-	7,080	-	-	7,080	-	-	7,080
8	Account 547 - Other Fuel	-	46,664	-	-	46,664	-	-	46,664
9	Account 555 - Purchased Power	-	23,255	-	-	23,255	-	-	23,255
10	Account 557 - Deferred Fuel	-	-	-	-	-	-	-	-
11	Payroll expense	-	31,337	-	-	31,337	-	-	31,337
12	Benefits and pension expense	-	8,191	-	-	8,191	-	-	8,191
13	OPEB expense	-	(1,721)	-	-	(1,721)	-	-	(1,721)
14	Uncollectibles expense	(1) ^{7/}	1,151	1	0 ^{7/}	1,151	-	7	1,151
15	Stores expense	-	9,243	-	-	9,243	-	-	9,243
16	Accrued vacation expense	-	81	-	-	81	-	-	81
17	Worker's compensation expense	-	73	-	-	73	-	-	73
18	Prepaid insurance amortization exp.	-	412	-	-	412	-	-	412
19	Director's deferred compensation exp.	-	-	-	-	-	-	-	-
20	Miscellaneous prepaid expense	-	503	-	-	503	-	-	503
21	Other O&M expense	- ^{8/}	41,145	-	0 ^{8/}	41,145	-	3	41,145
22	Total O&M expenses	(1)	188,004	1	0	188,004	-	10	188,004
23	Depreciation and amortization exp.	-	57,985	-	-	57,985	-	-	57,985
24	Net current income taxes	7 ^{9/}	1,073	2	1 ^{9/}	1,074	-	598	1,074
25	Deferred state and federal income taxes	-	13,594	-	-	13,594	-	-	13,594
26	Deferred ITC	-	(74)	-	-	(74)	-	-	(74)
27	Total income taxes	7	14,593	2	1	14,594	-	598	14,594
28	North Carolina franchise tax	-	486	-	-	486	-	-	486
29	Property tax expense	-	10,558	-	-	10,558	-	-	10,558
30	West Virginia B&O tax expense	-	1,045	-	-	1,045	-	-	1,045
31	Payroll taxes	-	2,128	-	-	2,128	-	-	2,128
32	Other taxes	-	102	-	-	102	-	-	102
33	Total taxes other than income	-	14,319	-	-	14,319	-	-	14,319
34	Gain / loss on disposition of property	-	225	-	-	225	-	-	225
35	Total electric operating expenses	6	275,126	3	1	275,127	-	608	275,127
36	Char table contributions	-	-	-	-	-	-	-	-
37	Interest on customer deposits	-	72	-	-	72	-	-	72
38	Interest on tax deficiencies	-	76	-	-	76	-	-	76
39	Other expenses / (income)	-	148	-	-	148	-	-	148
40	Interest expense	(302) ^{15/}	24,142 ^{17/}	75	1 ^{20/}	24,143 ^{22/}	-	(301)	24,143
41	Income available for common equity	21 ^{15/}	57,401 ^{19/}	-	2 ^{20/}	57,403 ^{23/}	-	1,736	57,403
42	Net operating income for return	(281)	81,543	75	3	81,546	-	1,434	81,546
43	Total requirement	(\$275)	\$356,817	\$78	\$4	\$356,821	\$0	\$2,042	\$356,821
44	Cumulative change in working capital			\$456		\$456			\$456
45	Rate base under present rates			1,131,758		1,131,758			1,131,758
46	Rate base after rate increase			\$1,132,214		\$1,132,214			\$1,132,214
47	Overall rate of return (L42 / L46)			7.20%		7.20%			7.20%
48	Target rate of return			7.20% ^{3/}		7.20% ^{3/}			7.20%

14/ (Line 5 divided by (1 minus 0.00319951911162212)) minus Line 5.
15/ Column (g) minus Column (f).
16/ Column (i) plus Column (f), unless footnoted otherwise.
17/ Line 46, Column (e) times 48.000% times 4.442%.
18/ Line 46, Column (e) times 52.000% times 9.750%.
19/ Column (f) divided by 365 days times Column (b).
20/ Column (j) minus Column (g).
21/ Column (g) plus Column (i), unless footnoted otherwise.
22/ Line 46, Column (h) times 48.000% times 4.442%.
23/ Line 46, Column (h) times 52.000% times 9.750%.
24/ Column (i) divided by 365 days times Column (b).

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
ADJUSTMENT TO REMOVE FEDERAL
UNPROTECTED EDIT FOR TREATMENT AS A
RIDER
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 2-1 (h)

Line No.	Item	Amount
1	Federal unprotected EDIT to be flowed back to customers through a rider	\$3,187 1/
2	Adjustment to remove federal unprotected EDIT from rate base (-L1 minus L2)	<u><u>(\$3,187)</u></u>
1/	Company Supplemental Exhibit PMM-2, Schedule 1, page 3, Lines 86 plus 87.	

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
SUMMARY OF OTHER ADDITIONS
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 2-2

