

INFORMATION SHEET

PRESIDING: Chair Mitchell, Commissioners Brown-Bland, Gray, Clodfelter

PLACE: Dobbs Building, Raleigh, North Carolina

DATE: September 23, 2019

TIME: 2:00: p.m. to 5:30 p.m.

DOCKET NOS.: E-22, Sub 562 and E-22, Sub 566

COMPANY: Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina

DESCRIPTION: Application of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina, for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina and Petition of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina, for an Accounting Order to Defer Certain Capital and Operating Costs Associated with Greenville County Combined Cycle Addition

VOLUME: 4

APPEARANCES

(See attached.)

EXHIBITS

(See attached.)

COPIES ORDERED: Email: Drooz, Cummings, Edmondson, Fennell, Harrod, Force, Townsend,
Kells, Eason

REPORTED BY: Linda Garrett

TRANSCRIBED BY: Linda Garrett

DATE TRANSCRIBED: September 26, 2019

TRANSCRIPT PAGES: 158

PREFILED PAGES: 422

FILED

SEP 26 2019

Clerk's Office
N.C. Utilities Commission

1 A P P E A R A N C E S:

2 FOR VIRGINIA ELECTRIC AND POWER COMPANY d/b/a

3 DOMINION ENERGY NORTH CAROLINA:

4 Mary Lynne Grigg, Esq.

5 Andrea R. Kells, Esq.

6 William Dixon Snukals, Esq.

7 McGuireWoods LLP

8 434 Fayetteville Street, Suite 2600

9 Raleigh, North Carolina 27601

10

11 Robert W. Kaylor, Esq.

12 Law Office of Robert W. Kaylor, P.A.

13 353 East Six Forks Road

14 Raleigh, North Carolina 27609

15

16 Horace P. Payne, Jr., Esq.

17 Assistant General Counsel

18 Dominion Energy Services, Inc., Law Department

19 120 Tredegar Street

20 Richmond, Virginia 23219

21

22

23

24

1 A P P E A R A N C E S (Cont'd)
2 FOR THE CAROLINA INDUSTRIAL GROUP
3 FOR FAIR UTILITY RATES I:
4 Warren K. Hicks, Esq.
5 Bailey & Dixon, LLP
6 Post Office Box 1351
7 Raleigh, North Carolina 27602-1351
8
9 FOR NUCOR STEEL-HERTFORD:
10 Joseph W. Eason, Esq.
11 Nelson Mullins Riley & Scarborough, LLP
12 4140 Parklake Avenue
13 Suite 200
14 Raleigh, North Carolina 27612
15
16 Damon E. Xenopoulos, Esq.
17 Stone Mattheis Xenopoulos & Brew, P.C.
18 1025 Thomas Jefferson Street, NW
19 Washington, DC 20007

20

21

22

23

24

1 A P P E A R A N C E S (Cont'd.)

2

3 FOR THE USING AND CONSUMING PUBLIC, THE STATE

4 AND ITS CITIZENS:

5 Jennifer Harrod, Esq.

6 Margaret A. Force, Esq.

7 Theresa Townsend, Esq.

8 Office of the North Carolina Attorney General

9 114 West Edenton Street

10 Raleigh, North Carolina 27603

11

12 FOR THE USING AND CONSUMING PUBLIC:

13 David Drooz, Esq.

14 Dianna Downey, Esq.

15 Lucy Edmondson, Esq.

16 Heather Fennell, Esq.

17 Layla Cummings, Esq.

18 Gina Holt, Esq.

19 Public Staff - North Carolina Utilities Commission

20 4326 Mail Service Center

21 Raleigh, North Carolina 27699-4300

22

23

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**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: Sept 23, 2019 DOCKET NO.: E-22, Sub 562

ATTORNEY NAME and TITLE: Robert W. Kaylor

FIRM NAME: Law Office of Robert W. Kaylor, P.A.

ADDRESS: 353 E. Six Forks Rd. Ste 260

CITY: Raleigh STATE: NC ZIP CODE: 27609

APPEARING FOR: Dominion Energy North Carolina

APPLICANT: ☒ COMPLAINANT: ___ INTERVENOR: ___

PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

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NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP

OFFICIAL COPY

Sep 26 2019

DATE: 9/23/19 DOCKET NO.: E-22 Sub 562
ATTORNEY NAME and TITLE: Mary Lynne Grigg
FIRM NAME: McBair Woods
ADDRESS: 464 Fayetteville St Suite 2600
CITY: Raleigh STATE: NC ZIP CODE: 27614

APPEARING FOR: _____

APPLICANT: / COMPLAINANT: _____ INTERVENOR: _____
PROTESTANT: _____ RESPONDENT: _____ DEFENDANT: _____

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SIGNATURE: Mary L. Grigg

(Signature required for distribution of ALL transcripts)

**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: 9/23/19 DOCKET NO.: E-22 Sub 562
ATTORNEY NAME and TITLE: Andrea Kells, counsel
FIRM NAME: McGuirewoods LLP
ADDRESS: 434 Fayetteville St. Ste. 2600
CITY: Raleigh STATE: NC ZIP CODE: 27601
APPEARING FOR: DENC

APPLICANT: ☒ COMPLAINANT: ___ INTERVENOR: ___
PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

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Email: akells@mcguirewoods.com

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**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: Sept. 23, 2019 DOCKET NO.: E-22, Sub 562

ATTORNEY NAME and TITLE: William Dixon Snukals, Associate

FIRM NAME: McGuireWoods LLP

ADDRESS: 434 Fayetteville Street, Suite 2600, Raleigh, NC, 27601

CITY: Raleigh STATE: NC ZIP CODE: 27601

APPEARING FOR: Dominion Energy North Carolina

APPLICANT: ☒ COMPLAINANT: ☐ INTERVENOR: ☐

PROTESTANT: ☐ RESPONDENT: ☐ DEFENDANT: ☐

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DOCKET NO. E-22 Sub 562

FIRM NAME Bailey & Dixon, L.L.P.

ADDRESS Post Office Box 1351

CITY Raleigh, NC ZIP 27602-1351

APPLICANT _____ COMPLAINANT _____ INTERVENER ✓
PROTESTANT _____ RESPONDENT _____

I HEREBY ORDER ____ COPIES OF THE TRANSCRIPT AT \$1.00 PER PAGE.
(MINIMUM \$5.00 – G.S. 62-300(9)).

*I HEREBY ORDER ____ ASCII DISK(S) OF THE TRANSCRIPT AT \$5.00
WITH PURCHASE OF TRANSCRIPT OR PRICE OF TRANSCRIPT AT \$1.00
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430216

**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

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Sep 26 2019

DATE: 9/23/19 DOCKET NO.: E-22, Sub 562

ATTORNEY NAME and TITLE: DAMON E. XENOPoulos*

FIRM NAME: STONE MATTHEIS XENOPoulos + BREW, P.C.

ADDRESS: 1025 THOMAS JEFFERSON ST. NW

CITY: WASHINGTON DC STATE: _____ ZIP CODE: 20007

APPEARING FOR: *PRO HAC VICE PENDING
NUCOR STEEL - HERTFORD

APPLICANT: ___ COMPLAINANT: ___ INTERVENOR: ☒

PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

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**NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP**

DATE: 9/23/2019 DOCKET NO.: E-22, Subs 802
ATTORNEY NAME and TITLE: Joseph W. Eason
FIRM NAME: Nelson, Mullins, Riley & Scarborough LLP
ADDRESS: 4140 Park Lake Ave., Suite 200
CITY: Raleigh STATE: NC ZIP CODE: 27612
APPEARING FOR: Nucor Steel - Hertford

APPLICANT: ___ COMPLAINANT: ___ INTERVENOR: ☒
PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

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APPEARANCE SLIP

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Sep 26 2019

DATE: 9/23 DOCKET NO.: E-22 Sub 562,568
ATTORNEY NAME and TITLE: Jennifer Harrod, Peggy Force, Theresa Townsend
FIRM NAME: NC Attorney General's Office
ADDRESS: 114 W. Edenton St
CITY: Raleigh STATE: NC ZIP CODE: 27614

APPEARING FOR: Donor using & Consuming Public,
the State & its Citizens

APPLICANT: ___ COMPLAINANT: ___ INTERVENOR: X
PROTESTANT: ___ RESPONDENT: ___ DEFENDANT: ___

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To order an electronic transcript, please provide an email address and sign below: jharrod@ncdoj.gov ttownsend@ncdoj.gov
Email: pforce@ncdoj.gov

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SIGNATURE: Jennifer Harrod, Peggy Force, Theresa Townsend
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NORTH CAROLINA UTILITIES COMMISSION
PUBLIC STAFF - APPEARANCE SLIP

DATE 9/23/19 DOCKET #: E-22, Sub 562

PUBLIC STAFF MEMBER David Drooz

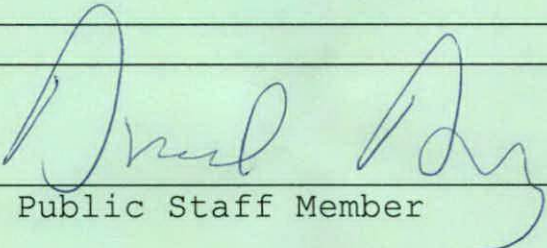
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LEGAL david.drooz@psncuc.nc.gov _____
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Signature of Public Staff Member

NORTH CAROLINA UTILITIES COMMISSION
PUBLIC STAFF - APPEARANCE SLIP

DATE 9/23/19 DOCKET #: E-22, Sub 562

PUBLIC STAFF MEMBER Lucy Edmondson

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NORTH CAROLINA UTILITIES COMMISSION
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DATE 9/23/19 DOCKET #: E-22, Sub 562

PUBLIC STAFF MEMBER Heather Fennell


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PUBLIC STAFF - APPEARANCE SLIP

DATE 9/23/19 DOCKET #: E-22, Sub 562

PUBLIC STAFF MEMBER Layla Cummings

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LEGAL layla.cummings@psncuc.nc.gov
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Layla Cummings
Signature of Public Staff Member

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NORTH CAROLINA UTILITIES COMMISSION
PUBLIC STAFF - APPEARANCE SLIP

DATE 9/23/19 DOCKET #: E-22, Sub 562

PUBLIC STAFF MEMBER Gina Holt

ORDER FOR TRANSCRIPT OF TESTIMONY TO BE **EMAILED** TO THE
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Signature of Public Staff Member

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Sep 26 2019

Constant Growth Discounted Cash Flow Model
30 Day Average Stock Price

Company	Ticker	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
		Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield	Zacks Earnings Growth	First Call Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
ALLETE, Inc.	ALE	\$2.35	\$77.59	3.03%	3.10%	NA	6.00%	3.50%	4.75%	6.58%	7.85%	9.12%
Alliant Energy Corporation	LNT	\$1.42	\$44.35	3.20%	3.31%	6.00%	7.25%	6.50%	6.58%	9.30%	9.89%	10.57%
Ameren Corporation	AEE	\$1.90	\$69.26	2.74%	2.84%	6.80%	7.70%	7.50%	7.33%	9.64%	10.18%	10.55%
American Electric Power Company, Inc.	AEP	\$2.68	\$78.90	3.40%	3.49%	5.70%	5.74%	4.50%	5.31%	7.97%	8.80%	9.23%
Avangrid, Inc.	AGR	\$1.76	\$49.52	3.55%	3.73%	8.40%	9.20%	12.00%	9.87%	12.10%	13.60%	15.77%
Black Hills Corporation	BKH	\$2.02	\$68.04	2.97%	3.04%	4.70%	3.63%	6.50%	4.94%	6.65%	7.99%	9.57%
CMS Energy Corporation	CMS	\$1.53	\$52.29	2.93%	3.02%	6.00%	6.89%	7.00%	6.63%	9.01%	9.65%	10.03%
DTE Energy Company	DTE	\$3.78	\$117.99	3.20%	3.30%	6.00%	4.16%	7.50%	5.89%	7.43%	9.18%	10.82%
Duke Energy Corporation	DUK	\$3.71	\$87.91	4.22%	4.33%	5.10%	4.50%	5.50%	5.03%	8.82%	9.36%	9.84%
El Paso Electric Company	EE	\$1.44	\$52.55	2.74%	2.80%	4.40%	5.10%	3.00%	4.17%	5.78%	6.96%	7.91%
Evergy, Inc.	EVERG	\$1.90	\$57.28	3.32%	3.46%	7.80%	9.30%	NMF	8.55%	11.25%	12.01%	12.77%
Hawaiian Electric Industries, Inc.	HE	\$1.28	\$37.34	3.43%	3.53%	6.20%	7.80%	3.50%	5.83%	6.99%	9.36%	11.36%
NextEra Energy, Inc.	NEE	\$5.00	\$180.80	2.77%	2.88%	7.70%	7.46%	9.00%	8.05%	10.33%	10.93%	11.89%
NorthWestern Corporation	NWE	\$2.30	\$64.39	3.57%	3.62%	3.10%	2.59%	2.50%	2.73%	6.12%	6.35%	6.73%
OGE Energy Corp.	OGE	\$1.46	\$41.20	3.54%	3.64%	5.20%	NA	6.00%	5.60%	8.84%	9.24%	9.65%
Otter Tail Corporation	OTTR	\$1.40	\$48.92	2.86%	2.99%	NA	9.00%	9.00%	9.00%	11.99%	11.99%	11.99%
Pinnacle West Capital Corporation	PNW	\$2.95	\$89.04	3.31%	3.39%	4.60%	4.16%	6.00%	4.92%	7.54%	8.31%	9.41%
PNM Resources, Inc.	PNM	\$1.16	\$42.78	2.71%	2.78%	4.70%	4.10%	7.50%	5.43%	6.87%	8.22%	10.31%
Portland General Electric Company	POR	\$1.45	\$48.17	3.01%	3.07%	4.00%	4.90%	4.00%	4.30%	7.07%	7.37%	7.98%
Southern Company	SO	\$2.40	\$48.60	4.94%	5.02%	4.50%	1.80%	3.50%	3.27%	6.78%	8.29%	9.55%
WEC Energy Group, Inc.	WEC	\$2.36	\$73.45	3.21%	3.30%	4.40%	4.59%	7.00%	5.33%	7.68%	8.63%	10.33%
Xcel Energy Inc.	XEL	\$1.62	\$52.64	3.08%	3.17%	5.90%	6.60%	5.50%	6.00%	8.66%	9.17%	9.78%
PROXY GROUP MEAN				3.26%	3.36%	5.56%	5.83%	6.05%	5.89%	8.34%	9.24%	10.23%
PROXY GROUP MEDIAN				3.20%	3.30%	5.45%	5.74%	6.00%	5.52%	7.83%	9.18%	9.93%

Notes:

- [1] Source: Bloomberg Professional
[2] Source: Bloomberg Professional, equals 30-trading day average as of February 28, 2019
[3] Equals [1] / [2]
[4] Equals [3] x (1 + 0.5 x [8])
[5] Source: Zacks
[6] Source: Yahoo! Finance
[7] Source: Value Line
[8] Equals Average([5], [6], [7])
[9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])
[10] Equals [4] + [8]
[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

Constant Growth Discounted Cash Flow Model
90 Day Average Stock Price

Company	Ticker	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
		Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield	Zacks Earnings Growth	First Call Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
ALLETE, Inc.	ALE	\$2.35	\$77.35	3.04%	3.11%	NA	6.00%	3.50%	4.75%	6.59%	7.86%	9.13%
Alliant Energy Corporation	LNT	\$1.42	\$43.96	3.23%	3.34%	6.00%	7.25%	6.50%	6.58%	9.33%	9.92%	10.60%
Ameren Corporation	AEE	\$1.90	\$67.63	2.81%	2.91%	6.80%	7.70%	7.50%	7.33%	9.71%	10.25%	10.62%
American Electric Power Company, Inc.	AEP	\$2.68	\$76.69	3.49%	3.59%	5.70%	5.74%	4.50%	5.31%	8.07%	8.90%	9.33%
Avangrid, Inc.	AGR	\$1.76	\$49.52	3.55%	3.73%	8.40%	9.20%	12.00%	9.87%	12.10%	13.60%	15.77%
Black Hills Corporation	BKH	\$2.02	\$64.99	3.11%	3.18%	4.70%	3.63%	6.50%	4.94%	6.79%	8.13%	9.71%
CMS Energy Corporation	CMS	\$1.53	\$51.10	2.99%	3.09%	6.00%	6.89%	7.00%	6.63%	9.08%	9.72%	10.10%
DTE Energy Company	DTE	\$3.78	\$115.85	3.26%	3.36%	6.00%	4.16%	7.50%	5.89%	7.49%	9.25%	10.89%
Duke Energy Corporation	DUK	\$3.71	\$86.67	4.28%	4.39%	5.10%	4.50%	5.50%	5.03%	8.88%	9.42%	9.90%
El Paso Electric Company	EE	\$1.44	\$53.95	2.67%	2.72%	4.40%	5.10%	3.00%	4.17%	5.71%	6.89%	7.84%
Evergy, Inc.	EVERG	\$1.90	\$57.70	3.29%	3.43%	7.80%	9.30%	NMF	8.55%	11.22%	11.98%	12.75%
Hawaiian Electric Industries, Inc.	HE	\$1.28	\$37.22	3.44%	3.54%	6.20%	7.80%	3.50%	5.83%	7.00%	9.37%	11.37%
NextEra Energy, Inc.	NEE	\$5.00	\$177.28	2.82%	2.93%	7.70%	7.46%	9.00%	8.05%	10.39%	10.99%	11.95%
NorthWestern Corporation	NWE	\$2.30	\$62.43	3.68%	3.73%	3.10%	2.59%	2.50%	2.73%	6.23%	6.46%	6.84%
OGE Energy Corp.	OGE	\$1.46	\$39.65	3.68%	3.78%	5.20%	NA	6.00%	5.60%	8.98%	9.38%	9.79%
Otter Tail Corporation	OTTR	\$1.40	\$48.24	2.90%	3.03%	NA	9.00%	9.00%	9.00%	12.03%	12.03%	12.03%
Pinnacle West Capital Corporation	PNW	\$2.95	\$87.58	3.37%	3.45%	4.60%	4.16%	6.00%	4.92%	7.60%	8.37%	9.47%
PNM Resources, Inc.	PNM	\$1.16	\$41.84	2.77%	2.85%	4.70%	4.10%	7.50%	5.43%	6.93%	8.28%	10.38%
Portland General Electric Company	POR	\$1.45	\$47.21	3.07%	3.14%	4.00%	4.90%	4.00%	4.30%	7.13%	7.44%	8.05%
Southern Company	SO	\$2.40	\$46.76	5.13%	5.22%	4.50%	1.80%	3.50%	3.27%	6.98%	8.48%	9.75%
WEC Energy Group, Inc.	WEC	\$2.36	\$71.43	3.30%	3.39%	4.40%	4.59%	7.00%	5.33%	7.78%	8.72%	10.42%
Xcel Energy Inc.	XEL	\$1.62	\$51.14	3.17%	3.26%	5.90%	6.60%	5.50%	6.00%	8.76%	9.26%	9.87%
PROXY GROUP MEAN				3.32%	3.42%	5.56%	5.83%	6.05%	5.89%	8.40%	9.31%	10.30%
PROXY GROUP MEDIAN				3.25%	3.35%	5.45%	5.74%	6.00%	5.52%	7.92%	9.25%	10.00%

Notes:

[1] Source: Bloomberg Professional

[2] Source: Bloomberg Professional, equals 90-trading day average as of February 28, 2019

[3] Equals [1] / [2]

[4] Equals [3] x (1 + 0.5 x [8])

[5] Source: Zacks

[6] Source: Yahoo! Finance

[7] Source: Value Line

[8] Equals Average([5], [6], [7])

[9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])

[10] Equals [4] + [8]

[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

Constant Growth Discounted Cash Flow Model
180 Day Average Stock Price

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Company	Ticker	Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield	Zacks Earnings Growth	First Call Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
ALLETE, Inc.	ALE	\$2.35	\$76.86	3.06%	3.13%	NA	6.00%	3.50%	4.75%	6.61%	7.88%	9.15%
Alliant Energy Corporation	LNT	\$1.42	\$43.32	3.28%	3.39%	6.00%	7.25%	6.50%	6.58%	9.38%	9.97%	10.65%
Ameren Corporation	AEE	\$1.90	\$65.07	2.92%	3.03%	6.80%	7.70%	7.50%	7.33%	9.82%	10.36%	10.73%
American Electric Power Company, Inc.	AEP	\$2.68	\$73.62	3.64%	3.74%	5.70%	5.74%	4.50%	5.31%	8.22%	9.05%	9.48%
Avangrid, Inc.	AGR	\$1.76	\$49.80	3.53%	3.71%	8.40%	9.20%	12.00%	9.87%	12.08%	13.58%	15.75%
Black Hills Corporation	BKH	\$2.02	\$62.46	3.23%	3.31%	4.70%	3.63%	6.50%	4.94%	6.92%	8.26%	9.84%
CMS Energy Corporation	CMS	\$1.53	\$49.71	3.08%	3.18%	6.00%	6.89%	7.00%	6.63%	9.17%	9.81%	10.19%
DTE Energy Company	DTE	\$3.78	\$112.06	3.37%	3.47%	6.00%	4.16%	7.50%	5.89%	7.60%	9.36%	11.00%
Duke Energy Corporation	DUK	\$3.71	\$83.40	4.45%	4.56%	5.10%	4.50%	5.50%	5.03%	9.05%	9.59%	10.07%
El Paso Electric Company	EE	\$1.44	\$57.11	2.52%	2.57%	4.40%	5.10%	3.00%	4.17%	5.56%	6.74%	7.69%
Eergy, Inc.	EVRG	\$1.90	\$56.87	3.34%	3.48%	7.80%	9.30%	NMF	8.55%	11.27%	12.03%	12.80%
Hawaiian Electric Industries, Inc.	HE	\$1.28	\$36.11	3.54%	3.65%	6.20%	7.80%	3.50%	5.83%	7.11%	9.48%	11.48%
NextEra Energy, Inc.	NEE	\$5.00	\$173.22	2.89%	3.00%	7.70%	7.46%	9.00%	8.05%	10.45%	11.06%	12.02%
NorthWestern Corporation	NWE	\$2.30	\$60.62	3.79%	3.85%	3.10%	2.59%	2.50%	2.73%	6.34%	6.58%	6.95%
OGÉ Energy Corp.	OGE	\$1.46	\$37.92	3.85%	3.96%	5.20%	NA	6.00%	5.60%	9.15%	9.56%	9.97%
Otter Tail Corporation	OTTR	\$1.40	\$48.11	2.91%	3.04%	NA	9.00%	9.00%	9.00%	12.04%	12.04%	12.04%
Pinnacle West Capital Corporation	PNW	\$2.95	\$83.84	3.52%	3.61%	4.60%	4.16%	6.00%	4.92%	7.75%	8.53%	9.62%
PNM Resources, Inc.	PNM	\$1.16	\$40.41	2.87%	2.95%	4.70%	4.10%	7.50%	5.43%	7.03%	8.38%	10.48%
Portland General Electric Company	POR	\$1.45	\$46.11	3.14%	3.21%	4.00%	4.90%	4.00%	4.30%	7.21%	7.51%	8.12%
Southern Company	SO	\$2.40	\$46.19	5.20%	5.28%	4.50%	1.80%	3.50%	3.27%	7.04%	8.55%	9.81%
WEC Energy Group, Inc.	WEC	\$2.36	\$68.78	3.43%	3.52%	4.40%	4.59%	7.00%	5.33%	7.91%	8.85%	10.55%
Xcel Energy Inc.	XEL	\$1.62	\$48.99	3.31%	3.41%	5.90%	6.60%	5.50%	6.00%	8.90%	9.41%	10.02%
PROXY GROUP MEAN				3.40%	3.50%	5.56%	5.83%	6.05%	5.89%	8.48%	9.39%	10.38%
PROXY GROUP MEDIAN				3.32%	3.44%	5.45%	5.74%	6.00%	5.52%	8.06%	9.38%	10.13%

Notes:

[1] Source: Bloomberg Professional

[2] Source: Bloomberg Professional, equals 180-trading day average as of February 28, 2019

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[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

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Ex-Ante Market Risk Premium
Market DCF Method Based - Bloomberg

[1]	[2]	[3]
S&P 500	Current 30-Year	
Est. Required	Treasury (30-day	Implied Market
Market Return	average)	Risk Premium
13.68%	3.04%	10.65%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization (\$million)	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Agilent Technologies Inc	A	25,231.38	0.10%	0.84%	9.50%	10.38%	0.0107%
American Airlines Group Inc	AAL	15,999.85	0.07%	1.14%	15.20%	16.43%	0.0107%
Advance Auto Parts Inc	AAP	11,594.79	0.05%	0.15%	16.17%	16.34%	0.0077%
Apple Inc	AAPL	816,450.73	3.33%	1.70%	9.40%	11.18%	0.3725%
AbbVie Inc	ABBV	116,885.62	0.48%	5.45%	8.81%	14.51%	0.0692%
AmerisourceBergen Corp	ABC	17,583.79	0.07%	1.93%	8.70%	10.71%	0.0077%
ABIOMED Inc	ABMD	15,081.20	0.06%	0.00%	29.00%	29.00%	0.0179%
Abbott Laboratories	ABT	136,337.22	0.56%	1.58%	11.69%	13.36%	0.0744%
Accenture PLC	ACN	103,026.32	0.42%	1.82%	10.27%	12.18%	0.0512%
Adobe Inc	ADBE	128,028.05	0.52%	0.00%	16.75%	16.75%	0.0876%
Analog Devices Inc	ADI	39,394.90	0.16%	1.94%	11.98%	14.03%	0.0226%
Archer-Daniels-Midland Co	ADM	23,803.77	0.10%	3.34%	1.40%	4.76%	0.0046%
Automatic Data Processing Inc	ADP	66,664.41	0.27%	1.89%	14.00%	16.02%	0.0436%
Alliance Data Systems Corp	ADS	9,168.60	0.04%	1.43%	2.54%	3.99%	0.0015%
Autodesk Inc	ADSK	35,700.63	N/A	0.00%	N/A	N/A	N/A
Ameren Corp	AEE	17,428.07	0.07%	2.73%	6.70%	9.53%	0.0068%
American Electric Power Co Inc	AEP	40,030.29	0.16%	3.31%	6.08%	9.49%	0.0155%
AES Corp/VA	AES	11,412.43	0.05%	3.24%	7.97%	11.34%	0.0053%
Aflac Inc	AFL	36,871.33	0.15%	2.23%	3.43%	5.69%	0.0086%
Allergan PLC	AGN	45,804.34	0.19%	2.17%	5.57%	7.80%	0.0146%
American International Group Inc	AIG	37,561.81	0.15%	3.15%	11.00%	14.32%	0.0220%
Apartment Investment & Management Co	AIV	7,058.98	0.03%	3.46%	5.75%	9.31%	0.0027%
Assurant Inc	AIZ	6,354.08	N/A	2.42%	N/A	N/A	N/A
Arthur J Gallagher & Co	AJG	14,776.34	0.06%	2.14%	10.17%	12.41%	0.0075%
Akamai Technologies Inc	AKAM	11,369.38	0.05%	0.00%	14.50%	14.50%	0.0067%
Albemarle Corp	ALB	9,654.27	0.04%	1.49%	11.41%	12.99%	0.0051%
Align Technology Inc	ALGN	20,714.84	0.08%	0.00%	23.19%	23.19%	0.0196%
Alaska Air Group Inc	ALK	7,596.28	0.03%	2.21%	25.37%	27.86%	0.0086%
Allstate Corp/The	ALL	31,330.68	0.13%	2.05%	7.10%	9.22%	0.0118%
Allegion PLC	ALLE	8,497.47	0.03%	1.15%	11.24%	12.46%	0.0043%
Alexion Pharmaceuticals Inc	ALXN	30,242.11	0.12%	0.00%	15.94%	15.94%	0.0197%
Applied Materials Inc	AMAT	36,399.71	0.15%	2.24%	9.23%	11.58%	0.0172%
Advanced Micro Devices Inc	AMD	23,654.68	0.10%	0.00%	15.67%	15.67%	0.0151%
AMETEK Inc	AME	18,075.15	0.07%	0.72%	8.98%	9.73%	0.0072%
Affiliated Managers Group Inc	AMG	5,705.06	0.02%	1.27%	4.37%	5.66%	0.0013%
Amgen Inc	AMGN	118,282.61	0.48%	2.99%	5.83%	8.91%	0.0430%
Ameriprise Financial Inc	AMP	17,835.37	0.07%	2.88%	11.80%	14.85%	0.0108%
American Tower Corp	AMT	77,705.91	0.32%	2.10%	15.31%	17.57%	0.0558%
Amazon.com Inc	AMZN	805,489.24	3.29%	0.00%	37.60%	37.60%	1.2367%
Arista Networks Inc	ANET	21,602.23	0.09%	0.00%	21.64%	21.64%	0.0191%
ANSYS Inc	ANSS	14,849.39	0.06%	0.00%	12.20%	12.20%	0.0074%
Anthem Inc	ANTM	77,291.20	0.32%	1.03%	11.14%	12.22%	0.0386%
Aon PLC	AON	41,167.10	0.17%	1.00%	10.90%	11.95%	0.0201%
AO Smith Corp	AOS	8,719.70	0.04%	1.66%	9.33%	11.07%	0.0039%
Apache Corp	APA	12,593.26	0.05%	5.33%	-5.19%	0.00%	0.0000%
Anadarko Petroleum Corp	APC	21,731.56	0.09%	2.70%	23.31%	26.33%	0.0234%
Air Products & Chemicals Inc	APD	39,792.78	0.16%	2.54%	12.30%	14.99%	0.0244%
Amphenol Corp	APH	28,011.26	0.11%	0.95%	10.64%	11.64%	0.0133%
Aptiv PLC	APTIV	21,611.47	0.09%	1.10%	10.66%	11.82%	0.0104%
Alexandria Real Estate Equities Inc	ARE	15,318.67	0.06%	2.93%	4.80%	7.79%	0.0049%
Arconic Inc	ARNC	8,966.56	0.04%	0.54%	14.35%	14.93%	0.0055%
Atmos Energy Corp	ATO	11,555.31	0.05%	2.12%	6.50%	8.69%	0.0041%
Activision Blizzard Inc	ATVI	32,187.96	0.13%	0.87%	6.65%	7.55%	0.0099%
AvalonBay Communities Inc	AVB	26,957.92	0.11%	3.13%	6.01%	9.24%	0.0102%
Broadcom Inc	AVGO	109,071.17	0.45%	3.55%	13.15%	16.94%	0.0754%
Avery Dennison Corp	AVY	9,073.28	0.04%	1.95%	5.75%	7.76%	0.0029%
American Water Works Co Inc	AWK	18,367.99	0.07%	1.94%	8.45%	10.47%	0.0079%
American Express Co	AXP	90,864.54	0.37%	1.50%	14.99%	16.60%	0.0616%
AutoZone Inc	AZO	23,666.86	0.10%	0.00%	13.22%	13.22%	0.0128%
Boeing Co/The	BA	248,570.85	1.01%	1.84%	15.15%	17.13%	0.1738%
Bank of America Corp	BAC	280,876.73	1.15%	2.36%	9.70%	12.17%	0.1396%
Baxter International Inc	BAX	38,301.98	0.16%	1.12%	12.20%	13.39%	0.0209%
BB&T Corp	BBT	38,923.52	0.16%	3.35%	9.85%	13.36%	0.0212%
Best Buy Co Inc	BBY	18,524.95	0.08%	2.88%	10.65%	13.69%	0.0104%
Becton Dickinson and Co	BDX	66,940.28	0.27%	1.27%	12.41%	13.76%	0.0376%
Franklin Resources Inc	BEN	16,615.14	0.07%	3.13%	10.00%	13.29%	0.0090%

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Sep 26 2019

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization (\$million)	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Brown-Forman Corp	BF/B	23,572.63	0.10%	1.33%	9.86%	11.26%	0.0108%
Brighthouse Financial Inc	BHF	4,517.48	0.02%	0.00%	11.14%	11.14%	0.0021%
Baker Hughes a GE Co	BHGE	27,340.61	0.11%	2.59%	40.82%	43.93%	0.0490%
Biogen Inc	BIIB	64,522.45	0.26%	0.00%	5.08%	5.08%	0.0134%
Bank of New York Mellon Corp/The	BK	50,110.09	0.20%	2.30%	7.33%	9.72%	0.0199%
Booking Holdings Inc	BKNG	76,388.39	0.31%	0.00%	12.50%	12.50%	0.0390%
BlackRock Inc	BLK	70,329.68	0.29%	2.99%	9.69%	12.82%	0.0368%
Ball Corp	BLL	18,315.12	0.07%	0.74%	6.50%	7.27%	0.0054%
Bristol-Myers Squibb Co	BMJ	84,344.04	0.34%	3.19%	11.02%	14.39%	0.0495%
Broadridge Financial Solutions Inc	BR	11,712.68	0.05%	1.89%	10.00%	11.98%	0.0057%
Berkshire Hathaway Inc	BRK/B	495,673.82	2.02%	0.00%	-1.60%	-1.60%	-0.0324%
Boston Scientific Corp	BSX	55,604.79	0.23%	0.00%	33.46%	33.46%	0.0780%
BorgWarner Inc	BWA	8,434.73	0.03%	1.68%	5.78%	7.50%	0.0026%
Boston Properties Inc	BXP	20,495.10	0.08%	2.93%	6.24%	9.26%	0.0078%
Citigroup Inc	C	150,450.49	0.61%	3.04%	11.07%	14.28%	0.0877%
Conagra Brands Inc	CAG	11,349.45	0.05%	3.60%	8.00%	11.74%	0.0054%
Cardinal Health Inc	CAH	16,194.22	0.07%	3.63%	4.77%	8.48%	0.0056%
Caterpillar Inc	CAT	79,045.04	0.32%	2.55%	13.35%	16.07%	0.0519%
Chubb Ltd	CB	61,487.33	0.25%	2.27%	10.00%	12.38%	0.0311%
Cboe Global Markets Inc	CBOE	10,703.18	0.04%	1.36%	13.46%	14.91%	0.0065%
CBRE Group Inc	CBRE	16,962.20	0.07%	0.00%	8.55%	8.55%	0.0059%
CBS Corp	CBS	18,729.35	0.08%	1.56%	14.79%	16.47%	0.0126%
Crown Castle International Corp	CCI	49,348.75	0.20%	3.86%	15.50%	19.66%	0.0396%
Carnival Corp	CCL	39,623.14	0.16%	3.57%	10.93%	14.70%	0.0238%
Cadence Design Systems Inc	CDNS	16,052.04	0.07%	0.00%	10.35%	10.35%	0.0068%
Celanese Corp	CE	13,103.36	0.05%	2.30%	7.05%	9.43%	0.0050%
Celgene Corp	CELG	58,363.90	0.24%	0.00%	20.70%	20.70%	0.0493%
Cerner Corp	CERN	18,147.99	0.07%	0.00%	13.20%	13.20%	0.0098%
CF Industries Holdings Inc	CF	9,405.98	0.04%	2.86%	19.75%	22.89%	0.0088%
Citizens Financial Group Inc	CFG	17,006.81	0.07%	3.64%	16.69%	20.64%	0.0143%
Church & Dwight Co Inc	CHD	16,180.29	0.07%	1.40%	8.21%	9.66%	0.0064%
CH Robinson Worldwide Inc	CHRW	12,368.84	0.05%	2.24%	9.07%	11.41%	0.0058%
Charter Communications Inc	CHTR	86,628.83	0.35%	0.00%	41.16%	41.16%	0.1456%
Cigna Corp	CI	66,297.49	0.27%	0.02%	12.65%	12.67%	0.0343%
Cincinnati Financial Corp	CINF	14,146.27	N/A	2.68%	N/A	N/A	N/A
Colgate-Palmolive Co	CL	56,758.63	0.23%	2.63%	6.24%	8.95%	0.0207%
Clorox Co/The	CLX	20,253.80	0.08%	2.46%	4.91%	7.43%	0.0061%
Comerica Inc	CMA	13,850.53	0.06%	2.99%	16.41%	19.65%	0.0111%
Comcast Corp	CMCSA	175,018.97	0.71%	2.16%	11.03%	13.31%	0.0951%
CME Group Inc	CME	65,080.27	0.27%	3.05%	13.40%	16.66%	0.0443%
Chipotle Mexican Grill Inc	CMG	16,803.84	0.07%	0.00%	20.31%	20.31%	0.0139%
Cummins Inc	CMJ	24,244.35	0.10%	3.00%	6.81%	9.92%	0.0098%
CMS Energy Corp	CMS	15,416.97	0.06%	2.81%	6.61%	9.51%	0.0060%
Centene Corp	CNC	25,157.94	0.10%	0.00%	13.68%	13.68%	0.0141%
CenterPoint Energy Inc	CNP	15,106.36	0.06%	3.89%	6.92%	10.95%	0.0058%
Capital One Financial Corp	COF	39,105.47	0.16%	1.88%	4.77%	6.79%	0.0108%
Cabot Oil & Gas Corp	COG	10,423.30	0.04%	1.15%	26.58%	27.88%	0.0119%
Cooper Cos Inc/The	COO	14,110.51	0.06%	0.02%	4.70%	4.72%	0.0027%
ConocoPhillips	COP	76,969.32	0.31%	1.82%	6.00%	7.88%	0.0248%
Costco Wholesale Corp	COST	96,352.89	0.39%	1.07%	10.58%	11.71%	0.0461%
Coty Inc	COTY	8,263.83	0.03%	4.55%	8.76%	13.51%	0.0046%
Campbell Soup Co	CPB	10,843.07	0.04%	3.92%	1.75%	5.70%	0.0025%
Capri Holdings Ltd	CPRI	6,872.31	0.03%	0.00%	6.73%	6.73%	0.0019%
Copart Inc	CPRT	13,729.69	0.06%	0.00%	20.00%	20.00%	0.0112%
salesforce.com Inc	CRM	125,192.25	0.51%	0.00%	23.98%	23.98%	0.1226%
Cisco Systems Inc	CSCO	227,892.97	0.93%	2.64%	6.84%	9.57%	0.0890%
CSX Corp	CSX	59,271.86	0.24%	1.25%	10.47%	11.79%	0.0285%
Cintas Corp	CTAS	21,598.77	0.09%	0.97%	12.02%	13.05%	0.0115%
CenturyLink Inc	CTL	14,253.90	0.06%	9.98%	-2.80%	7.03%	0.0041%
Cognizant Technology Solutions Corp	CTSH	40,820.55	0.17%	1.10%	11.40%	12.57%	0.0209%
Citrix Systems Inc	CTXS	13,897.08	0.06%	0.00%	11.85%	11.85%	0.0067%
CVS Health Corp	CVS	75,010.26	0.31%	3.43%	8.68%	12.26%	0.0375%
Chevron Corp	CVX	227,209.50	0.93%	3.95%	6.36%	10.43%	0.0967%
Concho Resources Inc	CXO	22,065.37	0.09%	0.23%	31.00%	31.26%	0.0282%
Dominion Energy Inc	D	59,035.49	0.24%	4.95%	5.72%	10.81%	0.0261%
Delta Air Lines Inc	DAL	33,662.35	0.14%	2.95%	13.07%	16.21%	0.0223%
Deere & Co	DE	52,245.67	0.21%	1.80%	10.39%	12.29%	0.0262%
Discover Financial Services	DFS	23,515.77	0.10%	2.31%	8.80%	11.20%	0.0108%
Dollar General Corp	DG	31,141.28	0.13%	0.97%	15.75%	16.80%	0.0214%
Quest Diagnostics Inc	DGX	11,620.36	0.05%	2.41%	7.88%	10.39%	0.0049%
DR Horton Inc	DHI	14,522.43	0.06%	1.55%	11.80%	13.44%	0.0080%
Danaher Corp	DHR	90,640.24	0.37%	0.54%	9.01%	9.58%	0.0354%
Walt Disney Co/The	DIS	168,219.25	0.69%	1.58%	3.76%	5.37%	0.0369%
Discovery Inc	DISCA	20,031.18	0.08%	0.00%	12.30%	12.30%	0.0101%
DISH Network Corp	DISH	15,210.91	0.06%	0.00%	-20.68%	-20.68%	-0.0128%
Digital Realty Trust Inc	DLR	24,705.94	0.10%	3.78%	18.00%	22.12%	0.0223%
Dollar Tree Inc	DLTR	22,923.65	0.09%	0.00%	9.96%	9.96%	0.0093%