Line No.	tem	NC Retail Adjusted Per Company ^{1/}	Public Staff Adjustments ^{2/}	NC Retail Adjusted Per Public Staff ^{3/}	
		(a)	(b)	(c)	
1	1132030 - SAP A/R EE Purchase Program	\$0	\$0	\$0	Total Plant
2	1134010 - Joint Owner Receivable	-	-	-	Total Plant
3	1137050 - Account Receivable - ARM-Public	-	-	-	Total Plant
4	1137055 - Accounts Receivable - Other	-	-	-	Total Plant
5	1191210 - Prepaid Insurance - Executive Protection	-	-	-	Tot sal&wages
6	1191220 - Prepaid Insurance - Excess Liability	-	-	-	Tot sal&wages
7	1191240 - Prepaid Insurance - Nuclear Property	-	-	-	Tot sal&wages
8	1191250 - Prepaid Insurance - NE L	-	-	-	Tot sal&wages
9	1191260 - Prepaid Insurance - General Property	-	-	-	Tot sal&wages
10	1191270 - Prepaid Insurance - Executive Life	-	-	-	Tot sal&wages
11	1191290 - Prepaid Insurance - Workers Comp.	-	-	-	Tot sal&wages
12	1191310 - Prepaid Auto Licenses	-	-	-	Tot sal&wages
13	1191330 - Prepaid Fees & Assessments	-	-	-	Tot sal&wages
14	1191900 - Prepaid - Miscellaneous	-	-	-	Tot sal&wages
15	1199010 - Temporary Facilities	-	-	-	Tot Dist Plant
16	1220910 - Other Non-Current Receivables	-	-	-	Factor 3
17	1242020 - Unamort. Loss on Reacquired Debt - Mrtg Bnd	-	-	-	Total net plant
18	1242022 - Reg Asset - Unamort. Loss - Reacquired Debt	-	-	-	
19	1242030 - Unamort. Loss on Reacquired Debt - Poll Cntrl	-	-	-	
20	1242045 - Unamort. Loss on Reacquired Debt - Write Off	-	-	-	Total net plant
21	1242062 - Reg Asset - NRC Requirements - North Anna	-	-	-	Factor1
22	1242063 - Reg Asset - NRC Requirements - Surry	-	-	-	
23	1250010 - Preliminary Survey and Investigations	-	-	-	Factor1
24	1251010 - Other Work in Progress	-	-	-	Total Dist Plant
25	1251020 - Other Work in Progress - Direct Post	-	-	-	Total Dist Plant
26	1292860 - Misc. Prepayments - Non Current	-	-	-	Total Sal&Wage
27	2220120 - Reg Liab - Deferred Gain on Reacquired Debt	-	-	-	
28	1242060 - Reg Asset - Unrecov. Design Basis Costs - NA	-	-	-	Factor 1D
29	1242061 - Reg Asset - Unrecov. Design Basis Costs - Surry	-	-	-	Factor 1D
30	1242070 - Reg Asset - Unrecov. Tech. Spec. Update	-	-	-	Factor 1D
31	1242205 & 1171205 - Reg Asset - NUG Buyout Costs	-	-	-	Factor 1D
32	1242265 & 1171265 - Reg Asset - Bear Garden Sub 479	-	-	-	Factor 1D
33	1242270 - Reg Asset - Emission Allowances - Non Current	-	-	-	
34	1171270 - Reg Asset - Emission Allowances - Current	-	-	-	
35	1171245 - Reg Asset - Nuclear Outage Deferral	-	-	-	Factor 1NUC
36	Reg Asset - Chesapeake Closure Costs	-	-	-	
37	1171280&1242280&1242285 Reg Asset - CCR Rule Expenditu	-	(14,607)	(14,607)	Factor3D
38	Reg Asset - Warren County Deferral	-	-	-	
39	Reg Asset - Brunswick County Deferral	-	-	-	
40	1171255 & 1242255 Reg Asset - North Branch Net Proceeds	-	-	-	
41	Rounding	37,149	-	37,149	
42	Total Other Additions	<u>\$37,149</u>	<u>(\$14,607)</u>	<u>\$22,542</u>	

1/ Based on review of Company tem 10 workpapers.
2/ Based on adjustments recommended by Public Staff.
3/ Column (a) plus Column (b).

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SUMMARY OF OTHER DEDUCTIONS
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 2-3

Line No.	Item	NC Retail Adjusted Per Company ^{1/} (a)	Public Staff Adjustments ^{2/} (b)	NC Retail Adjusted Per Public Staff ^{3/} (c)
1	2171138 - Reg. Liab. - Other - NCUC Order (DOE Settlement)	\$0	\$0	\$0
2	2141100 - Accrued Vacation	-	-	-
3	2190010 - Capital Lease Obligation - Current	-	-	-
4	2290010 - Capital Lease Obligation - Noncurrent	-	-	-
5	2191000 - Appropriated Funds - Customer Accounts	-	-	-
6	2191800 - Centralized Appropriations	-	-	-
7	2192030 - Supplemental Pensions - Current	-	-	-
8	2192060 - Reserve for IBNR/FBPN Hospitalization	-	-	-
9	2192070 - Reserve for IBNR/FBPN Dental/Vision	-	-	-
10	2299025 - Accum. Provisions for Injuries and Damages	-	-	-
11	2141400 - Accr. Severance Pay	-	-	-
12	2199040 - Customer Advances for Construction	-	-	-
13	1292840 - FAS 112 - Deferred Post Employment Benefit	-	-	-
14	1292870 - ME Pension Asset / Oblig. - FAS 158 - Non Current	-	-	-
15	1291810 - Non Current Asset - Worker's Compensation	-	-	-
16	2291010 - Non Current Liability - Workers Compensation	-	-	-
17	2291030 - Non Current Liability - Long Term Disability	-	-	-
18	2291510 - OPEB ME 158 Benefit Obligation - Non Cur.	-	-	-
19	2291050 - Non Current Liability - Supplemental Post Empl	-	-	-
20	2291080 - Deferred Compensation - Executives	-	-	-
21	2299910 - Other Non Current Liabilities	-	-	-
22	6199010 - Other Income CIAC Tax Recovery	-	-	-
23	Company adjustment to eliminate nuclear outage deferral balance	<u>(26,130)</u>	-	<u>(26,130)</u>
24	Total Other Deductions	<u><u>(\$26,130)</u></u>	<u><u>\$0</u></u>	<u><u>(\$26,130)</u></u>

1/ Based on review of Company Item 10 workpapers.

2/ Based on adjustments recommended by Public Staff.

3/ Column (a) plus Column (b).

DOMINION ENERGY NORTH CAROLINA
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North Carolina Retail Operations
NET OPERATING INCOME FOR RETURN
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 3

Line No.	Item	Under Present Rates			After Public Staff Recommended Increase		Base Fuel Only
		NC Retail Adjusted Per Company ^{1/}	Public Staff Adjustments ^{2/}	After Public Staff Adjustments ^{3/}	Rate Increase	After Rate Increase ^{10/}	
		(a)	(b)	(c)	(d)	(e)	
1	Electric operating revenues:						
2	Base non-fuel rate revenues	\$256,741	(\$48)	\$256,693	\$4,185 ^{4/}	\$260,878	
3	Base fuel revenues	91,845	-	91,845	(2,155) ^{5/}	89,690	89,690
4	Late payment fees	1,187	-	1,187	7 ^{6/}	1,194	
5	Other revenues	5,057	-	5,057	- ^{7/}	5,057	
6	Electric operating revenues (Sum of L2 thru L5)	<u>354,830</u>	<u>(48)</u>	<u>354,782</u>	<u>\$2,037</u>	<u>356,819</u>	<u>89,690</u>
7	Electric operating expenses:						
8	Operations and maintenance:						
9	Fuel clause expenses	91,725	(2,153)	89,572	-	89,572	89,572
10	Other operations and maintenance expenses	100,674	(2,252)	98,422	9 ^{8/}	98,431	117
11	Depreciation and amortization	64,586	(6,602)	57,984	-	57,984	
12	Gain / loss on disposition of property	225	-	225	-	225	
13	Taxes other than income taxes	14,319	-	14,319	-	14,319	
14	Income taxes	11,397	2,680	14,077	517 ^{9/}	14,594	
15	Total electric operating expenses (Sum of L8 thru L14)	<u>282,926</u>	<u>(8,328)</u>	<u>274,598</u>	<u>526</u>	<u>275,125</u>	<u>89,689</u>
16	Net operating income before adjustments (L6 - L15)	71,904	8,280	80,184	1,511	81,694	1
17	Interest on customer deposits	(72)	-	(72)	-	(72)	
18	Interest on tax deficiencies	(76)	-	(76)	-	(76)	
19	Net operating income for return (Sum of L16 thru L18)	<u>\$71,756</u>	<u>\$8,280</u>	<u>\$80,036</u>	<u>\$1,511</u>	<u>\$81,546</u>	<u>\$1</u>

1/ Company Supplemental Exhibit PMM-1, Page 1, Column 5, unless footnoted otherwise.

2/ Johnson Settlement Exhibit 1, Schedule 3-1, Column (u).

3/ Column (a) plus Column (b).

4/ Johnson Settlement Exhibit 1, Schedule 5, Line 7 minus other revenues on Line 5 minus late payment fees on Line 4.

5/ Johnson Settlement Exhibit 1, Schedule 5, Line 6.

6/ ((Line 6 minus Line 5) divided by (1 minus late payment fee rate of 0.320%)) minus (Line 6 minus Line 5).

7/ Based on testimony of Company witness Paul Haynes.

8/ Line 6 times (1 minus retention factor after uncollectibles and regulatory fee from Johnson Settlement Exhibit 1, Schedule 1-2, Line 10).

9/ Line 6 minus sum of Lines 8 thru 13 minus Johnson Settlement Exhibit 1, Schedule 5, Line 3, Column (a), times composite income tax rate of 25.6228%.

10/ Column (c) plus Column (d).

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INCOME ADJUSTMENTS
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Johnson Settlement Exhibit 1
Schedule 3-1
Page 1 of 3

Line No.	Item	Adjust Lobbying Expense (a)	Adjust Uncollectibles (b)	Adjust Storm Costs (c)	Remove Executive Compensation Costs (d)	Remove Employee Severance Costs (e)	Adjust Incentive Plan Costs (f)	Adjust O&M VRP Costs (g)
1	Electric operating revenues:							
2	Base non-fuel rate revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Base fuel revenues	-	-	-	-	-	-	-
4	Late payment fees	-	-	-	-	-	-	-
5	Other revenues	-	-	-	-	-	-	-
6	Electric operating revenues (Sum of L2 thru L5)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7	Electric operating expenses:							
8	Operations and maintenance:							
9	Fuel clause expenses	-	-	-	-	-	-	-
10	Other operations and maintenance expenses	(42) ^{1/}	(236) ^{2/}	(81) ^{4/}	(\$91) ^{5/}	(\$302) ^{6/}	(356) ^{7/}	\$0 ^{9/}
11	Depreciation and amortization	-	-	-	-	-	-	-
12	Gain / loss on disposition of property	-	-	-	-	-	-	-
13	Taxes other than income taxes	-	-	-	-	-	-	-
14	Income taxes	11 ^{3/}	60 ^{3/}	21 ^{3/}	23 ^{3/}	77 ^{3/}	91 ^{3/}	- ^{3/}
15	Total electric operating expenses (Sum of L8 thru L14)	<u>(31)</u>	<u>(176)</u>	<u>(60)</u>	<u>(68)</u>	<u>(225)</u>	<u>(265)</u>	<u>-</u>
16	Net operating income before adjustments (L6 - L15)	31	176	60	68	225	265	-
17	Interest on customer deposits	-	-	-	-	-	-	-
18	Interest on tax deficiencies	-	-	-	-	-	-	-
19	Net operating income for return (Sum of L16 thru L18)	<u>\$31</u>	<u>\$176</u>	<u>\$60</u>	<u>\$68</u>	<u>\$225</u>	<u>\$265</u>	<u>\$0</u>
20	Calculated revenue requirement impact ^{8/}	<u>(\$42)</u>	<u>(\$238)</u>	<u>(\$81)</u>	<u>(\$92)</u>	<u>(\$304)</u>	<u>(\$358)</u>	<u>\$0</u>

1/ Johnson Settlement Exhibit 1, Schedule 3-1(a), Line 5.
2/ Johnson Settlement Exhibit 1, Schedule 3-1(b), Line 9.
3/ Line 6 minus Sum of Lines 9 through 13 times composite income tax rate of 25.6228%.
4/ Johnson Settlement Exhibit 1, Schedule 3-1(c), Line 19.
5/ Johnson Settlement Exhibit 1, Schedule 3-1(d), Line 7.
6/ Johnson Exhibit 1, Schedule 3-1(e), Line 9.
7/ Johnson Exhibit 1, Schedule 3-1(f), Line 10.
8/ Negative of Line 19 divided by net income retention factor from Johnson Settlement Exhibit 1, Schedule 1-2, Line 14.
9/ Johnson Settlement Exhibit 1, Schedule 3-1(g), Line .

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SUMMARY OF PUBLIC STAFF NET OPERATING
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Johnson Settlement Exhibit 1
Schedule 3-1
Page 2 of 3

Line No.	Item	Remove Advertising Expense (h)	Customer Growth, Usage and Weather Normalization (i)	Non-Fuel Variable O&M Expense Displacement Adjustment (j)	Adjust Outside Service (k)	Remove Skiffes Creek Mitigation Costs (l)	Remove Chesterfield Units 3 & 4 Conversion Costs (m)	Remove Mt Storm Impairment Costs (n)
1	Electric operating revenues:							
2	Base non-fuel rate revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Base fuel revenues	-	-	-	-	-	-	-
4	Late payment fees	-	-	-	-	-	-	-
5	Other revenues	-	-	-	-	-	-	-
6	Electric operating revenues (Sum of L2 thru L5)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7	Electric operating expenses:							
8	Operations and maintenance:							
9	Fuel clause expenses	-	-	-	-	-	-	-
10	Other operations and maintenance expenses	\$ (12) ^{10/}	(89) ^{11/}	(141) ^{12/}	(176) ^{13/}	(45) ^{14/}	- ^{15/}	(468) ^{16/}
11	Depreciation and amortization	-	-	-	-	-	-	-
12	Gain / loss on disposition of property	-	-	-	-	-	-	-
13	Taxes other than income taxes	-	-	-	-	-	-	-
14	Income taxes	3 ^{3/}	23 ^{3/}	36 ^{3/}	45 ^{3/}	11 ^{3/}	- ^{3/}	120 ^{3/}
15	Total electric operating expenses (Sum of L8 thru L14)	<u>(9)</u>	<u>(66)</u>	<u>(105)</u>	<u>(131)</u>	<u>(34)</u>	<u>-</u>	<u>(348)</u>
16	Net operating income before adjustments (L6 - L15)	9	66	105	131	34	-	348
17	Interest on customer deposits	-	-	-	-	-	-	-
18	Interest on tax deficiencies	-	-	-	-	-	-	-
19	Net operating income for return (Sum of L16 thru L18)	<u>\$9</u>	<u>\$66</u>	<u>\$105</u>	<u>\$131</u>	<u>\$34</u>	<u>\$0</u>	<u>\$348</u>
20	Calculated revenue requirement impact ^{8/}	<u>(\$12)</u>	<u>(\$90)</u>	<u>(\$142)</u>	<u>(\$177)</u>	<u>(\$45)</u>	<u>\$0</u>	<u>(\$470)</u>