Company	Ticker	[4]	[5]	[6]	[7]	[8]	[9]
		Market Capitalization (\$million)	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Dover Corp	DOV	13,121.47	0.05%	2.19%	10.97%	13.28%	0.0071%
Duke Realty Corp	DRE	10,622.83	0.04%	2.90%	4.50%	7.47%	0.0032%
Darden Restaurants Inc	DRI	13,846.60	0.06%	2.68%	10.31%	13.13%	0.0074%
DTE Energy Co	DTE	22,478.66	0.09%	3.07%	5.53%	8.69%	0.0080%
Duke Energy Corp	DUK	65,182.82	0.27%	4.22%	4.97%	9.29%	0.0247%
DaVita Inc	DVA	9,468.16	0.04%	0.00%	19.15%	19.15%	0.0074%
Devon Energy Corp	DVN	12,934.23	0.05%	1.18%	1.15%	2.34%	0.0012%
DowDuPont Inc	DWDP	120,020.98	0.49%	2.86%	6.17%	9.21%	0.0452%
DXC Technology Co	DXC	17,668.34	0.07%	1.16%	6.70%	7.89%	0.0057%
Electronic Arts Inc	EA	28,695.26	0.12%	3.46%	11.87%	15.53%	0.0182%
eBay Inc	EBAY	33,987.81	0.14%	0.69%	10.67%	11.40%	0.0158%
Ecolab Inc	ECL	48,793.55	0.20%	1.10%	13.43%	14.60%	0.0291%
Consolidated Edison Inc	ED	26,472.81	0.11%	3.59%	3.73%	7.38%	0.0080%
Equifax Inc	EFX	13,217.84	0.05%	1.46%	7.16%	8.67%	0.0047%
Edison International	EIX	19,512.83	N/A	4.18%	N/A	N/A	N/A
Estee Lauder Cos Inc/The	EL	56,680.84	0.23%	1.06%	12.38%	13.50%	0.0312%
Eastman Chemical Co	EMN	11,558.19	0.05%	2.87%	6.73%	9.70%	0.0046%
Emerson Electric Co	EMR	41,886.34	0.17%	2.88%	8.95%	11.96%	0.0205%
EOG Resources Inc	EOG	54,525.00	0.22%	0.90%	11.57%	12.53%	0.0279%
Equinix Inc	EQIX	35,345.98	0.14%	2.34%	20.50%	23.08%	0.0333%
Equity Residential	EQR	27,260.42	0.11%	3.04%	6.28%	9.42%	0.0105%
Eversource Energy	ES	22,128.45	0.09%	3.07%	5.62%	8.78%	0.0079%
Essex Property Trust Inc	ESS	18,383.28	0.08%	2.78%	6.06%	8.92%	0.0067%
E*TRADE Financial Corp	ETFC	12,066.83	0.05%	1.02%	12.08%	13.16%	0.0065%
Eaton Corp PLC	ETN	33,790.57	0.14%	3.59%	9.23%	12.98%	0.0179%
Entergy Corp	ETR	17,693.55	0.07%	3.96%	-0.96%	2.98%	0.0022%
Everygy Inc	EVRG	14,236.37	0.06%	3.45%	7.43%	11.00%	0.0064%
Edwards Lifesciences Corp	EW	35,172.76	0.14%	0.00%	14.00%	14.00%	0.0201%
Exelon Corp	EXC	46,933.41	0.19%	2.98%	4.12%	7.16%	0.0137%
Expeditors International of Washington I	EXPD	12,866.63	0.05%	1.27%	7.70%	9.02%	0.0047%
Expedia Group Inc	EXPE	18,150.04	0.07%	1.06%	17.20%	18.35%	0.0136%
Extra Space Storage Inc	EXR	12,213.02	0.05%	3.68%	4.39%	8.15%	0.0041%
Ford Motor Co	F	34,891.90	0.14%	6.55%	-0.70%	5.82%	0.0083%
Diamondback Energy Inc	FANG	16,919.79	0.07%	0.61%	16.11%	16.77%	0.0116%
Fastenal Co	FAST	18,010.80	0.07%	2.71%	14.85%	17.76%	0.0131%
Facebook Inc	FB	460,776.65	1.88%	0.00%	21.88%	21.88%	0.4117%
Fortune Brands Home & Security Inc	FBHS	6,622.68	0.03%	1.78%	9.97%	11.63%	0.0032%
Freeport-McMoRan Inc	FCX	18,692.86	0.08%	1.74%	-12.55%	-10.92%	-0.0083%
FedEx Corp	FDX	47,248.90	0.19%	1.42%	14.25%	15.77%	0.0304%
FirstEnergy Corp	FE	21,603.70	0.09%	3.73%	-0.02%	3.72%	0.0033%
F5 Networks Inc	FFIV	9,994.47	0.04%	0.00%	9.39%	9.39%	0.0038%
Fidelity National Information Services I	FIS	34,923.86	0.14%	1.29%	12.00%	13.37%	0.0191%
Fiserv Inc	FISV	33,163.50	0.14%	0.00%	7.40%	7.40%	0.0100%
Fifth Third Bancorp	FITB	18,946.96	0.08%	3.51%	3.95%	7.53%	0.0058%
Foot Locker Inc	FL	6,719.22	0.03%	2.30%	6.24%	8.60%	0.0024%
FLIR Systems Inc	FLIR	6,969.79	N/A	1.32%	N/A	N/A	N/A
Fluor Corp	FLR	5,289.13	0.02%	2.23%	17.99%	20.42%	0.0044%
Flowerserve Corp	FLS	5,816.95	0.02%	1.81%	13.05%	14.98%	0.0036%
FleetCor Technologies Inc	FLT	20,026.00	0.08%	0.00%	16.50%	16.50%	0.0135%
FMC Corp	FMC	12,051.88	0.05%	1.58%	10.27%	11.92%	0.0059%
Twenty-First Century Fox Inc	FOXA	93,429.35	0.38%	0.79%	2.66%	3.46%	0.0132%
First Republic Bank/CA	FRC	17,495.05	0.07%	0.72%	12.39%	13.15%	0.0094%
Federal Realty Investment Trust	FRT	9,934.53	0.04%	3.12%	6.15%	9.37%	0.0038%
TechnipFMC PLC	FTI	10,059.97	0.04%	2.36%	15.43%	17.96%	0.0074%
Fortinet Inc	FTNT	14,809.30	0.06%	0.00%	22.10%	22.10%	0.0134%
Fortive Corp	FTV	27,295.87	0.11%	0.37%	13.89%	14.29%	0.0159%
General Dynamics Corp	GD	49,063.52	0.20%	2.32%	10.09%	12.53%	0.0251%
General Electric Co	GE	90,445.78	0.37%	0.88%	1.60%	1.99%	0.0073%
Gilead Sciences Inc	GILD	82,933.70	0.34%	3.86%	-1.48%	2.35%	0.0080%
General Mills Inc	GIS	28,124.78	0.11%	4.19%	6.43%	10.75%	0.0123%
Coming Inc	GLW	27,387.15	0.11%	2.29%	10.39%	12.80%	0.0143%
General Motors Co	GM	55,646.23	0.23%	3.87%	6.03%	10.02%	0.0228%
Alphabet Inc	GOOGL	780,692.17	3.19%	0.00%	15.22%	15.22%	0.4853%
Genuine Parts Co	GPC	15,875.76	0.06%	2.84%	8.99%	11.96%	0.0078%
Global Payments Inc	GP	20,548.32	0.08%	0.03%	14.67%	14.70%	0.0123%
Gap Inc/The	GPS	9,688.43	N/A	3.95%	N/A	N/A	N/A
Garmin Ltd	GRMN	15,854.29	0.06%	2.68%	7.28%	10.05%	0.0065%
Goldman Sachs Group Inc/The	GS	75,311.25	0.31%	1.73%	7.27%	9.06%	0.0279%
WW Grainger Inc	GWV	17,164.79	0.07%	1.87%	12.47%	14.46%	0.0101%
Halliburton Co	HAL	26,778.34	0.11%	2.30%	30.08%	32.72%	0.0358%
Hasbro Inc	HAS	10,684.03	0.04%	3.20%	10.67%	14.04%	0.0061%
Huntington Bancshares Inc/OH	HBAN	15,084.58	0.06%	4.11%	8.20%	12.48%	0.0077%
Hanesbrands Inc	HBI	6,718.87	0.03%	3.37%	3.72%	7.15%	0.0020%
HCA Healthcare Inc	HCA	47,604.06	0.19%	0.98%	11.56%	12.59%	0.0245%
HCP Inc	HCP	14,701.04	0.06%	4.83%	3.23%	8.13%	0.0049%
Home Depot Inc/The	HD	209,120.77	0.85%	2.84%	10.72%	13.71%	0.1171%
Hess Corp	HES	17,530.53	0.07%	1.75%	-9.49%	-7.82%	-0.0056%