10/ Johnson Settlement Exhibit 1, Schedule 3-1(h), Line 5.
11/ Johnson Settlement Exhibit 1, Schedule 3-1(i), Line 11.
12/ Johnson Settlement Exhibit 1, Schedule 3-1(j), Line 10.
13/ Johnson Settlement Exhibit 1, Schedule 3-1(m), Line 6.
14/ Johnson Settlement Exhibit 1, Schedule 2-1(b), Line 6.
15/ Johnson Settlement Exhibit 1, Schedule 2-1(e), Line 6.
16/ Johnson Settlement Exhibit 1, Schedule 2-1(c), Line 9.

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INCOME ADJUSTMENTS
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Johnson Settlement Exhibit 1
Schedule 3-1
Page 3 of 3

Line No.	Item	Inflation Adjustment (o)	Adjust CCR Costs (p)	Set Expense to Reflect Recommended Base Fuel Factor (q)	Set Revenue to Reflect Recommended Base Fuel Factor (r)	Adjust New Office Building (s)	Interest Synchronization Adjustment (t)	Total NOI Adjustments (u)
1	Electric operating revenues:							
2	Base non-fuel rate revenues	\$0	\$0	\$0	(\$48) ^{19/}	\$0	\$0	(\$48)
3	Base fuel revenues	-	-	-	-	-	-	-
4	Late payment fees	-	-	-	-	-	-	-
5	Other revenues	-	-	-	-	-	-	-
6	Electric operating revenues (Sum of L2 thru L5)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(48)</u>	<u>-</u>	<u>-</u>	<u>(48)</u>
7	Electric operating expenses:							
8	Operations and maintenance:							
9	Fuel clause expenses	-	-	(2,153) ^{19/}	-	-	-	(2,153)
10	Other operations and maintenance expenses	(10) ^{17/}	-	-	-	(716) ^{20/}	-	(2,252)
11	Depreciation and amortization	-	(6,090) ^{18/}	-	-	-	-	(6,602)
12	Gain / loss on disposition of property	-	-	-	-	-	-	-
13	Taxes other than income taxes	-	-	-	-	-	-	-
14	Income taxes	3 ^{3/}	1,560 ^{3/}	552 ^{3/}	(12) ^{3/}	183 ^{3/}	(127) ^{21/}	2,680
15	Total electric operating expenses (Sum of L8 thru L14)	<u>(7)</u>	<u>(4,530)</u>	<u>(1,601)</u>	<u>(12)</u>	<u>(533)</u>	<u>(127)</u>	<u>(8,328)</u>
16	Net operating income before adjustments (L6 - L15)	7	4,530	1,601	(36)	533	127	8,280
17	Interest on customer deposits	-	-	-	-	-	-	-
18	Interest on tax deficiencies	-	-	-	-	-	-	-
19	Net operating income for return (Sum of L16 thru L18)	<u>\$7</u>	<u>\$4,530</u>	<u>\$1,601</u>	<u>(\$36)</u>	<u>\$533</u>	<u>\$127</u>	<u>\$8,280</u>
20	Calculated revenue requirement impact ^{8/}	<u>(\$9)</u>	<u>(\$6,119)</u>	<u>(\$2,162)</u>	<u>\$49</u>	<u>(\$720)</u>	<u>(\$172)</u>	<u>(\$11,183)</u>

17/ Johnson Settlement Exhibit 1, Schedule 3-1(k), Line 12.
18/ Maness Supplemental Exhibit I, Schedule 1, Line 5.
19/ Per Settlement Agreement
20/ Per Settlement Agreement
21/ Johnson Settlement Exhibit 1 Schedule 3-1(n), Line 8.
22/ Sum of Column (a) through Column (t).

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North Carolina Retail Operations
ADJUSTMENT TO LOBBYING EXPENSE
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 3-1(a)

Line No.	Item	Amount
1	Internal Lobbying Costs to be removed per Public Staff	\$844 1/
2	External Lobbying Costs to be removed per Public Staff	<u>- 2/</u>
3	Total Lobbying Costs to be Excluded (L1 + L2)	844
4	NC Retail Allocation Factor	<u>4.9507% 3/</u>
5	NC Retail Lobbying Costs to be Excluded per Public Staff (-L3 x L4)	<u><u>(\$42)</u></u>

1/ E-1, Item 18(a) & Company responses to DR49 and DR119.

2/ Corrected amount per Settlement Agreement.

3/ NC Jurisdictional Factor 1.

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Johnson Settlement Exhibit 1
Schedule 3-1(b)

ADJUSTMENT TO UNCOLLECTIBLES EXPENSE
For the Test Year Ended December 31, 2018
(in Thousands)

Line No.	Item	Amount
1	Average bad debt expense attributed to retail customers	\$24,084 ^{1/}
2	Percentage to North Carolina retail	4.8779% ^{2/}
3	Average bad debt expense for North Carolina retail (L1 x L2)	<u>1,175</u>
4	Average North Carolina retail revenues	357,717 ^{3/}
5	Uncollectibles percentage per Public Staff (L3 / L4)	<u>0.3285%</u>
6	North Carolina retail revenues (including fuel) adjusted for weather and customer growth per Company	348,586 ^{4/}
7	Uncollectibles expense per Public Staff (L5 x L6)	<u>1,145</u>
8	Amount per Company	1,381 ^{5/}
9	Adjustment to uncollectibles expense (L7 - L8)	<u><u>(\$236)</u></u>

1/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 151, Line 3 thru Line 6, divided by 4.

2/ NCUC Form E-1, Item No. 45a, Schedule 15, Line 399.

3/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 155. The average for the last 4 years; not 5.

4/ Company Exhibit PMM-1, Schedule 1, Col. 5, Line 2 + Line 3.

5/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 150, Line 3.

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ADJUSTMENT TO NORMALIZED LEVEL OF
STORM O&M EXPENSE
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 3-1(c)

Line No.	Item	Amount
	<u>Overtime hours</u>	
1	2009	105,084 1/
2	2010	128,942 2/
3	2011	263,752 2/
4	2012	190,679 2/
5	2013	85,741 2/
6	2014	13,865 2/
7	2015	30,692 2/
8	2016	134,616 2/
9	2017	35,720 2/
10	2018	<u>184,801 2/</u>
11	Ten year average overtime wages ((Sum of L1 thru L10) / 10)	117,389
12	Hourly rate (in thousands)	<u>0.0659 3/</u>
13	Average overtime wages per Public Staff (L11 x L12)	7,736
14	Average overtime wages per Company	<u>7,828 4/</u>
15	Adjustment to overtime wages (L13 - L14)	(92)
16	NC retail percentage	<u>4.9841% 5/</u>
17	Adjustment to overtime wages - NC retail (L15 x L16)	(5)
18	Adjustment to other storm expenses - NC retail	(157) 6/
19	Public Staff adjustment - NC retail (L17 + L18)	(162)
20		50%
21	Public Staff adjustment - NC retail (L17 + L18)	<u>\$ (81)</u>

1/ DNCP Sub 532 Fernald Exhibit 1, Schedule 3-1 Storm Adj, Line 4.

2/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 128, Lines 10 thru 18.

3/ divided by Line 18, Column (2), times (1 plus Line 4). - Zero placement corrected as part of Settlement Agreement.

4/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 128, Line 5.

5/ Salaries and wages factor from NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 73.

6/ Johnson Settlement Exhibit 1, Schedule 3-1(c)(1), Line 17, Column (e).

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North Carolina Retail Operations
ADJUSTMENT TO NORMALIZED LEVEL OF
STORM O&M EXPENSE EXCLUDING LABOR
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 3-1(c)(1)

Line No.	Item	Normalized Amount per Public Staff (a)	Normalized Amount per Company (b)	Public Staff Adjustment (c)	NC Retail Allocation Factor (d)	Public Staff Adjustment - NC Retail (e)
1	Acct 562 - Trans Op - Station Exp	\$0	\$0	\$0	4.2841%	\$0
2	Acct 563 - Trans Op - Ovrhd Lines	0	-	-	4.2071%	-
3	Acct 566 - Trans Op - Misc Exp	87	96	(9)	4.4492%	-
4	Acct 582 - Dist Op - Station Exp	7	8	(1)	5.7804%	-
5	Acct 583 - Dist Op - Ovhd Lines	2,332	2,354	(22)	7.5771%	(2)
6	Acct 584 - Dist Op - Ungrd Lines	272	297	(25)	3.7154%	(1)
7	Acct 585 - Dist Op - St Lt/Sig Lines	0	-	-	5.4307%	-
8	Acct 586 - Dist Op - Meters	24	25	(1)	2.5127%	-
9	Acct 587 - Dist Op - Cust Install	130	137	(7)	5.4413%	-
10	Acct 588 - Dist Op - Misc Exp	4,832	5,253	(421)	6.1822%	(26)
11	Acct 593 - Dist Maint - Ovrhd Ln	25,738	27,355	(1,617)	7.5771%	(123)
12	Acct 594 - Dist Maint - Ungrd Ln	1,061	1,139	(78)	3.7154%	(3)
13	Acct 595 - Dist Maint - Ln Trnsfm	727	783	(56)	4.4475%	(2)
14	Acct 596 - Dist Maint - St Lt/Sig	17	19	(2)	5.4307%	-
15	Acct 597 - Dist Maint - Meters	54	55	(1)	2.5127%	-
16	Acct 935 - Admin & Gen - Electric	15	17	(2)	6.1618%	-
17	Total	<u>\$35,296</u>	<u>\$37,538</u>	<u>(\$2,242)</u>		<u>(\$157)</u>

1/ Johnson Settlement Exhibit 1, Schedule 3-1(c)(2), Line 20, Column (k) divided by ten times distribution percentage for account from Johnson Settlement Exhibit 1, Schedule 3-1(c)(2), Column (l).

2/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 129, Column (4).

3/ Column (a) minus Column (b).

4/ NCUC Form E-1, Item No. 45a - Supplemental Filing, Schedule 3.

5/ Column (c) times Column (d).

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North Carolina Retail Operations
STORM O&M EXPENSES
EXCLUDING LABOR ADJUSTED
FOR INFLATION
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 3-1(c)(2)

Line No.	Item	2009 (a)	2010 (b)	2011 (c)	2012 (d)	2013 (e)	2014 (f)	2015 (g)	2016 (h)	2017 (i)	2018 (j)	Total for Ten Years (k)	Distribution Percent (l)
1	Acct 184 - Clearing Accounts	\$0	\$0	\$84	\$0	\$0	\$0	\$0	\$0	\$0	\$0	84	
2	Acct 562 - Trans Op - Station Exp	-	-	1	-	-	-	-	-	-	-	1	0.000%
3	Acct 563 - Trans Op - Ovrhd Lines	-	-	-	-	-	-	-	-	-	-	-	0.000%
4	Acct 566 - Trans Op - Misc Exp	-	-	808	-	-	-	-	-	-	-	808	0.246%
5	Acct 582 - Dist Op - Station Exp	-	7	25	15	5	1	1	6	1	5	66	0.020%
6	Acct 583 - Dist Op - Ovhd Lines	1,911	2,196	7,603	2,094	809	173	229	2,117	570	4,025	21,727	6.607%
7	Acct 584 - Dist Op - Ungrd Lines	35	205	799	376	110	23	30	302	82	578	2,540	0.772%
8	Acct 585 - Dist Op - St Lt/Sig Lines	-	-	-	-	-	-	-	-	-	-	-	0.000%
9	Acct 586 - Dist Op - Meters	11	10	40	88	15	3	4	21	3	25	220	0.067%
10	Acct 587 - Dist Op - Cust Install	55	86	299	93	23	5	6	163	59	420	1,209	0.368%
11	Acct 588 - Dist Op - Misc Exp	804	2,752	13,197	18,180	2,789	528	694	3,162	352	2,560	45,018	13.690%
12	Acct 593 - Dist Maint - Ovrhd Ln	9,548	14,138	49,717	41,772	17,348	4,113	5,967	34,872	9,547	52,776	239,798	72.922%
13	Acct 594 - Dist Maint - Ungrd Ln	303	616	2,221	1,349	424	89	118	1,394	418	2,953	9,885	3.006%
14	Acct 595 - Dist Maint - Ln Trnsfm	180	545	1,885	1,545	212	42	56	670	203	1,432	6,770	2.059%
15	Acct 596 - Dist Maint - St Lt/Sig	-	-	11	96	20	4	5	19	1	5	161	0.049%
16	Acct 597 - Dist Maint - Meters	38	28	98	1	20	4	6	84	27	193	499	0.152%
17	Acct 935 - Admin & Gen - Electric	-	10	29	60	1	-	-	5	-	35	140	0.043%
18	Total historical cost	12,885	20,593	76,817	65,669	21,776	4,985	7,116	42,815	11,263	65,007	328,926	100.001%
19	Inflation factor for year ^{9/}	1.1725	1.1473	1.1059	1.0870	1.0736	1.0580	1.0603	1.0531	1.0286	1.0000		
20	Total adjusted for inflation (L18 x L19)	\$ 15,108	\$ 23,626	\$ 84,952	\$ 71,382	\$ 23,379	\$ 5,274	\$ 7,545	\$ 45,088	\$ 11,585	\$ 65,007	\$ 352,947	

1/ Based on Company response to Public Staff Data Request No. 54, tem 4.