Company	Ticker	[4]	[5]	[6]	[7]	[8]	[9]
		Market Capitalization (\$million)	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
HollyFrontier Corp	HFC	8,743.19	0.04%	2.65%	7.07%	9.81%	0.0035%
Hartford Financial Services Group Inc/The	HIG	17,743.46	0.07%	2.52%	9.50%	12.14%	0.0088%
Huntington Ingalls Industries Inc	HII	8,696.78	0.04%	1.63%	40.00%	41.95%	0.0149%
Hilton Worldwide Holdings Inc	HLT	24,335.61	0.10%	0.79%	13.62%	14.46%	0.0144%
Harley-Davidson Inc	HOG	5,922.27	0.02%	4.19%	10.30%	14.70%	0.0036%
Hologic Inc	HOLX	13,735.49	0.06%	0.00%	3.10%	3.10%	0.0017%
Honeywell International Inc	HON	112,330.26	0.46%	2.16%	7.88%	10.12%	0.0464%
Helmerich & Payne Inc	HP	5,929.77	0.02%	5.25%	96.36%	104.14%	0.0252%
Hewlett Packard Enterprise Co	HPE	22,554.64	0.09%	2.80%	6.09%	8.98%	0.0083%
HP Inc	HPQ	30,255.99	0.12%	3.22%	3.08%	6.35%	0.0078%
H&R Block Inc	HRB	4,963.50	0.02%	4.15%	10.00%	14.36%	0.0029%
Hormel Foods Corp	HRL	23,180.07	0.09%	1.92%	5.80%	7.78%	0.0074%
Harris Corp	HRS	19,455.29	0.08%	1.63%	7.00%	8.69%	0.0069%
Henry Schein Inc	HSIC	8,978.24	0.04%	0.00%	7.11%	7.11%	0.0026%
Host Hotels & Resorts Inc	HST	14,520.68	0.06%	4.40%	4.57%	9.07%	0.0054%
Hershey Co/The	HSY	23,078.97	0.09%	2.67%	8.00%	10.77%	0.0102%
Humana Inc	HUM	38,641.99	0.16%	0.69%	14.11%	14.85%	0.0234%
International Business Machines Corp	IBM	122,917.23	0.50%	4.71%	0.72%	5.45%	0.0274%
Intercontinental Exchange Inc	ICE	43,859.63	0.18%	1.39%	8.02%	9.47%	0.0170%
IDEXX Laboratories Inc	IDXX	18,149.96	0.07%	0.00%	18.66%	18.66%	0.0138%
International Flavors & Fragrances Inc	IFF	13,595.75	0.06%	2.22%	4.00%	6.27%	0.0035%
Illumina Inc	ILMN	45,977.19	0.19%	0.00%	25.16%	25.16%	0.0472%
Incyte Corp	INCY	18,457.39	0.08%	0.00%	47.53%	47.53%	0.0358%
IHS Markit Ltd	INFO	21,236.41	0.09%	0.00%	11.21%	11.21%	0.0097%
Intel Corp	INTC	238,161.12	0.97%	2.38%	8.54%	11.03%	0.1072%
Intuit Inc	INTU	64,024.71	0.26%	0.69%	15.82%	16.56%	0.0433%
International Paper Co	IP	18,338.82	0.07%	4.40%	6.08%	10.61%	0.0079%
Interpublic Group of Cos Inc/The	IPG	8,864.54	0.04%	4.07%	13.93%	18.28%	0.0066%
IPG Photonics Corp	IPGP	8,210.70	0.03%	0.00%	12.00%	12.00%	0.0040%
IQVIA Holdings Inc	IQV	27,711.68	0.11%	0.00%	16.15%	16.15%	0.0183%
Ingersoll-Rand PLC	IR	25,563.32	0.10%	2.07%	9.92%	12.09%	0.0126%
Iron Mountain Inc	IRM	10,143.07	0.04%	6.96%	7.16%	14.37%	0.0060%
Intuitive Surgical Inc	ISRG	62,695.10	0.26%	0.00%	12.62%	12.62%	0.0323%
Gartner Inc	IT	12,765.98	0.05%	0.00%	14.02%	14.02%	0.0073%
Illinois Tool Works Inc	ITW	47,273.86	0.19%	2.79%	7.27%	10.16%	0.0196%
Invesco Ltd	IVZ	7,683.34	0.03%	6.41%	4.30%	10.85%	0.0034%
JB Hunt Transport Services Inc	JBHT	11,707.91	0.05%	0.94%	18.78%	19.81%	0.0095%
Johnson Controls International plc	JCI	32,191.39	0.13%	3.07%	7.63%	10.82%	0.0142%
Jacobs Engineering Group Inc	JEC	10,293.55	0.04%	0.77%	13.57%	14.39%	0.0061%
Jefferies Financial Group Inc	JEF	6,127.44	N/A	2.47%	N/A	N/A	N/A
Jack Henry & Associates Inc	JKHY	10,235.93	0.04%	1.16%	11.00%	12.22%	0.0051%
Johnson & Johnson	JNJ	363,891.26	1.49%	2.79%	7.26%	10.15%	0.1508%
Juniper Networks Inc	JNPR	9,421.74	0.04%	2.78%	8.63%	11.53%	0.0044%
JPMorgan Chase & Co	JPM	341,699.87	1.40%	3.24%	7.00%	10.36%	0.1445%
Nordstrom Inc	JWN	7,911.07	N/A	3.28%	N/A	N/A	N/A
Kellogg Co	K	19,347.51	0.08%	4.19%	3.68%	7.95%	0.0063%
KeyCorp	KEY	17,815.19	0.07%	4.20%	13.17%	17.65%	0.0128%
Keysight Technologies Inc	KEYS	15,860.64	0.06%	0.00%	17.00%	17.00%	0.0110%
Kraft Heinz Co/The	KHC	40,473.04	0.17%	5.47%	2.60%	8.14%	0.0135%
Kimco Realty Corp	KIM	7,412.18	0.03%	6.42%	3.86%	10.40%	0.0031%
KLA-Tencor Corp	KLAC	18,901.55	0.08%	2.58%	8.58%	11.28%	0.0087%
Kimberly-Clark Corp	KMB	40,239.95	0.16%	3.51%	6.09%	9.71%	0.0159%
Kinder Morgan Inc/DE	KMI	43,371.66	0.18%	5.19%	10.00%	15.45%	0.0274%
CarMax Inc	KMX	10,562.41	0.04%	0.00%	12.92%	12.92%	0.0056%
Coca-Cola Co/The	KO	193,843.92	0.79%	3.63%	6.72%	10.47%	0.0829%
Kroger Co/The	KR	23,397.80	0.10%	1.85%	6.43%	8.34%	0.0080%
Kohl's Corp	KSS	11,151.19	0.05%	3.61%	10.60%	14.40%	0.0066%
Kansas City Southern	KSU	10,966.29	0.04%	1.40%	8.97%	10.43%	0.0047%
Loews Corp	L	14,824.07	N/A	0.59%	N/A	N/A	N/A
L Brands Inc	LB	7,191.77	0.03%	4.60%	10.72%	15.56%	0.0046%
Leggett & Platt Inc	LEG	5,953.27	0.02%	3.39%	10.00%	13.56%	0.0033%
Lennar Corp	LEN	15,171.91	0.06%	0.33%	12.74%	13.09%	0.0081%
Laboratory Corp of America Holdings	LH	14,616.46	0.05%	0.00%	7.61%	7.61%	0.0045%
Linde PLC	LIN	94,600.13	0.39%	1.80%	19.10%	21.07%	0.0814%
LKQ Corp	LKQ	8,814.21	0.04%	0.00%	13.85%	13.85%	0.0050%
L3 Technologies Inc	LLL	16,794.94	0.07%	1.61%	5.00%	6.66%	0.0046%
Eli Lilly & Co	LLY	130,763.01	0.53%	2.00%	10.72%	12.82%	0.0685%
Lockheed Martin Corp	LMT	87,427.67	0.36%	2.89%	7.61%	10.60%	0.0379%
Lincoln National Corp	LNC	12,772.45	0.05%	2.39%	9.00%	11.50%	0.0060%
Alliant Energy Corp	LNT	10,828.74	0.04%	3.10%	6.29%	9.49%	0.0042%
Lowe's Cos Inc	LOW	84,382.75	0.34%	1.98%	15.80%	17.93%	0.0618%
Lam Research Corp	LRCX	26,870.18	0.11%	2.31%	-0.42%	1.89%	0.0021%
Southwest Airlines Co	LUV	30,972.68	0.13%	1.24%	10.01%	11.31%	0.0143%
Lamb Weston Holdings Inc	LW	10,153.36	0.04%	1.14%	11.02%	12.22%	0.0051%
LyondellBasell Industries NV	LYB	31,741.35	0.13%	4.76%	6.80%	11.72%	0.0152%
Macy's Inc	M	7,622.93	0.03%	6.08%	1.67%	7.80%	0.0024%
Mastercard Inc	MA	230,593.58	0.94%	0.51%	19.66%	20.22%	0.1904%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization (\$million)	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Mid-America Apartment Communities Inc	MAA	11,796.55	0.05%	3.72%	7.00%	10.85%	0.0052%
Macerich Co/The	MAC	6,154.63	0.03%	6.94%	-0.12%	6.81%	0.0017%
Marriott International Inc/MD	MAR	42,733.39	N/A	1.37%	N/A	N/A	N/A
Masco Corp	MAS	11,061.14	0.05%	1.26%	12.50%	13.84%	0.0063%
Mattel Inc	MAT	4,980.61	0.02%	0.00%	10.00%	10.00%	0.0020%
McDonald's Corp	MCD	140,695.94	0.57%	2.54%	8.74%	11.39%	0.0654%
Microchip Technology Inc	MCHP	20,585.49	0.08%	1.68%	12.39%	14.17%	0.0119%
McKesson Corp	MCK	24,392.50	0.10%	1.16%	8.08%	9.29%	0.0093%
Moody's Corp	MCO	33,065.92	0.14%	1.14%	12.80%	14.02%	0.0189%
Mondelez International Inc	MDLZ	68,107.03	0.28%	2.22%	7.33%	9.62%	0.0268%
Medtronic PLC	MDT	121,323.63	0.50%	2.19%	7.70%	9.98%	0.0494%
MetLife Inc	MET	43,259.07	0.18%	3.88%	8.46%	12.50%	0.0221%
MGM Resorts International	MGM	14,362.52	0.06%	1.91%	3.32%	5.26%	0.0031%
Mohawk Industries Inc	MHK	10,099.96	0.04%	0.00%	7.59%	7.59%	0.0031%
McCormick & Co Inc/MD	MKC	17,968.38	0.07%	1.68%	6.10%	7.83%	0.0057%
Martin Marietta Materials Inc	MLM	11,724.46	0.05%	1.04%	13.29%	14.40%	0.0069%
Marsh & McLennan Cos Inc	MMC	46,985.24	0.19%	1.88%	11.80%	13.79%	0.0265%
3M Co	MMM	119,415.16	0.49%	2.77%	7.70%	10.57%	0.0516%
Monster Beverage Corp	MNST	34,669.15	0.14%	0.00%	15.00%	15.00%	0.0212%
Altria Group Inc	MO	98,238.92	0.40%	6.26%	8.50%	15.03%	0.0603%
Mosaic Co/The	MOS	12,053.65	0.05%	0.60%	8.40%	9.02%	0.0044%
Marathon Petroleum Corp	MPC	41,771.13	0.17%	3.38%	16.14%	19.79%	0.0338%
Merck & Co Inc	MRK	209,827.40	0.86%	2.71%	8.76%	11.59%	0.0993%
Marathon Oil Corp	MRO	13,587.17	0.06%	1.20%	0.45%	1.66%	0.0009%
Morgan Stanley	MS	71,734.90	0.29%	3.12%	13.50%	16.83%	0.0493%
MSCI Inc	MSCI	15,576.20	0.06%	1.21%	13.10%	14.39%	0.0092%
Microsoft Corp	MSFT	859,518.07	3.51%	1.60%	11.68%	13.37%	0.4692%
Motorola Solutions Inc	MSI	23,453.26	0.10%	1.62%	4.10%	5.75%	0.0055%
M&T Bank Corp	MTB	23,973.36	0.10%	2.48%	7.98%	10.56%	0.0103%
Mettler-Toledo International Inc	MTD	16,883.32	0.07%	0.00%	12.66%	12.66%	0.0087%
Micron Technology Inc	MU	45,828.39	0.19%	0.35%	-3.30%	-2.96%	-0.0055%
Maxim Integrated Products Inc	MXIM	14,881.07	0.06%	3.38%	8.93%	12.46%	0.0076%
Mylan NV	MYL	13,615.92	0.06%	0.00%	5.98%	5.98%	0.0033%
Noble Energy Inc	NBL	10,579.80	0.04%	1.99%	14.55%	16.69%	0.0072%
Norwegian Cruise Line Holdings Ltd	NCLH	12,090.43	0.05%	0.22%	12.53%	12.76%	0.0063%
Nasdaq Inc	NDAQ	15,147.51	0.06%	2.04%	9.11%	11.24%	0.0070%
NextEra Energy Inc	NEE	89,761.60	0.37%	2.66%	4.90%	7.62%	0.0279%
Newmont Mining Corp	NEM	18,174.68	0.07%	1.64%	14.10%	15.85%	0.0118%
Netflix Inc	NFLX	156,345.96	0.64%	0.00%	32.07%	32.07%	0.2047%
NiSource Inc	NI	10,049.90	0.04%	3.02%	5.75%	8.86%	0.0036%
NIKE Inc	NKE	134,921.66	0.55%	0.99%	18.34%	19.42%	0.1070%
Nektar Therapeutics	NKTR	7,016.88	N/A	0.00%	N/A	N/A	N/A
Nielsen Holdings PLC	NLSN	9,312.72	N/A	4.94%	N/A	N/A	N/A
Northrop Grumman Corp	NOC	49,217.09	0.20%	1.80%	8.89%	10.77%	0.0216%
National Oilwell Varco Inc	NOV	10,789.81	0.04%	0.78%	77.76%	78.84%	0.0347%
NRG Energy Inc	NRG	12,084.28	0.05%	0.29%	46.03%	46.38%	0.0229%
Norfolk Southern Corp	NSC	47,954.74	0.20%	1.90%	13.97%	16.00%	0.0313%
NetApp Inc	NTAP	16,102.75	0.07%	2.40%	13.23%	15.79%	0.0104%
Northern Trust Corp	NTRS	20,355.98	0.08%	2.63%	12.53%	15.32%	0.0127%
Nucor Corp	NUE	18,496.96	0.08%	2.62%	0.85%	3.48%	0.0026%
NVIDIA Corp	NVDA	93,481.56	0.38%	0.43%	7.86%	8.31%	0.0317%
Newell Brands Inc	NWL	7,576.16	0.03%	5.66%	-11.86%	-8.53%	-0.0020%
News Corp	NWSA	7,674.02	0.03%	1.64%	-9.13%	-7.56%	-0.0024%
Realty Income Corp	O	21,010.24	0.09%	3.93%	4.39%	8.41%	0.0072%
ONEOK Inc	OKE	26,450.15	0.11%	5.62%	16.89%	22.99%	0.0248%
Omnicom Group Inc	OMC	16,933.39	0.07%	3.42%	5.22%	8.73%	0.0060%
Oracle Corp	ORCL	187,090.35	0.76%	1.48%	7.54%	9.06%	0.0692%
O'Reilly Automotive Inc	ORLY	29,152.59	0.12%	0.00%	15.58%	15.58%	0.0185%
Occidental Petroleum Corp	OXY	49,582.50	0.20%	4.74%	-0.50%	4.22%	0.0086%
Paychex Inc	PAYX	27,657.20	0.11%	2.96%	9.25%	12.35%	0.0139%
People's United Financial Inc	PBCT	6,704.67	0.03%	4.02%	2.00%	6.06%	0.0017%
PACCAR Inc	PCAR	23,507.50	0.10%	4.00%	6.10%	10.22%	0.0098%
Public Service Enterprise Group Inc	PEG	29,699.02	0.12%	3.20%	6.73%	10.04%	0.0122%
PepsiCo Inc	PEP	162,437.90	0.66%	3.30%	5.48%	8.87%	0.0589%
Pfizer Inc	PFE	240,670.74	0.98%	3.32%	5.45%	8.86%	0.0871%
Principal Financial Group Inc	PFG	14,650.43	0.06%	4.23%	4.16%	8.48%	0.0051%
Procter & Gamble Co/The	PG	246,530.68	1.01%	2.95%	6.51%	9.55%	0.0962%
Progressive Corp/The	PGR	42,566.04	0.17%	1.94%	8.00%	10.02%	0.0174%
Parker-Hannifin Corp	PH	22,789.00	0.09%	1.70%	9.52%	11.30%	0.0105%
PulteGroup Inc	PHM	7,482.83	0.03%	1.62%	7.17%	8.85%	0.0027%
Packaging Corp of America	PKG	9,032.87	0.04%	3.22%	8.25%	11.60%	0.0043%
PerkinElmer Inc	PKI	10,432.93	0.04%	0.31%	15.49%	15.82%	0.0087%
Prologis Inc	PLD	44,103.79	0.18%	2.88%	6.87%	9.85%	0.0177%
Philip Morris International Inc	PM	135,155.56	0.55%	5.40%	9.06%	14.70%	0.0811%
PNC Financial Services Group Inc/The	PNC	57,591.14	0.24%	3.25%	7.37%	10.73%	0.0252%
Pentair PLC	PNR	7,289.81	0.03%	1.86%	10.29%	12.25%	0.0036%
Pinnacle West Capital Corp	PNW	10,512.61	0.04%	3.21%	5.18%	8.46%	0.0036%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization (\$million)	Weight in Index	Estimated Dividend Yld	Long-Term Growth Est.	DCF Result	Weighted DCF Result
PPG Industries Inc	PPG	26,413.61	0.11%	1.73%	7.49%	9.29%	0.0100%
PPL Corp	PPL	23,172.79	0.09%	5.21%	6.17%	11.54%	0.0109%
Perrigo Co PLC	PRGO	6,617.02	0.03%	1.53%	1.17%	2.70%	0.0007%
Prudential Financial Inc	PRU	39,202.65	0.16%	4.24%	9.00%	13.43%	0.0215%
Public Storage	PSA	36,904.74	0.15%	3.88%	5.26%	9.24%	0.0139%
Phillips 66	PSX	43,835.43	0.18%	3.57%	5.70%	9.37%	0.0168%
PVH Corp	PVH	8,697.43	0.04%	0.13%	11.03%	11.17%	0.0040%
Quanta Services Inc	PWR	5,221.86	0.02%	0.11%	25.00%	25.13%	0.0054%
Pioneer Natural Resources Co	PXD	23,731.68	0.10%	0.30%	26.85%	27.19%	0.0263%
PayPal Holdings Inc	PYPL	115,056.64	0.47%	0.00%	22.12%	22.12%	0.1039%
QUALCOMM Inc	QCOM	64,618.22	0.26%	4.73%	11.71%	16.72%	0.0441%
Qorvo Inc	QRVO	8,612.39	0.04%	0.00%	11.83%	11.83%	0.0042%
Royal Caribbean Cruises Ltd	RCL	24,784.43	0.10%	2.36%	11.72%	14.21%	0.0144%
Everest Re Group Ltd	RE	9,191.60	0.04%	2.44%	10.00%	12.56%	0.0047%
Regency Centers Corp	REG	10,940.59	0.04%	3.53%	4.78%	8.39%	0.0037%
Regeneron Pharmaceuticals Inc	REGN	47,070.06	0.19%	0.00%	13.88%	13.88%	0.0267%
Regions Financial Corp	RF	16,690.59	0.07%	3.69%	10.88%	14.77%	0.0101%
Robert Half International Inc	RHI	8,119.96	0.03%	1.79%	13.20%	15.10%	0.0050%
Red Hat Inc	RHT	32,276.46	0.13%	0.00%	18.40%	18.40%	0.0242%
Raymond James Financial Inc	RJF	11,646.92	0.05%	1.57%	12.30%	13.96%	0.0066%
Ralph Lauren Corp	RL	9,841.11	0.04%	1.95%	6.84%	8.86%	0.0036%
ResMed Inc	RMD	14,678.22	0.06%	1.46%	12.50%	14.06%	0.0084%
Rockwell Automation Inc	ROK	21,345.77	0.09%	2.18%	8.94%	11.22%	0.0098%
Rollins Inc	ROL	12,981.45	0.05%	1.98%	10.00%	12.08%	0.0064%
Roper Technologies Inc	ROP	33,532.66	0.14%	0.56%	11.33%	11.93%	0.0163%
Ross Stores Inc	ROST	35,142.94	0.14%	0.95%	10.50%	11.50%	0.0165%
Republic Services Inc	RSG	25,224.31	0.10%	1.93%	13.01%	15.06%	0.0155%
Raytheon Co	RTN	52,637.57	0.21%	1.99%	10.03%	12.11%	0.0260%
SBA Communications Corp	SBAC	20,300.90	0.08%	0.00%	27.95%	27.95%	0.0232%
Starbucks Corp	SBUX	87,375.34	0.36%	2.13%	13.22%	15.49%	0.0552%
Charles Schwab Corp/The	SCHW	61,326.43	0.25%	1.33%	19.78%	21.24%	0.0532%
Sealed Air Corp	SEE	6,788.70	0.03%	1.52%	6.04%	7.61%	0.0021%
Sherwin-Williams Co/The	SHW	40,165.55	0.16%	0.98%	10.74%	11.77%	0.0193%
SVB Financial Group	SIVB	12,997.28	0.05%	0.01%	11.00%	11.01%	0.0058%
JM Smucker Co/The	SJM	12,046.90	0.05%	3.13%	3.20%	6.38%	0.0031%
Schlumberger Ltd	SLB	61,065.95	0.25%	4.54%	33.69%	38.99%	0.0972%
SL Green Realty Corp	SLG	7,742.80	0.03%	3.76%	-0.59%	3.16%	0.0010%
Snap-on Inc	SNA	8,898.58	0.04%	2.35%	7.93%	10.38%	0.0038%
Synopsys Inc	SNPS	15,219.04	0.06%	0.00%	14.50%	14.50%	0.0090%
Southern Co/The	SO	50,392.42	0.21%	4.97%	3.38%	8.43%	0.0173%
Simon Property Group Inc	SPG	55,972.93	0.23%	4.58%	5.23%	9.93%	0.0227%
S&P Global Inc	SPGI	49,811.98	0.20%	1.11%	11.05%	12.23%	0.0249%
Sempra Energy	SRE	33,005.29	0.13%	3.23%	10.10%	13.49%	0.0182%
SunTrust Banks Inc	STI	28,753.96	0.12%	3.27%	8.04%	11.44%	0.0134%
State Street Corp	STT	27,214.28	0.11%	2.81%	8.69%	11.63%	0.0129%
Seagate Technology PLC	STX	13,117.82	0.05%	5.41%	3.37%	8.87%	0.0048%
Constellation Brands Inc	STZ	32,168.90	0.13%	1.75%	8.92%	10.75%	0.0141%
Stanley Black & Decker Inc	SWK	20,044.21	0.08%	2.02%	10.50%	12.63%	0.0103%
Skyworks Solutions Inc	SWKS	14,214.12	0.06%	1.91%	8.87%	10.86%	0.0063%
Synchrony Financial	SYF	23,148.61	0.09%	2.77%	1.55%	4.34%	0.0041%
Stryker Corp	SYK	70,251.01	0.29%	1.19%	8.72%	9.96%	0.0286%
Symantec Corp	SYMC	14,375.99	0.06%	1.36%	7.50%	8.91%	0.0052%
Sysco Corp	SYU	34,684.40	0.14%	2.24%	12.53%	14.91%	0.0211%
AT&T Inc	T	226,696.44	0.93%	6.57%	4.92%	11.65%	0.1079%
Molson Coors Brewing Co	TAP	13,344.11	0.05%	3.32%	0.26%	3.58%	0.0020%
TransDigm Group Inc	TDG	22,962.13	0.09%	0.00%	11.07%	11.07%	0.0104%
TE Connectivity Ltd	TEL	27,816.56	0.11%	2.16%	11.18%	13.46%	0.0153%
Teleflex Inc	TFX	13,338.56	0.05%	0.47%	12.45%	12.95%	0.0071%
Target Corp	TGT	37,905.99	0.15%	3.55%	6.35%	10.01%	0.0155%
Tiffany & Co	TIF	11,585.11	0.05%	2.25%	10.53%	12.90%	0.0061%
TJX Cos Inc/The	TJX	63,248.02	0.26%	1.69%	11.57%	13.36%	0.0345%
Torchmark Corp	TMK	9,208.78	0.04%	0.82%	7.53%	8.38%	0.0032%
Thermo Fisher Scientific Inc	TMO	103,569.39	0.42%	0.28%	12.00%	12.30%	0.0520%
Tapestry Inc	TPR	10,131.83	0.04%	3.89%	11.75%	15.87%	0.0066%
TripAdvisor Inc	TRIP	7,344.70	0.03%	0.00%	11.39%	11.39%	0.0034%
T Rowe Price Group Inc	TROW	23,727.96	0.10%	2.98%	4.27%	7.32%	0.0071%
Travelers Cos Inc/The	TRV	35,007.30	0.14%	2.41%	17.69%	20.31%	0.0290%
Tractor Supply Co	TSCO	11,564.03	0.05%	1.40%	12.09%	13.57%	0.0064%
Tyson Foods Inc	TSN	22,522.39	N/A	2.55%	N/A	N/A	N/A
Total System Services Inc	TSS	16,700.83	0.07%	0.56%	12.14%	12.74%	0.0087%
Take-Two Interactive Software Inc	TTWO	9,874.51	0.04%	3.55%	10.30%	14.04%	0.0057%
Twitter Inc	TWTR	23,602.86	0.10%	0.00%	37.35%	37.35%	0.0360%
Texas Instruments Inc	TXN	99,272.90	0.41%	2.97%	10.48%	13.60%	0.0551%
Textron Inc	TXT	12,743.07	0.05%	0.16%	12.56%	12.73%	0.0066%
Under Armour Inc	UAA	9,517.37	0.04%	0.00%	34.93%	34.93%	0.0136%
United Continental Holdings Inc	UAL	23,925.10	0.10%	0.00%	14.17%	14.17%	0.0138%
UDR Inc	UDR	12,242.64	0.05%	3.05%	5.54%	8.67%	0.0043%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization (\$million)	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Universal Health Services Inc	UHS	12,603.65	0.05%	0.25%	9.54%	9.80%	0.0050%
Ulta Beauty Inc	ULTA	18,534.45	0.08%	0.00%	21.00%	21.00%	0.0159%
UnitedHealth Group Inc	UNH	232,419.42	0.95%	1.49%	13.73%	15.32%	0.1454%
Unum Group	UNM	8,018.42	0.03%	2.86%	9.00%	11.99%	0.0039%
Union Pacific Corp	UNP	121,226.61	0.49%	2.10%	13.86%	16.11%	0.0797%
United Parcel Service Inc	UPS	94,797.23	0.39%	3.46%	8.96%	12.57%	0.0487%
United Rentals Inc	URI	10,712.16	0.04%	0.00%	17.76%	17.76%	0.0078%
US Bancorp	USB	82,736.16	0.34%	3.06%	6.70%	9.86%	0.0333%
United Technologies Corp	UTX	108,295.97	0.44%	2.37%	9.80%	12.29%	0.0543%
Visa Inc	V	297,332.66	1.21%	0.67%	15.59%	16.32%	0.1981%
Varian Medical Systems Inc	VAR	12,196.87	0.05%	0.00%	16.10%	16.10%	0.0080%
VF Corp	VFC	34,560.09	0.14%	2.07%	-16.64%	-14.75%	-0.0208%
Viacom Inc	VIAB	12,021.41	0.05%	2.76%	4.93%	7.76%	0.0038%
Valero Energy Corp	VLO	34,606.58	0.14%	4.39%	19.17%	23.98%	0.0339%
Vulcan Materials Co	VMC	14,693.87	0.06%	1.10%	15.34%	16.53%	0.0099%
Vornado Realty Trust	VNO	12,824.94	0.05%	3.86%	0.74%	4.62%	0.0024%
Verisk Analytics Inc	VRSK	20,672.51	0.08%	0.79%	9.57%	10.39%	0.0088%
VeriSign Inc	VRSN	21,314.05	0.09%	0.00%	8.80%	8.80%	0.0077%
Vertex Pharmaceuticals Inc	VRTX	48,255.24	0.20%	0.00%	49.41%	49.41%	0.0973%
Ventas Inc	VTR	22,379.61	0.09%	5.10%	2.08%	7.24%	0.0066%
Verizon Communications Inc	VZ	235,196.05	0.96%	4.28%	2.30%	6.63%	0.0537%
Wabtec Corp	WAB	7,077.89	0.03%	0.00%	14.00%	14.00%	0.0040%
Waters Corp	WAT	17,321.73	0.07%	0.00%	11.25%	11.25%	0.0080%
Walgreens Boots Alliance Inc	WBA	67,163.83	0.27%	2.51%	9.77%	12.40%	0.0340%
WellCare Health Plans Inc	WCG	12,677.66	0.05%	0.00%	17.08%	17.08%	0.0088%
Western Digital Corp	WDC	14,629.80	0.06%	3.98%	2.72%	6.75%	0.0040%
WEC Energy Group Inc	WEC	24,062.93	0.10%	3.08%	4.89%	8.05%	0.0079%
Welltower Inc	WELL	28,710.50	0.12%	4.76%	6.74%	11.66%	0.0137%
Wells Fargo & Co	WFC	226,970.65	0.93%	3.65%	11.26%	15.11%	0.1400%
Whirlpool Corp	WHR	8,995.75	0.04%	3.36%	5.75%	9.20%	0.0034%
Willis Towers Watson PLC	WLTW	22,208.10	0.09%	1.49%	10.00%	11.57%	0.0105%
Waste Management Inc	WM	42,907.68	0.18%	2.00%	8.03%	10.11%	0.0177%
Williams Cos Inc/The	WMB	32,321.09	0.13%	5.71%	3.90%	9.73%	0.0128%
Walmart Inc	WMT	287,591.69	1.17%	2.16%	5.20%	7.41%	0.0870%
Westrock Co	WRK	9,545.83	0.04%	4.85%	4.73%	9.69%	0.0038%
Western Union Co/The	WU	7,789.37	0.03%	4.42%	5.00%	9.53%	0.0030%
Weyerhaeuser Co	WY	18,580.98	0.08%	5.44%	8.70%	14.38%	0.0109%
Wynn Resorts Ltd	WYNN	13,759.77	0.06%	2.39%	31.10%	33.86%	0.0190%
Cimarex Energy Co	XEC	6,885.76	0.03%	1.03%	66.37%	67.75%	0.0190%
Xcel Energy Inc	XEL	28,209.64	0.12%	2.92%	5.89%	8.90%	0.0102%
Xilinx Inc	XLNX	31,721.44	0.13%	1.15%	9.33%	10.53%	0.0136%
Exxon Mobil Corp	XOM	334,676.44	1.37%	4.28%	15.74%	20.35%	0.2781%
DENTSPLY SIRONA Inc	XRAY	9,293.59	0.04%	0.83%	6.90%	7.76%	0.0029%
Xerox Corp	XRX	7,098.55	0.03%	3.32%	-0.10%	3.22%	0.0009%
Xylem Inc/NY	XYL	13,565.21	0.06%	1.27%	14.00%	15.36%	0.0085%
Yum! Brands Inc	YUM	28,958.14	0.12%	1.75%	13.12%	14.98%	0.0177%
Zimmer Biomet Holdings Inc	ZBH	25,374.27	0.10%	0.81%	4.74%	5.57%	0.0058%
Zions Bancorp NA	ZION	9,512.76	0.04%	2.58%	6.78%	9.44%	0.0037%
Zoetis Inc	ZTS	45,114.68	0.18%	0.65%	15.36%	16.06%	0.0296%
Total Market Capitalization:		24,491,062.00					13.68%