2/ Amounts from NCUC Form E-1, tem No. 10 - Supplemental Filing, Page 139 adjusted to remove labor component of service company charges based on Public Staff Data Request No. 113, tem 1.

3/ Amounts from NCUC Form E-1, tem No. 10 - Supplemental Filing, Page 138 adjusted to remove labor component of service company charges based on Public Staff Data Request No. 113, tem 1.

4/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 137.

5/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 136.

6/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 135.

7/ Sum of Columns (a) thru (j).

8/ Amount for account in Column (k) divided by total excluding clearing account from Column (k).

9/ One plus amount for year from Johnson Settlement Exhibit 1, Schedule 3-1(c)(3) Column (g).

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations

Johnson Settlement Exhibit 1
Schedule 3-1(c)(3)

CALCULATION OF INFLATION
FACTORS TO BE APPLIED TO
HISTORICAL STORM COSTS
For the Test Year Ended December 31, 2018
(in Thousands)

Line No.	Year	Consumer Price Index (CPI)		Producer Price Index (PPI)				
		CPI	CPI %	Finished Goods less Food & Energy	Intermediate Materials less Food & Energy	Average PPI	Average PPI %	Average CPI / PPI %
		1/	2/	1/	1/	3/	4/	5/
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	2009	214.56	17.03%	171.48	173.38	172.43	17.47%	17.25%
2	2010	218.08	15.14%	173.58	180.80	177.19	14.31%	14.73%
3	2011	224.93	11.63%	177.79	191.99	184.89	9.55%	10.59%
4	2012	229.60	9.36%	182.38	192.61	187.50	8.03%	8.70%
5	2013	232.96	7.79%	185.10	193.78	189.44	6.92%	7.36%
6	2014	236.71	6.08%	188.64	195.25	191.95	5.52%	5.80%
7	2015	237.00	5.95%	192.36	189.46	190.91	6.10%	6.03%
8	2016	240.01	4.62%	195.28	186.89	191.09	6.00%	5.31%
9	2017	245.13	2.44%	198.88	193.34	196.11	3.28%	2.86%
10	2018	251.10		203.33	201.77	202.55		

1/ Based on Company response to Public Staff Data Request No. 54, Item 10.

2/ Percentage of increase / (decrease) in average index in Column (a) from base year through test year.

3/ Average of index amounts in Columns (c) and (d).

4/ Percentage of increase / (decrease) in average index in Column (e) from base year through test year.

5/ Average of percentages in Columns (b) and (f).

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
ADJUSTMENT TO REMOVE EXECUTIVE COMPENSATION AND
BENEFITS
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 3-1(d)

Line No.	Item	Amount
1	System Amount of Total Compensation of Top 4 Executive Positions Per Public Staff	\$ 9,168 ^{1/}
2	Eliminate 50%	<u>(4,584) ^{2/}</u>
3	Amount of Executive Compensation to be Allocated to DENC	\$ 4,584
4	NC Retail Allocation Factor	<u>4.9841%</u>
5	NC Retail Amount of Executive Compensation to be Eliminated per Public Staff	(228)
6	NC retail amount of Executive Compensation to be Eliminated per Company	<u>(137) ^{3/}</u>
7	Public Staff Adjustment to Executive Compensation	<u><u>\$ (91)</u></u>

1/ Based on Company response to Public Staff Data Request No. 23.

2/ Public Staff position.

3/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 117.

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
ADJUSTMENT TO REMOVE EMPLOYEE SEVERANCE PROGRAM
COSTS
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 3-1(e)

Line No.	Item	Amount
1	Average Major Corporate-Wide Employee Severance Program Costs	\$ 120,376 ^{1/}
2	Normalization Period	<u>4.17</u> ^{2/}
3	Normalized Severance Expense - System (Line 1/Line 2)	\$28,890
4	Test Year Major Corporate-Wide Severance Program Costs	<u>(1,078)</u> ^{3/}
5	System Adjustment (Line 3 - Line 4)	\$29,968
6	North Carolina Jurisdictional Allocation Factor	<u>4.9841%</u> ^{4/}
7	North Carolina Jurisdictional Adjustment Per Company (Line 3 x Line 6)	1,440
8	Normalized level per Public Staff	<u>\$1,138</u> ^{5/}
9	Public Staff Adjustment to Employee Severance Program Costs	<u>\$ (302)</u>

1/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 107, Line 7.

2/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 107, Line 11.

3/ Based on response to Public Staff Data Request No. 51, Item 3.

4/ Salaries and wages factor from NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 73.

5/ Based on 50% of the 2019 VRP costs normalized over 4.5 years per Settlement Agreement.

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
ADJUSTMENT TO ANNUAL INCENTIVE PLAN
EXPENSE
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 3-1(f)

Line No.	Item	Amount
Annual Incentive Plan (AIP)		
1	VA Power Executive AIP expense associated with earnings	\$ 2,560 ^{1/}
2	NC jurisdictional allocation	4.9841% ^{2/}
3	Adjustment to remove AIP related to EPS outcomes - NC (-L1 x L2)	(128)
4	Executive AIP already removed in executive compensation adjustment	83 ^{3/}
5	Adjustment to AIP (L3 + L4)	<u>\$ (45)</u>
Long Term Incentive Plan (LTI)		
6	LTI associated with ROIC and TSR at target	\$ 401 ^{4/}
7	Adjustment to remove LTI associated with ROIC and TSR - NC jurisdictional (-L6)	(401)
8	Executive LTI already removed in executive compensation adjustment	90 ^{3/}
9	Adjustment to LTI (L7 + L8)	<u>\$ (311)</u>
10	Adjustment to incentive plan expense (L5 + L9)	<u><u>\$ (356)</u></u>

1/ Per Settlement Agreement

2/ NC S&W Allocation factor.

3/ Based on executive compensation adjustment.