Notes:

[1] Equals sum of Col. [9]

[2] Source: Bloomberg Professional

[3] Equals [1] - [2]

[4] Source: Bloomberg Professional

[5] Equals weight in S&P 500 based on market capitalization

[6] Source: Bloomberg Professional

[7] Source: Bloomberg Professional

[8] Equals ([6] x (1 + (0.5 x [7]))) + [7]

[9] Equals Col. [5] x Col. [8]

Ex-Ante Market Risk Premium
Market DCF Method Based - Value Line

[1]	[2]	[3]
S&P 500	Current 30-Year	
Est. Required	Treasury (30-day	Implied Market
Market Return	average)	Risk Premium
16.81%	3.04%	13.77%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization (\$million)	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Agilent Technologies Inc	A	24,769.02	0.11%	0.85%	9.50%	10.39%	0.0116%
American Airlines Group Inc	AAL	16,110.36	0.07%	1.14%	1.00%	2.15%	0.0016%
Advance Auto Parts Inc	AAP	11,758.53	0.05%	0.15%	13.00%	13.16%	0.0070%
Apple Inc	AAPL	809,080.10	3.63%	1.88%	17.50%	19.54%	0.7104%
AbbVie Inc	ABBV	118,452.60	0.53%	5.44%	14.50%	20.33%	0.1082%
AmerisourceBergen Corp	ABC	17,932.90	0.08%	1.88%	8.00%	9.96%	0.0080%
ABIOMED Inc	ABMD	16,146.98	0.07%	0.00%	24.50%	24.50%	0.0178%
Abbott Laboratories	ABT	131,970.90	0.59%	1.70%	10.00%	11.79%	0.0699%
Accenture PLC	ACN	101,784.30	0.46%	1.92%	9.50%	11.51%	0.0526%
Adobe Inc	ADBE	125,700.00	0.56%	0.00%	22.00%	22.00%	0.1242%
Analog Devices Inc	ADI	38,776.10	0.17%	2.05%	10.50%	12.66%	0.0220%
Archer-Daniels-Midland Co	ADM	23,839.20	0.11%	3.29%	9.50%	12.95%	0.0139%
Automatic Data Processing Inc	ADP	65,857.48	0.30%	2.23%	15.00%	17.40%	0.0515%
Alliance Data Systems Corp	ADS	9,339.33	0.04%	1.47%	13.50%	15.07%	0.0063%
Autodesk Inc	ADSK	35,004.21	N/A	0.00%	N/A	N/A	N/A
Ameren Corp	AEE	17,387.04	0.08%	2.71%	7.50%	10.31%	0.0081%
American Electric Power Co Inc	AEP	40,014.82	0.18%	3.35%	4.50%	7.93%	0.0142%
AES Corp/VA	AES	11,470.98	N/A	3.18%	N/A	N/A	N/A
Aflac Inc	AFL	37,316.23	0.17%	2.29%	8.50%	10.89%	0.0183%
Allergan PLC	AGN	46,061.52	0.21%	2.17%	4.50%	6.72%	0.0139%
American International Group Inc	AIG	38,048.71	0.17%	2.98%	52.00%	55.75%	0.0953%
Apartment Investment & Management Co	AIV	8,175.84	0.04%	3.25%	5.50%	8.84%	0.0032%
Assurant Inc	AIZ	6,123.45	0.03%	2.45%	7.50%	10.04%	0.0028%
Arthur J Gallagher & Co	AJG	14,813.57	0.07%	2.13%	17.00%	19.31%	0.0129%
Akamai Technologies Inc	AKAM	11,692.04	0.05%	0.00%	17.50%	17.50%	0.0092%
Albemarle Corp	ALB	9,478.25	0.04%	1.50%	8.50%	10.06%	0.0043%
Align Technology Inc	ALGN	20,358.46	0.09%	0.00%	28.50%	28.50%	0.0261%
Alaska Air Group Inc	ALK	7,754.47	0.03%	2.23%	3.50%	5.77%	0.0020%
Allstate Corp/The	ALL	32,647.35	0.15%	2.11%	12.00%	14.24%	0.0209%
Allegion PLC	ALLE	8,386.44	0.04%	1.22%	10.50%	11.78%	0.0044%
Alexion Pharmaceuticals Inc	ALXN	28,456.41	0.13%	0.00%	24.50%	24.50%	0.0313%
Applied Materials Inc	AMAT	37,548.61	0.17%	2.06%	19.00%	21.26%	0.0359%
Advanced Micro Devices Inc	AMD	23,896.08	N/A	0.00%	N/A	N/A	N/A
AMETEK Inc	AME	18,397.51	0.08%	0.71%	10.50%	11.25%	0.0093%
Affiliated Managers Group Inc	AMG	6,318.59	0.03%	1.48%	6.50%	8.03%	0.0023%
Amgen Inc	AMGN	116,790.80	0.52%	3.13%	8.50%	11.76%	0.0617%
Ameriprise Financial Inc	AMP	18,412.90	0.08%	2.73%	16.00%	18.95%	0.0157%
American Tower Corp	AMT	77,801.20	0.35%	2.02%	9.50%	11.62%	0.0406%
Amazon.com Inc	AMZN	791,906.10	3.56%	0.00%	57.00%	57.00%	2.0279%
Arista Networks Inc	ANET	20,393.81	0.09%	0.00%	19.00%	19.00%	0.0174%
ANSYS Inc	ANSS	14,661.00	0.07%	0.00%	13.00%	13.00%	0.0086%
Anthem Inc	ANTM	80,605.53	0.36%	1.03%	18.00%	19.12%	0.0692%
Aon PLC	AON	41,582.88	0.19%	0.93%	9.50%	10.47%	0.0196%
AO Smith Corp	AOS	8,941.12	0.04%	1.67%	12.50%	14.27%	0.0057%
Apache Corp	APA	12,732.92	N/A	3.00%	N/A	N/A	N/A
Anadarko Petroleum Corp	APC	21,652.57	N/A	2.74%	N/A	N/A	N/A
Air Products & Chemicals Inc	APD	39,241.47	0.18%	2.60%	9.50%	12.22%	0.0215%
Amphenol Corp	APH	28,120.33	0.13%	0.99%	10.00%	11.04%	0.0139%
Aptiv PLC	APTIV	21,090.47	0.09%	1.09%	10.00%	11.14%	0.0106%
Alexandria Real Estate Equities Inc	ARE	13,519.73	N/A	2.86%	N/A	N/A	N/A
Arconic Inc	ARNC	8,814.34	N/A	1.32%	N/A	N/A	N/A
Atmos Energy Corp	ATO	11,587.60	0.05%	2.19%	7.50%	9.77%	0.0051%
Activision Blizzard Inc	ATVI	31,969.24	0.14%	0.91%	14.50%	15.48%	0.0222%
AvalonBay Communities Inc	AVB	27,053.99	0.12%	3.11%	5.50%	8.70%	0.0106%
Broadcom Inc	AVGO	116,028.20	0.52%	3.77%	47.50%	52.17%	0.2719%
Avery Dennison Corp	AVY	9,189.44	0.04%	2.08%	11.50%	13.70%	0.0057%
American Water Works Co Inc	AWK	18,128.23	0.08%	1.93%	10.00%	12.03%	0.0098%
American Express Co	AXP	91,044.94	0.41%	1.55%	9.00%	10.62%	0.0434%
AutoZone Inc	AZO	22,854.02	0.10%	0.00%	12.50%	12.50%	0.0128%
Boeing Co/The	BA	237,035.50	1.06%	1.97%	18.00%	20.15%	0.2145%
Bank of America Corp	BAC	288,748.30	1.30%	2.05%	13.00%	15.18%	0.1970%
Baxter International Inc	BAX	39,478.79	0.18%	1.03%	12.50%	13.59%	0.0241%
BB&T Corp	BBT	39,941.23	0.18%	3.13%	10.00%	13.29%	0.0238%
Best Buy Co Inc	BBY	16,257.44	0.07%	3.68%	12.00%	15.90%	0.0116%
Becton Dickinson and Co	BDX	66,644.22	0.30%	1.26%	10.00%	11.32%	0.0339%
Franklin Resources Inc	BEN	16,490.18	0.07%	3.32%	9.00%	12.47%	0.0092%

Company	Ticker	[4]	[5]	[6]	[7]	[8]	[9]
		Market Capitalization (\$million)	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Brown-Forman Corp	BF/B	23,169.03	0.10%	1.36%	15.50%	16.97%	0.0177%
Brighthouse Financial Inc	BHF	N/A	N/A	0.00%	N/A	N/A	N/A
Baker Hughes a GE Co	BHGE	10,823.24	N/A	2.74%	N/A	N/A	N/A
Biogen Inc	BIIB	64,710.29	0.29%	0.00%	6.50%	6.50%	0.0189%
Bank of New York Mellon Corp/The	BK	52,355.74	0.24%	2.12%	9.00%	11.22%	0.0264%
Booking Holdings Inc	BKNG	88,883.61	0.40%	0.00%	14.00%	14.00%	0.0559%
BlackRock Inc	BLK	69,097.71	0.31%	3.03%	9.00%	12.17%	0.0378%
Ball Corp	BLL	18,560.36	0.08%	0.73%	22.00%	22.81%	0.0190%
Bristol-Myers Squibb Co	BMJ	81,822.13	0.37%	3.27%	13.50%	16.99%	0.0625%
Broadridge Financial Solutions Inc	BR	11,523.72	0.05%	2.02%	11.00%	13.13%	0.0068%
Berkshire Hathaway Inc	BRK/B	-	N/A	0.00%	N/A	N/A	N/A
Boston Scientific Corp	BSX	55,514.25	0.25%	0.00%	17.00%	17.00%	0.0424%
BorgWarner Inc	BWA	8,501.70	0.04%	1.67%	8.50%	10.24%	0.0039%
Boston Properties Inc	BXP	20,765.97	0.09%	2.90%	3.50%	6.45%	0.0060%
Citigroup Inc	C	157,078.30	0.71%	3.08%	8.50%	11.71%	0.0826%
Conagra Brands Inc	CAG	11,689.40	0.05%	3.53%	4.50%	8.11%	0.0043%
Cardinal Health Inc	CAH	16,315.50	0.07%	3.56%	10.00%	13.74%	0.0101%
Caterpillar Inc	CAT	81,954.06	0.37%	2.48%	17.00%	19.69%	0.0725%
Chubb Ltd	CB	62,114.91	0.28%	2.17%	9.50%	11.77%	0.0329%
Choe Global Markets Inc	CBOE	10,586.61	0.05%	1.31%	17.00%	18.42%	0.0088%
CBRE Group Inc	CBRE	17,238.30	0.08%	0.00%	10.50%	10.50%	0.0081%
CBS Corp	CBS	19,095.00	0.09%	1.41%	10.50%	11.98%	0.0103%
Crown Castle International Corp	CCI	49,534.40	0.22%	3.85%	10.50%	14.55%	0.0324%
Carnival Corp	CCL	40,789.00	0.18%	3.43%	13.50%	17.16%	0.0314%
Cadence Design Systems Inc	CDNS	15,630.67	0.07%	0.00%	12.50%	12.50%	0.0088%
Celanese Corp	CE	13,888.65	0.06%	2.34%	10.00%	12.46%	0.0078%
Celgene Corp	CELG	61,957.48	0.28%	0.00%	14.50%	14.50%	0.0404%
Cerner Corp	CERN	18,853.28	0.08%	0.00%	9.00%	9.00%	0.0076%
CF Industries Holdings Inc	CF	10,198.73	0.05%	2.96%	48.50%	52.18%	0.0239%
Citizens Financial Group Inc	CFG	17,651.53	0.08%	3.44%	12.50%	16.16%	0.0128%
Church & Dwight Co Inc	CHD	16,274.22	0.07%	1.38%	10.00%	11.45%	0.0084%
CH Robinson Worldwide Inc	CHRW	12,720.84	0.06%	2.17%	9.50%	11.77%	0.0067%
Charter Communications Inc	CHTR	78,769.88	0.35%	0.00%	19.50%	19.50%	0.0690%
Cigna Corp	CI	46,726.87	0.21%	0.02%	13.00%	13.02%	0.0273%
Cincinnati Financial Corp	CINF	13,917.36	0.06%	2.62%	7.00%	9.71%	0.0061%
Colgate-Palmolive Co	CL	57,850.24	0.26%	2.52%	10.50%	13.15%	0.0342%
Clorox Co/The	CLX	20,358.63	0.09%	2.42%	7.50%	10.01%	0.0092%
Comerica Inc	CMA	14,559.66	0.07%	3.05%	18.00%	21.32%	0.0139%
Comcast Corp	CMCSA	174,113.80	0.78%	2.18%	13.00%	15.32%	0.1198%
CME Group Inc	CME	59,982.42	0.27%	1.70%	4.50%	6.24%	0.0168%
Chipotle Mexican Grill Inc	CMG	16,708.27	0.08%	0.00%	16.50%	16.50%	0.0124%
Cummins Inc	CMI	24,728.24	0.11%	2.96%	8.00%	11.08%	0.0123%
CMS Energy Corp	CMS	15,135.01	0.07%	2.87%	7.00%	9.97%	0.0068%
Centene Corp	CNC	26,084.07	0.12%	0.00%	17.00%	17.00%	0.0199%
CenterPoint Energy Inc	CNP	13,473.15	0.06%	3.68%	3.50%	7.24%	0.0044%
Capital One Financial Corp	COF	38,873.03	0.17%	1.95%	10.00%	12.05%	0.0210%
Cabot Oil & Gas Corp	COG	10,650.58	N/A	1.14%	N/A	N/A	N/A
Cooper Cos Inc/The	COO	14,058.80	0.06%	0.02%	14.50%	14.52%	0.0092%
ConocoPhillips	COP	80,863.24	N/A	1.74%	N/A	N/A	N/A
Costco Wholesale Corp	COST	94,818.72	0.43%	1.13%	8.50%	9.68%	0.0412%
Coty Inc	COTY	8,345.83	0.04%	4.50%	11.00%	15.75%	0.0059%
Campbell Soup Co	CPB	11,447.12	N/A	3.95%	N/A	N/A	N/A
Capri Holdings Ltd	CPRI	6,466.45	0.03%	0.00%	7.50%	7.50%	0.0022%
Copart Inc	CPRT	13,228.47	0.06%	0.00%	13.00%	13.00%	0.0077%
salesforce.com Inc	CRM	122,117.00	0.55%	0.00%	65.00%	65.00%	0.3566%
Cisco Systems Inc	CSCO	218,589.90	0.98%	2.85%	8.00%	10.98%	0.1077%
CSX Corp	CSX	61,279.57	0.28%	1.32%	16.50%	17.93%	0.0494%
Cintas Corp	CTAS	21,338.07	0.10%	1.11%	15.50%	16.70%	0.0160%
CenturyLink Inc	CTL	14,404.04	0.06%	7.50%	2.50%	10.09%	0.0065%
Cognizant Technology Solutions Corp	CTSH	41,377.20	0.19%	1.12%	10.00%	11.18%	0.0208%
Citrix Systems Inc	CTXS	14,137.85	0.06%	1.33%	7.50%	8.88%	0.0056%
CVS Health Corp	CVS	63,534.65	0.29%	3.21%	8.50%	11.85%	0.0338%
Chevron Corp	CVX	227,649.60	1.02%	4.00%	25.00%	29.50%	0.3017%
Concho Resources Inc	CXO	20,764.89	0.09%	0.48%	30.00%	30.55%	0.0285%
Dominion Energy Inc	D	48,692.70	0.22%	4.94%	6.50%	11.60%	0.0254%
Delta Air Lines Inc	DAL	35,295.67	0.16%	2.89%	9.50%	12.53%	0.0199%
Deere & Co	DE	51,860.40	0.23%	1.87%	14.00%	16.00%	0.0373%
Discover Financial Services	DFS	24,063.29	0.11%	2.25%	8.00%	10.34%	0.0112%
Dollar General Corp	DG	31,141.24	0.14%	0.98%	13.00%	14.04%	0.0196%
Quest Diagnostics Inc	DGX	11,942.16	0.05%	2.41%	9.50%	12.02%	0.0065%
DR Horton Inc	DHI	15,030.45	0.07%	1.49%	8.00%	9.55%	0.0064%
Danaher Corp	DHR	78,790.94	0.35%	0.57%	10.50%	11.10%	0.0393%
Walt Disney Co/The	DIS	171,435.00	0.77%	1.54%	7.00%	8.59%	0.0662%
Discovery Inc	DISCA	15,181.50	0.07%	0.00%	17.00%	17.00%	0.0116%
DISH Network Corp	DISH	14,649.45	0.07%	0.00%	1.00%	1.00%	0.0007%
Digital Realty Trust Inc	DLR	23,910.54	0.11%	3.70%	6.50%	10.32%	0.0111%
Dollar Tree Inc	DLTR	23,349.62	0.10%	0.00%	17.50%	17.50%	0.0184%

Company	Ticker	[4]	[5]	[6]	[7]	[8]	[9]
		Market Capitalization (\$million)	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Dover Corp	DOV	13,398.80	0.06%	2.10%	13.00%	15.24%	0.0092%
Duke Realty Corp	DRE	10,687.27	0.05%	2.93%	7.00%	10.03%	0.0048%
Darden Restaurants Inc	DRI	13,721.85	0.06%	2.90%	12.00%	15.07%	0.0093%
DTE Energy Co	DTE	22,329.47	0.10%	3.13%	7.50%	10.75%	0.0108%
Duke Energy Corp	DUK	63,877.67	0.29%	4.26%	5.50%	9.88%	0.0283%
DaVita Inc	DVA	9,827.91	0.04%	0.00%	10.00%	10.00%	0.0044%
Devon Energy Corp	DEV	14,122.03	0.06%	1.21%	19.00%	20.32%	0.0129%
DowDuPont Inc	DWDP	126,768.70	N/A	3.04%	N/A	N/A	N/A
DXC Technology Co	DXC	17,841.57	0.08%	1.15%	14.00%	15.23%	0.0122%
Electronic Arts Inc	EA	29,154.86	0.13%	0.00%	11.50%	11.50%	0.0151%
eBay Inc	EBAY	35,611.74	0.16%	1.51%	14.50%	16.12%	0.0258%
Ecolab Inc	ECL	48,267.79	0.22%	1.10%	9.00%	10.15%	0.0220%
Consolidated Edison Inc	ED	24,913.52	0.11%	3.74%	3.00%	6.80%	0.0076%
Equifax Inc	EFX	13,325.09	0.06%	1.41%	7.50%	8.96%	0.0054%
Edison International	EIX	19,959.18	0.09%	4.02%	4.50%	8.61%	0.0077%
Estee Lauder Cos Inc/The	EL	56,641.95	0.25%	1.10%	12.50%	13.67%	0.0348%
Eastman Chemical Co	EMN	11,715.85	0.05%	2.96%	9.50%	12.60%	0.0066%
Emerson Electric Co	EMR	41,714.30	0.19%	2.91%	14.00%	17.11%	0.0321%
EOG Resources Inc	EOG	55,286.89	N/A	0.97%	N/A	N/A	N/A
Equinix Inc	EQIX	34,065.82	0.15%	2.44%	25.50%	28.25%	0.0432%
Equity Residential	EQR	27,181.81	0.12%	2.92%	-15.00%	-12.30%	-0.0150%
Eversource Energy	ES	22,349.97	0.10%	3.03%	5.50%	8.61%	0.0086%
Essex Property Trust Inc	ESS	18,495.78	0.08%	2.73%	0.50%	3.24%	0.0027%
E*TRADE Financial Corp	ETFC	12,383.78	0.06%	1.16%	26.00%	27.31%	0.0152%
Eaton Corp PLC	ETN	34,537.85	0.16%	3.31%	10.00%	13.48%	0.0209%
Entergy Corp	ETR	16,517.34	0.07%	4.01%	1.00%	5.03%	0.0037%
Evergy Inc	EVERG	-	N/A	3.24%	N/A	N/A	N/A
Edwards Lifesciences Corp	EW	36,370.86	0.16%	0.00%	15.00%	15.00%	0.0245%
Exelon Corp	EXC	46,889.83	0.21%	2.99%	7.50%	10.60%	0.0223%
Expeditors International of Washington I	EXPD	13,032.03	0.06%	1.19%	8.50%	9.74%	0.0057%
Expedia Group Inc	EXPE	19,115.08	0.09%	1.00%	20.00%	21.10%	0.0181%
Extra Space Storage Inc	EXR	11,627.93	0.05%	3.86%	5.00%	8.98%	0.0047%
Ford Motor Co	F	34,647.53	0.16%	6.89%	0.50%	7.41%	0.0115%
Diamondback Energy Inc	FANG	10,078.56	N/A	0.73%	N/A	N/A	N/A
Fastenal Co	FAST	17,926.71	0.08%	2.75%	11.50%	14.41%	0.0116%
Facebook Inc	FB	459,794.80	2.07%	0.00%	26.00%	26.00%	0.5371%
Fortune Brands Home & Security Inc	FBHS	6,786.03	0.03%	1.83%	13.50%	15.45%	0.0047%
Freeport-McMoRan Inc	FCX	18,865.98	N/A	1.84%	N/A	N/A	N/A
FedEx Corp	FDX	47,583.10	0.21%	1.62%	7.50%	9.18%	0.0196%
FirstEnergy Corp	FE	20,483.37	0.09%	3.85%	6.50%	10.48%	0.0096%
F5 Networks Inc	FFIV	10,199.05	0.05%	0.00%	10.50%	10.50%	0.0048%
Fidelity National Information Services I	FIS	35,135.36	0.16%	1.31%	15.50%	16.91%	0.0267%
Fiserv Inc	FISV	33,984.75	0.15%	0.00%	13.50%	13.50%	0.0206%
Fifth Third Bancorp	FITB	18,186.79	0.08%	3.17%	7.00%	10.28%	0.0084%
Foot Locker Inc	FL	6,804.59	0.03%	2.30%	8.00%	10.39%	0.0032%
FLIR Systems Inc	FLIR	7,227.85	0.03%	1.30%	13.50%	14.89%	0.0048%
Fluor Corp	FLR	5,323.13	0.02%	2.22%	8.50%	10.81%	0.0026%
Flowserve Corp	FLS	6,052.44	0.03%	1.64%	7.50%	9.20%	0.0025%
FleetCor Technologies Inc	FLT	20,012.29	0.09%	0.00%	14.50%	14.50%	0.0130%
FMC Corp	FMC	11,876.83	0.05%	1.81%	22.50%	24.51%	0.0131%
Twenty-First Century Fox Inc	FOXA	94,183.44	0.42%	0.71%	12.50%	13.25%	0.0561%
First Republic Bank/CA	FRC	17,018.16	0.08%	0.70%	11.50%	12.24%	0.0094%
Federal Realty Investment Trust	FRT	9,827.82	0.04%	3.05%	3.50%	6.60%	0.0029%
TechnipFMC PLC	FTI	N/A	N/A	0.00%	N/A	N/A	N/A
Fortinet Inc	FTNT	14,388.65	0.06%	0.00%	39.50%	39.50%	0.0255%
Fortive Corp	FTV	28,197.38	N/A	0.35%	N/A	N/A	N/A
General Dynamics Corp	GD	50,828.05	0.23%	2.17%	9.00%	11.27%	0.0257%
General Electric Co	GE	87,242.10	N/A	0.40%	N/A	N/A	N/A
Gilead Sciences Inc	GILD	84,821.70	0.38%	3.84%	-6.50%	-2.78%	-0.0106%
General Mills Inc	GIS	28,015.06	0.13%	4.22%	3.00%	7.28%	0.0092%
Corning Inc	GLW	27,613.77	0.12%	2.32%	15.50%	18.00%	0.0223%
General Motors Co	GM	55,468.00	0.25%	3.94%	3.00%	7.00%	0.0174%
Alphabet Inc	GOOGL	N/A	N/A	0.00%	N/A	N/A	N/A
Genuine Parts Co	GPC	16,128.81	0.07%	2.78%	9.00%	11.91%	0.0086%
Global Payments Inc	GP	20,029.51	0.09%	0.03%	20.00%	20.03%	0.0180%
Gap Inc/The	GPS	9,465.96	0.04%	3.91%	7.00%	11.05%	0.0047%
Garmin Ltd	GRMN	15,561.64	0.07%	2.57%	10.50%	13.20%	0.0092%
Goldman Sachs Group Inc/The	GS	73,191.02	0.33%	1.63%	9.50%	11.21%	0.0389%
WW Grainger Inc	GWW	17,436.11	0.08%	1.76%	9.50%	11.34%	0.0089%
Halliburton Co	HAL	27,488.88	N/A	2.29%	N/A	N/A	N/A
Hasbro Inc	HAS	10,934.32	0.05%	3.15%	8.00%	11.28%	0.0055%
Huntington Bancshares Inc/OH	HBAN	15,073.71	0.07%	3.94%	13.00%	17.20%	0.0116%
Hanesbrands Inc	HBI	6,903.05	0.03%	3.14%	4.00%	7.20%	0.0022%
HCA Healthcare Inc	HCA	49,005.66	0.22%	1.13%	15.00%	16.21%	0.0357%
HCP Inc	HCP	14,557.21	0.07%	4.90%	35.50%	41.27%	0.0270%
Home Depot Inc/The	HD	216,948.40	0.97%	2.40%	12.50%	15.05%	0.1467%
Hess Corp	HES	17,087.87	N/A	1.73%	N/A	N/A	N/A