4/ Per Settlement Agreement

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
ADJUSTMENT TO O&M VOLUNTARY
RETIREMENT PLAN (VRP) BACKFILL
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 3-1(g)

ADJUSTMENT NO LONGER REQUIRED

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
ADJUSTMENT TO REMOVE ADVERTISING EXPENSE
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 3-1(h)

Line No.	Item	Amount
1	Advertising Expense included per Company	\$ 1,293 ^{1/}
2	Less: Advertising not related to NC Jurisdiction	<u>(610) ^{2/}</u>
3	Advertising Expense related to VA Jurisdiction to be removed (L1 + L2)	683
4	NC Jurisdictional Allocation Factor	<u>5.0484%</u>
5	Adjustment to remove advertising before direct adjustment	(34)
6	NC direct advertising	<u>11 ^{3/}</u>
7	Adjustment to Remove Advertising Expense Per Public Staff (L5 + L6)	(23)
8		50%
9		<u><u>\$ (12)</u></u>

1/ NCUC Form E-1 Supplemental Item No. 10, page 149, Line 5.

2/ PS DR21-2(a).

3/ Per Settlement Agreement.

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
ADJUSTMENT TO EXPENSES FOR WEATHER
NORMALIZATION, CUSTOMER USAGE, AND
GROWTH IN CUSTOMERS
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 3-1(i)

Line No.	Item	Amount
1	Total energy-related expenses not adjusted elsewhere for growth	\$3,587 1/
2	Test year per books MWH sales	<u>4,400,784 2/</u>
3	Rate per MWH (L1 / L2)	0.000815
4	Change in MWH sales related to normalization, usage and growth	<u>(113,669) 3/</u>
5	Adjustment to energy-related expenses (L3 x L4)	<u>(93)</u>
6	Total customer-related expenses not adjusted elsewhere for growth	1,271 4/
7	Test year billings, excluding duplicate bills	<u>121,436 5/</u>
8	Expense per bill (L6 / L7)	0.010466
9	Increase in billings due to customer growth	<u>341 6/</u>
10	Adjustment to customer related expenses (L8 x L9)	<u>4</u>
11	Total adjustment to O&M expenses (L5 + L10)	<u><u>(\$89)</u></u>

1/ Calculated by Public Staff utilizing cost of service study and other data provided by Company.

2/ Based on review of Company workpapers - Corrected from original filing.

3/ Company Supplemental Exhibit PBH-1, Schedule 2, Column (2), Line 54 less test year amount on Line 2.

4/ Calculated by Public Staff utilizing cost of service study and other data provided by Company.

5/ Based on review of Company workpapers.

6/ Company Supplemental Exhibit PBH-1, Schedule 2, Column (1), Line 54 less test year amount on Line 7.

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
ADJUSTMENT FOR NON-FUEL VARIABLE O&M EXPENSE
DISPLACEMENT
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 3-1(j)

Line No.	Item	Amount
1	Greenville County CC commercial MWH generation monthly average	371,000 ^{1/}
2	Number of months	<u>12</u>
3	Annualized Greenville County CC generation (L1 x L2)	4,452,000
4	Actual for twelve months ended December 31, 2018	<u>917,306</u> ^{2/}
5	Implicit adjustment to MWH generation	3,534,694
6	NC retail allocation factor	5.0924% ^{3/}
7	Line loss factor	<u>95.8229%</u> ^{4/}
8	Additional MWH generation added (L5 x L6 x L7)	172,482
9	Non-fuel energy-related expense factor used by Public Staff	<u>0.000815</u> ^{5/}
10	NC retail displacement adjustment (L8 x -L9)	<u><u>(\$141)</u></u>

1/ Per Settlement Agreement.

2/ Per Settlement Agreement.

3/ Factor 3 from NCUC Form E-1, Item No. 45a, Schedule 15, Line 95.

4/ Annual MWH sales of 4,377,561 divided by Annual MWH at transmission level of 4,568,385 based on North Carolina jurisdictional amounts on NCUC Form E-1, Item No. 45f, Page 117.

5/ Johnson Settlement Exhibit 1, Schedule 3-1(i), Line 3.

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations

Johnson Settlement Exhibit 1
Schedule 3-1(k)

ADJUSTMENT TO COMPANY'S INFLATION ADJUSTMENT
For the Test Year Ended December 31, 2018
(in Thousands)

Line No.	Item	Amount
1	Remove Chesapeake closure costs from test year O&M expenses	\$0 1/
2	Remove Brunswick CC O&M expenses already at 2018 level	- 2/
3	Remove portion of Company storm adjustment already at 2018 level	- 3/
4	Reflect Public Staff adjustment for outside services	(209) 4/
5	Reflect Public Staff adjustment to storm costs	(157) 5/
6	Reflect Public Staff adjustment to remove Mt. Storm costs	- 6/
7	Reflect Public Staff adjustment to O&M expenses for changes in customer growth and usage	(89) 7/
8	Reflect Public Staff adjustment for O&M expense displacement	- 8/
9	Reflect Public Staff adjustment to remove Chesterfield Units 3 & 4 costs	- 9/
10	Total adjustment to O&M subject to inflation (Sum of L1 thru L9)	<u>(455)</u>
11	Inflation percentage	<u>2.264%</u> 10/
12	Public Staff adjustment (L10 x L11)	<u><u>(\$10)</u></u>

- 1/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 111, Line 12.
2/ Corrected amount per Settlement Agreement.
Item No. 10 - Supplemental Filing, Page 143, Line 2 times Line 4.
3/ Corrected amount per Settlement Agreement.
4/ Johnson Settlement Exhibit 1, Schedule 3-1(m), Line 6.
5/ Johnson Settlement Exhibit 1, Schedule 3-1(c), Line 18.
6/ Corrected amount per Settlement Agreement.
7/ Johnson Settlement Exhibit 1, Schedule 3-1(i), Line 11.
8/ Johnson Settlement Exhibit 1, Schedule 3-1(j), Line 10 times Johnson Settlement Exhibit 1, Schedule 3-1(i)(1), Line 2 divided by Line 3.
9/ Corrected amount per Settlement Agreement.
10/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 166, Line 17.

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations

Johnson Settlement Exhibit 1
Schedule 3-1(I)

ADJUSTMENT TO FUEL EXPENSE TO REFLECT
RECOMMENDED JURISDICTIONAL BASE FUEL FACTOR
For the Test Year Ended December 31, 2018
(in Thousands)

Line No.	Item	Amount
1	Annualized and normalized NC retail kWh sales	4,287,115,148 ^{1/}
2	Base fuel rate, excluding regulatory fee	<u>\$0.02089</u> ^{2/}
3	Adjusted fuel clause expense (L1 x L2 / 1000)	89,558
4	Annualized pro forma fuel expense under present rates, per Company	<u>91,711</u> ^{3/}
5	Public Staff adjustment to fuel clause expense (L3 - L4)	<u><u>(\$2,153)</u></u>

1/ NCUC Form E-1, Item No. 10 - Supplemental Filing, Page 15, Line 3.