Company	Ticker	[4] Market Capitalization (\$million)	[5] Weight in Index	[6] Estimated Dividend Yield	[7] Long-Term Growth Est.	[8] DCF Result	[9] Weighted DCF Result
HollyFrontier Corp	HFC	9,638.75	0.04%	2.46%	22.50%	25.24%	0.0109%
Hartford Financial Services Group Inc/The	HIG	17,514.15	0.08%	2.46%	13.00%	15.62%	0.0123%
Huntington Ingalls Industries Inc	HII	9,093.98	0.04%	1.59%	12.50%	14.19%	0.0058%
Hilton Worldwide Holdings Inc	HLT	24,722.09	0.11%	0.72%	9.00%	9.75%	0.0108%
Harley-Davidson Inc	HOG	6,094.84	0.03%	3.95%	9.00%	13.13%	0.0036%
Hologic Inc	HOLX	12,417.20	0.05%	0.00%	18.50%	18.50%	0.0103%
Honeywell International Inc	HON	112,975.30	0.51%	2.15%	9.00%	11.25%	0.0571%
Helmerich & Payne Inc	HP	6,078.54	0.03%	5.11%	56.50%	63.05%	0.0172%
Hewlett Packard Enterprise Co	HPE	23,095.29	0.10%	2.77%	7.50%	10.37%	0.0108%
HP Inc	HPQ	36,488.40	0.16%	2.74%	9.50%	12.37%	0.0203%
H&R Block Inc	HRB	5,049.80	0.02%	4.19%	8.50%	12.87%	0.0029%
Hormel Foods Corp	HRL	22,428.33	0.10%	2.00%	9.00%	11.09%	0.0112%
Harris Corp	HRS	19,382.07	0.09%	1.67%	13.50%	15.28%	0.0133%
Henry Schein Inc	HSIC	9,143.23	0.04%	0.00%	8.50%	8.50%	0.0035%
Host Hotels & Resorts Inc	HST	14,626.79	N/A	4.19%	N/A	N/A	N/A
Hershey Co/The	HSY	23,320.97	0.10%	2.60%	6.50%	9.18%	0.0096%
Humana Inc	HUM	42,192.93	0.19%	0.72%	14.00%	14.77%	0.0280%
International Business Machines Corp	IBM	125,268.20	N/A	4.73%	N/A	N/A	N/A
Intercontinental Exchange Inc	ICE	42,750.77	0.19%	1.47%	12.50%	14.06%	0.0270%
IDEXX Laboratories Inc	IDXX	17,827.61	0.08%	0.00%	15.00%	15.00%	0.0120%
International Flavors & Fragrances Inc	IFF	11,807.65	0.05%	2.35%	8.00%	10.44%	0.0055%
Illumina Inc	ILMN	43,641.36	0.20%	0.00%	15.50%	15.50%	0.0304%
Incyte Corp	INCY	17,836.62	N/A	0.00%	N/A	N/A	N/A
IHS Markit Ltd	INFO	21,091.82	0.09%	0.00%	15.50%	15.50%	0.0147%
Intel Corp	INTC	234,635.30	1.05%	2.45%	12.50%	15.10%	0.1592%
Intuit Inc	INTU	61,006.97	0.27%	0.80%	14.50%	15.36%	0.0421%
International Paper Co	IP	18,933.75	0.09%	4.28%	15.50%	20.11%	0.0171%
Interpublic Group of Cos Inc/The	IPG	9,155.65	0.04%	4.02%	11.50%	15.75%	0.0065%
IPG Photonics Corp	IPGP	8,374.62	0.04%	0.00%	10.50%	10.50%	0.0040%
IQVIA Holdings Inc	IQV	28,063.01	0.13%	0.00%	14.50%	14.50%	0.0183%
Ingersoll-Rand PLC	IR	25,928.99	0.12%	2.01%	13.50%	15.65%	0.0182%
Iron Mountain Inc	IRM	10,258.16	0.05%	6.81%	6.50%	13.53%	0.0062%
Intuitive Surgical Inc	ISRG	62,795.15	0.28%	0.00%	15.00%	15.00%	0.0423%
Gartner Inc	IT	12,888.63	0.06%	0.00%	13.50%	13.50%	0.0078%
Illinois Tool Works Inc	ITW	47,520.39	0.21%	2.79%	11.00%	13.94%	0.0298%
Invesco Ltd	IVZ	7,744.78	0.03%	6.37%	4.00%	10.50%	0.0037%
JB Hunt Transport Services Inc	JBHT	12,167.67	0.05%	0.93%	11.50%	12.48%	0.0068%
Johnson Controls International plc	JCI	32,483.45	0.15%	2.92%	6.00%	9.01%	0.0131%
Jacobs Engineering Group Inc	JEC	10,355.90	0.05%	0.92%	13.00%	13.98%	0.0065%
Jefferies Financial Group Inc	JEF	6,774.12	0.03%	2.45%	20.50%	23.20%	0.0071%
Jack Henry & Associates Inc	JKHY	10,158.02	0.05%	1.22%	11.50%	12.79%	0.0058%
Johnson & Johnson	JNJ	363,352.90	1.63%	2.77%	10.50%	13.42%	0.2190%
Juniper Networks Inc	JNPR	9,400.53	0.04%	2.79%	4.50%	7.35%	0.0031%
JPMorgan Chase & Co	JPM	350,731.10	1.58%	3.07%	9.50%	12.72%	0.2004%
Nordstrom Inc	JWN	7,514.36	0.03%	3.33%	7.00%	10.45%	0.0035%
Kellogg Co	K	20,240.51	0.09%	3.88%	5.50%	9.49%	0.0086%
KeyCorp	KEY	18,306.88	0.08%	3.84%	13.00%	17.09%	0.0141%
Keysight Technologies Inc	KEYS	15,311.78	0.07%	0.00%	16.00%	16.00%	0.0110%
Kraft Heinz Co/The	KHC	58,731.42	0.26%	5.19%	9.50%	14.94%	0.0394%
Kimco Realty Corp	KIM	7,504.14	0.03%	6.47%	-0.50%	5.95%	0.0020%
KLA-Tencor Corp	KLAC	17,102.62	0.08%	2.66%	10.50%	13.30%	0.0102%
Kimberly-Clark Corp	KMB	41,462.62	0.19%	3.44%	10.50%	14.12%	0.0263%
Kinder Morgan Inc/DE	KMI	43,410.96	0.20%	4.17%	34.50%	39.39%	0.0768%
CarMax Inc	KMX	10,568.21	0.05%	0.00%	11.50%	11.50%	0.0055%
Coca-Cola Co/The	KO	195,180.20	0.88%	3.62%	6.50%	10.24%	0.0898%
Kroger Co/The	KR	22,806.84	0.10%	2.17%	5.00%	7.22%	0.0074%
Kohl's Corp	KSS	10,761.30	0.05%	4.02%	11.00%	15.24%	0.0074%
Kansas City Southern	KSU	11,275.24	0.05%	1.29%	12.00%	13.37%	0.0068%
Loews Corp	L	14,969.24	0.07%	0.53%	16.50%	17.07%	0.0115%
L Brands Inc	LB	7,359.00	0.03%	4.48%	-4.50%	-0.12%	0.0000%
Leggett & Platt Inc	LEG	5,949.67	0.03%	3.33%	9.00%	12.48%	0.0033%
Lennar Corp	LEN	16,256.63	0.07%	0.33%	12.00%	12.35%	0.0090%
Laboratory Corp of America Holdings	LH	15,039.65	0.07%	0.00%	9.50%	9.50%	0.0064%
Linde PLC	LIN	-	N/A	1.93%	N/A	N/A	N/A
LKQ Corp	LKQ	8,699.51	0.04%	0.00%	12.00%	12.00%	0.0047%
L3 Technologies Inc	LLL	16,660.42	0.07%	1.60%	11.00%	12.69%	0.0095%
Eli Lilly & Co	LLY	130,000.00	0.58%	2.10%	12.00%	14.23%	0.0831%
Lockheed Martin Corp	LMT	85,567.31	0.38%	3.02%	13.50%	16.72%	0.0643%
Lincoln National Corp	LNC	13,434.30	0.06%	2.43%	10.50%	13.08%	0.0079%
Alliant Energy Corp	LNT	10,765.76	0.05%	3.11%	6.50%	9.71%	0.0047%
Lowe's Cos Inc	LOW	85,049.13	0.38%	1.99%	13.00%	15.12%	0.0578%
Lam Research Corp	LRCX	27,531.31	0.12%	2.46%	13.00%	15.62%	0.0193%
Southwest Airlines Co	LUV	30,538.89	0.14%	1.18%	11.50%	12.75%	0.0175%
Lamb Weston Holdings Inc	LW	10,398.00	N/A	1.13%	N/A	N/A	N/A
LyondellBasell Industries NV	LYB	34,265.25	0.15%	4.52%	5.50%	10.14%	0.0156%
Macy's Inc	M	7,517.57	0.03%	6.18%	5.00%	11.33%	0.0038%
Mastercard Inc	MA	226,985.80	1.02%	0.60%	16.00%	16.65%	0.1698%

Company	Ticker	[4]	[5]	[6]	[7]	[8]	[9]
		Market Capitalization (\$million)	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Mid-America Apartment Communities Inc	MAA	11,850.69	0.05%	3.68%	-4.50%	-0.90%	-0.0005%
Macerich Co/The	MAC	6,198.10	0.03%	6.87%	8.00%	15.14%	0.0042%
Marriott International Inc/MD	MAR	43,449.73	0.20%	1.29%	12.50%	13.87%	0.0271%
Masco Corp	MAS	11,432.93	0.05%	1.27%	14.50%	15.86%	0.0081%
Mattel Inc	MAT	4,828.99	0.02%	0.00%	22.00%	22.00%	0.0048%
McDonald's Corp	MCD	140,928.20	0.63%	2.58%	9.50%	12.20%	0.0773%
Microchip Technology Inc	MCHP	21,089.71	0.09%	1.69%	15.00%	16.82%	0.0159%
McKesson Corp	MCK	25,334.40	0.11%	1.18%	9.00%	10.23%	0.0116%
Moody's Corp	MCO	32,688.50	0.15%	1.17%	11.50%	12.74%	0.0187%
Mondelez International Inc	MDLZ	70,537.49	0.32%	2.23%	9.50%	11.84%	0.0375%
Medtronic PLC	MDT	124,669.60	0.56%	2.29%	7.50%	9.88%	0.0553%
MetLife Inc	MET	44,162.19	0.20%	3.89%	7.00%	11.03%	0.0219%
MGM Resorts International	MGM	15,080.41	0.07%	1.83%	31.00%	33.11%	0.0224%
Mohawk Industries Inc	MHK	10,446.52	0.05%	0.00%	4.50%	4.50%	0.0021%
McCormick & Co Inc/MD	MKC	17,611.51	0.08%	1.71%	10.00%	11.80%	0.0093%
Martin Marietta Materials Inc	MLM	11,939.11	0.05%	1.02%	13.00%	14.09%	0.0076%
Marsh & McLennan Cos Inc	MMC	46,370.54	0.21%	1.80%	9.00%	10.88%	0.0227%
3M Co	MMM	120,981.80	0.54%	2.77%	9.00%	11.89%	0.0646%
Monster Beverage Corp	MNST	32,557.81	0.15%	0.00%	15.00%	15.00%	0.0219%
Altria Group Inc	MO	94,699.03	0.43%	6.35%	10.50%	17.18%	0.0731%
Mosaic Co/The	MOS	12,786.04	0.06%	0.60%	12.00%	12.64%	0.0073%
Marathon Petroleum Corp	MPC	29,161.66	0.13%	3.28%	13.50%	17.00%	0.0223%
Merck & Co Inc	MRK	212,247.10	0.95%	2.76%	5.50%	8.34%	0.0795%
Marathon Oil Corp	MRO	13,977.84	N/A	1.32%	N/A	N/A	N/A
Morgan Stanley	MS	72,414.23	0.33%	2.86%	11.00%	14.02%	0.0456%
MSCI Inc	MSCI	15,434.67	0.07%	1.50%	19.50%	21.15%	0.0147%
Microsoft Corp	MSFT	840,597.10	3.78%	1.68%	15.00%	16.81%	0.6347%
Motorola Solutions Inc	MSI	22,626.77	0.10%	1.65%	13.00%	14.76%	0.0150%
M&T Bank Corp	MTB	24,482.86	0.11%	2.31%	13.00%	15.46%	0.0170%
Mettler-Toledo International Inc	MTD	16,802.66	0.08%	0.00%	10.00%	10.00%	0.0075%
Micron Technology Inc	MU	46,513.60	0.21%	0.00%	7.50%	7.50%	0.0157%
Maxim Integrated Products Inc	MXIM	15,107.97	0.07%	3.33%	11.50%	15.02%	0.0102%
Mylan NV	MYL	16,014.94	0.07%	0.00%	14.00%	14.00%	0.0101%
Noble Energy Inc	NBL	11,448.00	N/A	1.84%	N/A	N/A	N/A
Norwegian Cruise Line Holdings Ltd	NCLH	12,304.51	0.06%	0.00%	16.50%	16.50%	0.0091%
Nasdaq Inc	NDAQ	14,438.99	0.06%	2.00%	9.50%	11.60%	0.0075%
NextEra Energy Inc	NEE	89,165.42	0.40%	2.68%	9.00%	11.80%	0.0473%
Newmont Mining Corp	NEM	18,861.49	0.08%	1.58%	5.00%	6.62%	0.0056%
Netflix Inc	NFLX	155,669.30	0.70%	0.00%	47.00%	47.00%	0.3287%
NiSource Inc	NI	9,602.14	0.04%	3.03%	15.00%	18.26%	0.0079%
NIKE Inc	NKE	132,389.10	0.59%	1.05%	16.00%	17.13%	0.1019%
Nektar Therapeutics	NKTR	6,967.28	N/A	0.00%	N/A	N/A	N/A
Nielsen Holdings PLC	NLSN	9,183.41	0.04%	5.41%	5.00%	10.55%	0.0044%
Northrop Grumman Corp	NOC	49,049.51	0.22%	1.67%	13.00%	14.78%	0.0326%
National Oilwell Varco Inc	NOV	11,025.00	0.05%	0.70%	41.50%	42.35%	0.0210%
NRG Energy Inc	NRG	12,310.43	N/A	0.28%	N/A	N/A	N/A
Norfolk Southern Corp	NSC	49,823.16	0.22%	1.88%	13.50%	15.51%	0.0347%
NetApp Inc	NTAP	16,163.68	0.07%	2.45%	20.50%	23.20%	0.0168%
Northern Trust Corp	NTRS	20,521.10	0.09%	2.59%	11.00%	13.73%	0.0127%
Nucor Corp	NUE	19,168.75	0.09%	2.62%	20.50%	23.39%	0.0201%
NVIDIA Corp	NVDA	95,019.70	0.43%	0.41%	23.00%	23.46%	0.1001%
Newell Brands Inc	NWL	8,473.83	0.04%	5.32%	9.50%	15.07%	0.0057%
News Corp	NWSA	7,486.59	N/A	1.56%	N/A	N/A	N/A
Realty Income Corp	O	19,769.92	0.09%	3.90%	4.50%	8.49%	0.0075%
ONEOK Inc	OKE	27,890.14	0.13%	5.31%	18.50%	24.30%	0.0304%
Omnicom Group Inc	OMC	16,787.71	0.08%	3.47%	7.00%	10.59%	0.0080%
Oracle Corp	ORCL	189,263.50	0.85%	1.46%	9.50%	11.03%	0.0938%
O'Reilly Automotive Inc	ORLY	30,571.65	0.14%	0.00%	13.00%	13.00%	0.0179%
Occidental Petroleum Corp	OXY	50,215.61	N/A	4.72%	N/A	N/A	N/A
Paychex Inc	PAYX	27,058.19	0.12%	3.29%	11.00%	14.47%	0.0176%
People's United Financial Inc	PBCT	6,039.23	0.03%	4.03%	11.00%	15.25%	0.0041%
PACCAR Inc	PCAR	24,195.66	0.11%	4.77%	7.00%	11.94%	0.0130%
Public Service Enterprise Group Inc	PEG	28,682.64	0.13%	3.34%	4.50%	7.92%	0.0102%
PepsiCo Inc	PEP	163,933.20	0.74%	3.20%	7.50%	10.82%	0.0797%
Pfizer Inc	PFE	243,589.20	1.09%	3.42%	14.00%	17.66%	0.1933%
Principal Financial Group Inc	PFG	14,761.38	0.07%	4.15%	6.50%	10.78%	0.0072%
Procter & Gamble Co/The	PG	249,607.70	1.12%	2.89%	10.50%	13.54%	0.1519%
Progressive Corp/The	PGR	42,047.34	0.19%	0.56%	15.50%	16.10%	0.0304%
Parker-Hannifin Corp	PH	22,631.11	0.10%	1.74%	14.00%	15.86%	0.0161%
PulteGroup Inc	PHM	7,785.05	0.03%	1.59%	15.50%	17.21%	0.0060%
Packaging Corp of America	PKG	9,284.63	0.04%	3.22%	9.50%	12.87%	0.0054%
PerkinElmer Inc	PKI	10,352.20	0.05%	0.30%	11.50%	11.82%	0.0055%
Prologis Inc	PLD	37,801.17	0.17%	2.82%	9.00%	11.95%	0.0203%
Philip Morris International Inc	PM	133,035.80	0.60%	5.33%	7.50%	13.03%	0.0779%
PNC Financial Services Group Inc/The	PNC	57,708.42	0.26%	3.04%	9.50%	12.68%	0.0329%
Pentair PLC	PNR	7,384.99	0.03%	1.69%	5.50%	7.24%	0.0024%
Pinnacle West Capital Corp	PNW	10,300.55	0.05%	3.31%	6.00%	9.41%	0.0044%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization (\$million)	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
PPG Industries Inc	PPG	26,418.54	0.12%	1.74%	4.50%	6.28%	0.0075%
PPL Corp	PPL	22,613.04	0.10%	5.35%	3.00%	8.43%	0.0086%
Perrigo Co PLC	PRGO	6,564.61	0.03%	1.74%	0.50%	2.24%	0.0007%
Prudential Financial Inc	PRU	39,155.81	0.18%	4.23%	6.50%	10.87%	0.0191%
Public Storage	PSA	34,854.05	0.16%	4.34%	7.00%	11.49%	0.0180%
Phillips 66	PSX	44,641.51	0.20%	3.60%	12.50%	16.33%	0.0327%
PVH Corp	PVH	8,737.36	0.04%	0.13%	11.00%	11.14%	0.0044%
Quanta Services Inc	PWR	5,380.69	0.02%	0.44%	19.50%	19.98%	0.0048%
Pioneer Natural Resources Co	PXD	23,208.40	0.10%	0.37%	75.00%	75.51%	0.0787%
PayPal Holdings Inc	PYPL	111,862.90	0.50%	0.00%	18.50%	18.50%	0.0930%
QUALCOMM Inc	QCOM	63,343.50	0.28%	5.02%	10.50%	15.78%	0.0449%
Qorvo Inc	QRVO	8,125.45	N/A	0.00%	N/A	N/A	N/A
Royal Caribbean Cruises Ltd	RCL	25,280.07	0.11%	2.32%	11.00%	13.45%	0.0153%
Everest Re Group Ltd	RE	9,056.56	0.04%	2.56%	10.00%	12.69%	0.0052%
Regency Centers Corp	REG	11,335.60	0.05%	3.53%	14.00%	17.78%	0.0091%
Regeneron Pharmaceuticals Inc	REGN	45,632.09	0.21%	0.00%	16.50%	16.50%	0.0338%
Regions Financial Corp	RF	17,817.46	0.08%	3.57%	13.50%	17.31%	0.0139%
Robert Half International Inc	RHI	8,179.46	0.04%	1.84%	9.00%	10.92%	0.0040%
Red Hat Inc	RHT	32,329.40	0.15%	0.00%	17.50%	17.50%	0.0254%
Raymond James Financial Inc	RJF	11,658.56	0.05%	1.69%	12.00%	13.79%	0.0072%
Ralph Lauren Corp	RL	9,922.46	0.04%	1.98%	7.00%	9.05%	0.0040%
ResMed Inc	RMD	14,342.23	0.06%	1.48%	14.50%	16.09%	0.0104%
Rockwell Automation Inc	ROK	21,284.02	0.10%	2.21%	10.50%	12.83%	0.0123%
Rollins Inc	ROL	12,968.34	0.06%	1.06%	13.50%	14.63%	0.0085%
Roper Technologies Inc	ROP	32,560.08	0.15%	0.59%	14.50%	15.13%	0.0221%
Ross Stores Inc	ROST	34,705.05	0.16%	1.03%	11.50%	12.59%	0.0196%
Republic Services Inc	RSG	25,201.94	0.11%	2.00%	12.00%	14.12%	0.0160%
Raytheon Co	RTN	52,833.30	0.24%	1.87%	11.00%	12.97%	0.0308%
SBA Communications Corp	SBAC	21,270.03	0.10%	0.00%	35.50%	35.50%	0.0339%
Starbucks Corp	SBUX	87,901.30	0.39%	2.21%	13.50%	15.86%	0.0626%
Charles Schwab Corp/The	SCHW	61,801.42	0.28%	1.49%	16.00%	17.61%	0.0489%
Sealed Air Corp	SEE	6,762.37	0.03%	1.49%	19.00%	20.63%	0.0063%
Sherwin-Williams Co/The	SHW	41,167.35	0.18%	1.03%	13.00%	14.10%	0.0261%
SVB Financial Group	SIVB	13,080.86	0.06%	0.00%	21.50%	21.50%	0.0126%
JM Smucker Co/The	SJM	12,150.43	0.05%	3.24%	4.50%	7.81%	0.0043%
Schlumberger Ltd	SLB	61,928.35	0.28%	4.47%	26.00%	31.05%	0.0864%
SL Green Realty Corp	SLG	8,587.07	0.04%	3.77%	6.50%	10.39%	0.0040%
Snap-on Inc	SNA	9,036.31	0.04%	2.36%	8.00%	10.45%	0.0042%
Synopsys Inc	SNPS	14,191.39	0.06%	0.00%	10.50%	10.50%	0.0067%
Southern Co/The	SO	50,169.78	0.23%	4.94%	3.50%	8.53%	0.0192%
Simon Property Group Inc	SPG	56,677.61	0.25%	4.67%	3.00%	7.74%	0.0197%
S&P Global Inc	SPGI	49,715.83	0.22%	1.15%	13.00%	14.22%	0.0318%
Sempra Energy	SRE	32,241.58	0.14%	3.30%	9.50%	12.96%	0.0188%
SunTrust Banks Inc	STI	29,949.34	0.13%	3.23%	13.50%	16.95%	0.0228%
State Street Corp	STT	27,391.59	0.12%	2.61%	9.00%	11.73%	0.0144%
Seagate Technology PLC	STX	12,771.99	0.06%	5.59%	9.00%	14.84%	0.0085%
Constellation Brands Inc	STZ	31,450.31	0.14%	1.93%	11.00%	13.04%	0.0184%
Stanley Black & Decker Inc	SWK	20,776.79	0.09%	1.96%	10.00%	12.08%	0.0113%
Skyworks Solutions Inc	SWKS	14,234.42	0.06%	1.86%	11.00%	12.96%	0.0083%
Synchrony Financial	SYF	22,840.60	0.10%	2.64%	11.00%	13.79%	0.0141%
Stryker Corp	SYK	70,189.99	0.32%	1.11%	15.00%	16.19%	0.0511%
Symantec Corp	SYMC	14,275.26	0.06%	1.34%	9.50%	10.90%	0.0070%
Sysco Corp	SYT	34,528.82	0.16%	2.32%	13.00%	15.47%	0.0240%
AT&T Inc	T	224,492.60	1.01%	6.62%	7.00%	13.85%	0.1397%
Molson Coors Brewing Co	TAP	13,396.86	0.06%	2.64%	11.00%	13.79%	0.0083%
TransDigm Group Inc	TDG	22,906.82	0.10%	0.00%	8.00%	8.00%	0.0082%
TE Connectivity Ltd	TEL	29,301.50	0.13%	2.13%	9.50%	11.73%	0.0154%
Teleflex Inc	TFX	12,655.63	0.06%	0.49%	12.00%	12.52%	0.0071%
Target Corp	TGT	37,586.05	0.17%	3.55%	7.00%	10.67%	0.0180%
Tiffany & Co	TIF	11,152.63	0.05%	2.57%	12.00%	14.72%	0.0074%
TJX Cos Inc/The	TJX	61,817.55	0.28%	1.60%	13.00%	14.70%	0.0408%
Torchmark Corp	TMK	9,332.38	0.04%	0.77%	10.00%	10.81%	0.0045%
Thermo Fisher Scientific Inc	TMO	101,227.70	0.45%	0.27%	10.50%	10.78%	0.0490%
Tapestry Inc	TPR	10,100.70	0.05%	3.88%	13.00%	17.13%	0.0078%
TripAdvisor Inc	TRIP	7,483.40	0.03%	0.00%	10.50%	10.50%	0.0035%
T Rowe Price Group Inc	TROW	23,556.36	0.11%	3.13%	11.50%	14.81%	0.0157%
Travelers Cos Inc/The	TRV	34,376.34	0.15%	2.37%	5.50%	7.94%	0.0123%
Tractor Supply Co	TSCO	11,846.86	0.05%	1.40%	10.50%	11.97%	0.0054%
Tyson Foods Inc	TSN	23,079.96	0.10%	2.38%	7.00%	9.46%	0.0098%
Total System Services Inc	TSS	17,010.80	0.08%	0.56%	11.50%	12.09%	0.0092%
Take-Two Interactive Software Inc	TTWO	9,905.90	0.04%	0.00%	29.50%	29.50%	0.0131%
Twitter Inc	TWTR	23,389.99	N/A	0.00%	N/A	N/A	N/A
Texas Instruments Inc	TXN	102,893.00	0.46%	2.89%	12.50%	15.57%	0.0720%
Textron Inc	TXT	13,283.76	0.06%	0.15%	15.00%	15.16%	0.0090%
Under Armour Inc	UAA	9,603.12	0.04%	0.00%	11.50%	11.50%	0.0050%
United Continental Holdings Inc	UAL	24,205.70	0.11%	0.00%	8.50%	8.50%	0.0092%
UDR Inc	UDR	11,982.36	0.05%	2.88%	-2.50%	0.34%	0.0002%