2/ Haynes Second Supplemental

3/ Company Second Supplemental Exhibit PMM-1, Schedule 7, Line 4.

Dominion Energy North Carolina
Docket No. E-22, Sub 562
ADJUSTMENT TO OUTSIDES SERVICES
For the Test Year Ended December 31, 2018

Johnson Exhibit 1
Schedule 3-1(m)

Line No.	Item	Amount
1	Legal invoices allocated from DES to be excluded	\$ 505 1/
2	Other allocations from DES to DENC to be excluded	758 1/
3	Legal Invoices - Direct DENC	<u>2,949 2/</u>
4	Total Outside Services to be excluded	(4,212)
5	NC Retail Allocation Factor	<u>4.9507%</u>
6	Public Staff Adjustment to Outside Services	<u><u>(209)</u></u>
		0.158
		<u><u>\$ (176)</u></u>

1/ Company response to DR14-2(b).

2/ Per Settlement Agreement.

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
INTEREST SYNCHRONIZATION ADJUSTMENT
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 3-1(n)

Line No.	Item	Amount
1	Public Staff original cost rate base	\$1,131,758 ^{1/}
2	Public Staff long term debt ratio	48.000% ^{2/}
3	Public Staff embedded cost of debt	<u>4.442% ^{3/}</u>
4	Public Staff interest expense income tax deduction (L1 x L2 x L3)	24,133
5	Company interest expense income tax deduction	<u>23,638 ^{4/}</u>
6	Adjustment to interest expense (L4 - L5)	495
7	Composite tax rate	<u>25.6228% ^{5/}</u>
8	Adjustment to income taxes (-L6 x L7)	<u><u>(\$127)</u></u>

1/ Johnson Settlement Exhibit 1, Schedule 2, Line 10, Column (c).

2/ Johnson Settlement Exhibit 1, Schedule 4, Line 1, Column (a).

3/ Johnson Settlement Exhibit 1, Schedule 4, Line 1, Column (c).

4/ Johnson Settlement Exhibit 1, Schedule 3-1(n)(1), Line 4.

5/ Johnson Settlement Exhibit 1, Schedule 1-3. Line 8.

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
CALCULATION OF COMPANY'S INTEREST
SYNCHRONIZATION ADJUSTMENT
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 3-1(n)(1)

Line No.	Item	Amount
1	NC retail rate base per Company	\$1,147,952 ^{1/}
2	Long term debt ratio per Company	46.351% ^{2/}
3	Long term debt cost rate per Company	<u>4.442% ^{3/}</u>
4	Interest tax deduction per Company (L1 x L2 x L3)	<u><u>\$23,638</u></u>

1/ Johnson Settlement Exhibit 1, Schedule 2, Line 10, Column (a).

2/ Company Supplemental Exhibit PMM-2, Page 8, Line 1, Column (1).

3/ Company Supplemental Exhibit PMM-2, Page 8, Line 1, Column (2).

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
RETURN ON EQUITY AND ORIGINAL COST RATE BASE
BEFORE AND AFTER PUBLIC STAFF PROPOSED INCREASE
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 4

Line No.	Item	Capitalization Ratio (a)	Before Public Staff Proposed Increase			After Public Staff Proposed Increase				
			NC Retail Rate Base (b)	Embedded Cost or Return (c)	Weighted Cost or Return (d)	Net Operating Income (e)	NC Retail Rate Base (f)	Embedded Cost or Return (g)	Weighted Cost or Return (h)	Net Operating Income (i)
1	Long-term debt	48.000% ^{1/}	\$543,244 ^{2/}	4.442% ^{1/}	2.13% ^{5/}	\$24,133 ^{6/}	\$543,463 ^{9/}	4.442% ^{1/}	2.13% ^{11/}	\$24,143 ^{12/}
2	Common equity	52.000% ^{1/}	588,514 ^{2/}	9.50% ^{4/}	4.94% ^{5/}	55,903 ^{7/}	588,751 ^{9/}	9.75% ^{1/}	5.07% ^{11/}	57,403 ^{12/}
3	Total (L1 + L2)	<u>100.000%</u>	<u>\$1,131,758</u> ^{3/}		<u>7.07%</u>	<u>\$80,036</u> ^{8/}	<u>\$1,132,214</u> ^{10/}		<u>7.200%</u>	<u>\$81,546</u>

1/ Per Public Staff witness Woolridge.
2/ Column (b), Line 3 times Column (a)
3/ Johnson Settlement Exhibit 1, Schedule 2, Line 10, Column (c).
4/ Column (e) divided by Column (b).
5/ Column (a) times Column (c).
6/ Column (b) times Column (c).
7/ Line 3, Column (e) minus Line 1, Column (e).
8/ Johnson Settlement Exhibit 1, Schedule 3, Line 19, Column (c).
9/ Column (f), Line 3 times Column (a)
10/ Johnson Settlement Exhibit 1, Schedule 2, Line 10, Column (e).
11/ Column (a) times Column (g).
12/ Column (f) times Column (g).

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
North Carolina Retail Operations
CALCULATION OF PUBLIC STAFF'S ADDITIONAL GROSS REVENUE
REQUIREMENT
For the Test Year Ended December 31, 2018
(in Thousands)

Johnson Settlement Exhibit 1
Schedule 5

Line No.	Item	Debt (a)	Equity (b)	Total (c) ^{7/}
	<u>Calculation of additional gross revenue requirement</u>			
1	Required net operating income	\$24,143 ^{1/}	\$57,403 ^{4/}	\$81,546
2	Net operating income before proposed increase	<u>24,133</u> ^{2/}	<u>55,903</u> ^{5/}	<u>80,036</u>
3	Additional net operating income requirement (L1 - L2)	10	1,500	1,510
4	Retention factor	<u>0.9954193</u> ^{3/}	<u>0.7403645</u> ^{6/}	
5	Additional revenue requirement (L3 / L4)	<u>\$10</u>	<u>\$2,027</u>	<u>\$2,037</u>
	<u>Breakdown of additional revenue requirement</u>			
6	Public Staff recommended decrease in base fuel revenue requirement			<u>(\$2,155)</u>
7	Additional gross base non-fuel revenue requirement (L5 - L6)			<u>\$4,192</u>

- 1/ Johnson Settlement Exhibit 1, Schedule 4, Line 1, Column (i).
2/ Johnson Settlement Exhibit 1, Schedule 4, Line 1, Column (e).
3/ Johnson Settlement Exhibit 1, Schedule 1-2, Line 10.
4/ Johnson Settlement Exhibit 1, Schedule 4, Line 2, Column (i).
5/ Johnson Settlement Exhibit 1, Schedule 4, Line 2, Column (e).
6/ Johnson Settlement Exhibit 1, Schedule 1-2, Line 14.
7/ Column (a) plus Column (b).