		[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	Market Capitalization (\$million)	Weight in Index	Estimated Dividend Yield	Long-Term Growth Est.	DCF Result	Weighted DCF Result
Universal Health Services Inc	UHS	12,447.49	0.06%	0.30%	11.00%	11.32%	0.0063%
Ulta Beauty Inc	ULTA	18,315.18	0.08%	0.00%	20.00%	20.00%	0.0165%
UnitedHealth Group Inc	UNH	255,744.00	1.15%	1.35%	15.00%	16.45%	0.1890%
Unum Group	UNM	8,114.62	0.04%	2.80%	9.50%	12.43%	0.0045%
Union Pacific Corp	UNP	125,503.40	0.56%	2.07%	14.50%	16.72%	0.0943%
United Parcel Service Inc	UPS	96,001.84	0.43%	3.47%	8.50%	12.12%	0.0523%
United Rentals Inc	URI	10,786.85	0.05%	0.00%	17.00%	17.00%	0.0082%
US Bancorp	USB	82,856.86	0.37%	3.02%	7.50%	10.63%	0.0396%
United Technologies Corp	UTX	101,180.30	0.45%	2.33%	9.50%	11.94%	0.0543%
Visa Inc	V	289,584.00	1.30%	0.75%	14.50%	15.30%	0.1991%
Varian Medical Systems Inc	VAR	12,011.95	0.05%	0.00%	9.50%	9.50%	0.0051%
VF Corp	VFC	33,931.50	0.15%	2.38%	12.00%	14.52%	0.0221%
Viacom Inc	VIAB	11,766.49	0.05%	2.74%	4.00%	6.79%	0.0036%
Valero Energy Corp	VLO	35,874.09	0.16%	4.26%	9.00%	13.45%	0.0217%
Vulcan Materials Co	VMC	14,919.76	0.07%	1.10%	18.00%	19.20%	0.0129%
Vornado Realty Trust	VNO	13,019.37	0.06%	3.86%	-5.50%	-1.75%	-0.0010%
Verisk Analytics Inc	VRSK	20,523.91	0.09%	0.80%	9.50%	10.34%	0.0095%
VeriSign Inc	VRSN	21,323.81	0.10%	0.00%	12.00%	12.00%	0.0115%
Vertex Pharmaceuticals Inc	VRTX	46,792.15	N/A	0.00%	N/A	N/A	N/A
Ventas Inc	VTR	22,724.87	0.10%	5.06%	3.50%	8.65%	0.0088%
Verizon Communications Inc	VZ	232,012.70	1.04%	4.29%	4.50%	8.89%	0.0926%
Wabtec Corp	WAB	7,108.34	0.03%	0.65%	10.00%	10.68%	0.0034%
Waters Corp	WAT	17,764.74	0.08%	0.00%	11.00%	11.00%	0.0088%
Walgreens Boots Alliance Inc	WBA	66,484.57	0.30%	2.50%	11.00%	13.64%	0.0407%
WellCare Health Plans Inc	WCG	13,703.02	0.06%	0.00%	22.50%	22.50%	0.0139%
Western Digital Corp	WDC	13,732.29	0.06%	4.24%	1.50%	5.77%	0.0036%
WEC Energy Group Inc	WEC	23,891.63	0.11%	3.12%	7.00%	10.23%	0.0110%
Welltower Inc	WELL	27,671.58	0.12%	4.78%	8.50%	13.48%	0.0168%
Wells Fargo & Co	WFC	233,505.00	1.05%	3.69%	6.00%	9.80%	0.1028%
Whirlpool Corp	WHR	9,139.20	0.04%	3.22%	8.00%	11.35%	0.0047%
Willis Towers Watson PLC	WLTW	22,125.99	N/A	1.41%	N/A	N/A	N/A
Waste Management Inc	WM	42,422.06	0.19%	2.06%	9.00%	11.15%	0.0213%
Williams Cos Inc/The	WMB	32,757.27	0.15%	5.62%	19.00%	25.15%	0.0370%
Walmart Inc	WMT	288,753.80	1.30%	2.13%	7.00%	9.20%	0.1194%
Westrock Co	WRK	10,019.15	0.05%	4.64%	14.50%	19.48%	0.0088%
Western Union Co/The	WU	7,822.43	0.04%	4.54%	7.00%	11.70%	0.0041%
Weyerhaeuser Co	WY	19,284.38	0.09%	5.28%	17.50%	23.24%	0.0201%
Wynn Resorts Ltd	WYNN	14,094.80	0.06%	2.31%	20.00%	22.54%	0.0143%
Cimarex Energy Co	XEC	7,009.61	0.03%	0.88%	32.50%	33.64%	0.0106%
Xcel Energy Inc	XEL	28,118.62	0.13%	2.96%	5.50%	8.54%	0.0108%
Xilinx Inc	XLNX	30,192.34	0.14%	1.21%	11.00%	12.28%	0.0167%
Exxon Mobil Corp	XOM	329,489.90	1.48%	4.32%	14.00%	18.62%	0.2757%
DENTSPLY SIRONA Inc	XRAY	9,291.60	0.04%	0.84%	3.00%	3.85%	0.0016%
Xerox Corp	XRX	7,680.93	0.03%	3.19%	2.50%	5.73%	0.0020%
Xylem Inc/NY	XYL	13,355.30	0.06%	1.29%	15.50%	16.89%	0.0101%
Yum! Brands Inc	YUM	29,697.44	0.13%	1.77%	10.00%	11.86%	0.0158%
Zimmer Biomet Holdings Inc	ZBH	25,189.92	0.11%	0.78%	4.50%	5.30%	0.0060%
Zions Bancorp NA	ZION	9,781.40	0.04%	2.36%	15.00%	17.54%	0.0077%
Zoetis Inc	ZTS	44,957.20	0.20%	0.71%	13.50%	14.26%	0.0288%
		22,259,184.79					16.81%

Notes:

- [1] Equals sum of Col. [9]
- [2] Source: Bloomberg Professional
- [3] Equals [1] - [2]
- [4] Source: Value Line
- [5] Equals weight in S&P 500 based on market capitalization
- [6] Source: Value Line
- [7] Source: Value Line
- [8] Equals ([6] x (1 + (0.5 x [7]))) + [7]
- [9] Equals Col. [5] x Col. [8]

Bloomberg and Value Line Beta Coefficients

I/A

Company	Ticker	[1]	[2]
		Bloomberg	Value Line
ALLETE, Inc.	ALE	0.458	0.65
Alliant Energy Corporation	LNT	0.535	0.60
Ameren Corporation	AEE	0.443	0.55
American Electric Power Company, Inc.	AEP	0.498	0.55
Avangrid, Inc.	AGR	0.468	0.40
Black Hills Corporation	BKH	0.541	0.75
CMS Energy Corporation	CMS	0.472	0.55
DTE Energy Company	DTE	0.507	0.55
Duke Energy Corporation	DUK	0.437	0.50
El Paso Electric Company	EE	0.516	0.65
Evergy, Inc	EVERG	0.422	0.52
Hawaiian Electric Industries, Inc.	HE	0.483	0.60
NextEra Energy, Inc.	NEE	0.558	0.60
NorthWestern Corporation	NWE	0.492	0.55
OGE Energy Corp.	OGE	0.561	0.85
Otter Tail Corporation	OTTR	0.524	0.75
Pinnacle West Capital Corporation	PNW	0.423	0.55
PNM Resources, Inc.	PNM	0.513	0.65
Portland General Electric Company	POR	0.477	0.60
Southern Company	SO	0.484	0.50
WEC Energy Group, Inc.	WEC	0.482	0.50
Xcel Energy Inc.	XEL	0.487	0.50
Mean		0.490	0.59

Notes:

[1] Source: Bloomberg Professional

[2] Source: Value Line. Value Line does not report a beta coefficient for Evergy, Inc. Therefore, the beta coefficient for Evergy has been manually calculated according to Value Line's methodology.

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Capital Asset Pricing Model Results
Bloomberg and Value Line Derived Market Risk Premium

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
	Risk-Free Rate	Average Beta Coefficient	Ex-Ante Market Risk Premium Bloomberg Market DCF Derived	Value Line Market DCF Derived	CAPM Result		ECAPM Result	
					Bloomberg Market DCF Derived	Value Line Market DCF Derived	Bloomberg Market DCF Derived	Value Line Market DCF Derived
PROXY GROUP BLOOMBERG BETA COEFFICIENT								
Current 30-Year Treasury (30-day average) [7]	3.04%	0.490	10.65%	13.77%	8.25%	9.78%	9.61%	11.54%
Near-Term Projected 30-Year Treasury [8]	3.25%	0.490	10.65%	13.77%	8.47%	10.00%	9.83%	11.75%
Mean					8.36%	9.89%	9.72%	11.65%
	Risk-Free Rate	Average Beta Coefficient	Ex-Ante Market Risk Premium Bloomberg Market DCF Derived	Value Line Market DCF Derived	CAPM Result		ECAPM Result	
					Bloomberg Market DCF Derived	Value Line Market DCF Derived	Bloomberg Market DCF Derived	Value Line Market DCF Derived
PROXY GROUP VALUE LINE AVERAGE BETA COEFFICIENT								
Current 30-Year Treasury (30-day average) [7]	3.04%	0.587	10.65%	13.77%	9.29%	11.12%	10.39%	12.54%
Near-Term Projected 30-Year Treasury [8]	3.25%	0.587	10.65%	13.77%	9.50%	11.34%	10.60%	12.76%
Mean					9.39%	11.23%	10.49%	12.65%

Notes:

- [1] See Notes [7] and [8]
[2] Source: Exhibit RBH-3
[3] Source: Exhibit RBH-2
[4] Source: Exhibit RBH-2
[5] Equals Col. [1] + (Col. [2] x Col. [3])
[6] Equals Col. [1] + (Col. [2] x Col. [4])
[7] Equals Col. [1] + 0.25 x Col. [3] + 0.75 x Col. [2] x Col. [3]
[8] Equals Col. [1] + 0.25 x Col. [4] + 0.75 x Col. [2] x Col. [4]
[9] Source: Bloomberg Professional
[10] Source: Blue Chip Financial Forecasts, Vol. 38, No. 3, March 1, 2019, at 2.

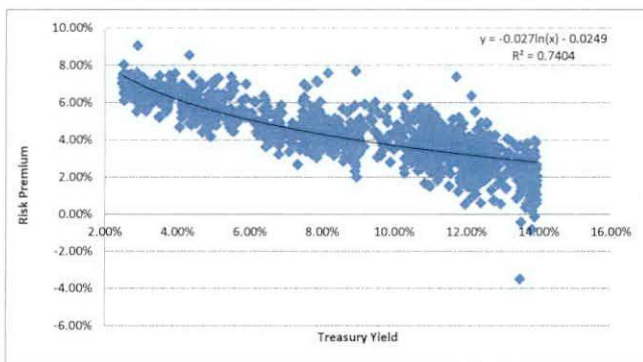
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Bond Yield Plus Risk Premium

	[1]	[2]	[3]	[4]	[5]
	Constant	Slope	30-Year Treasury Yield	Risk Premium	Return on Equity
	-2.49%	-2.69%			
Current 30-Year Treasury			3.04%	6.90%	9.93%
Near-Term Projected 30-Year Treasury			3.25%	6.71%	9.96%
Long-Term Projected 30-Year Treasury			4.05%	6.12%	10.17%



Notes:

[1] Constant of regression equation

[2] Slope of regression equation

[3] Source: Current = Bloomberg Professional,

Near Term Projected = Blue Chip Financial Forecasts, Vol. 38, No. 3, March 1, 2019, at 2.

Long Term Projected = Blue Chip Financial Forecasts, Vol. 37, No. 12, December 1, 2018, at 14

[4] Equals [1] + ln([3]) x [2]

[5] Equals [3] + [4]

[6] Source: S&P Global Market Intelligence

[7] Source: S&P Global Market Intelligence

[8] Source: Bloomberg Professional, equals 200-trading day average (i.e. lag period)

[9] Equals [7] - [8]

Bond Yield Plus Risk Premium			
[6]	[7]	[8]	[9]
Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
1/1/1980	14.50%	9.36%	5.14%
1/7/1980	14.39%	9.38%	5.01%
1/9/1980	15.00%	9.40%	5.60%
1/14/1980	15.17%	9.42%	5.75%
1/17/1980	13.93%	9.44%	4.49%
1/23/1980	15.50%	9.47%	6.03%
1/30/1980	13.86%	9.52%	4.34%
1/31/1980	12.61%	9.53%	3.08%
2/6/1980	13.71%	9.58%	4.13%
2/13/1980	12.80%	9.63%	3.17%
2/14/1980	13.00%	9.65%	3.35%
2/19/1980	13.50%	9.66%	3.82%
2/27/1980	13.75%	9.78%	3.97%
2/29/1980	13.75%	9.81%	3.94%
2/29/1980	14.00%	9.81%	4.19%
2/29/1980	14.77%	9.81%	4.96%
3/7/1980	12.70%	9.89%	2.81%
3/14/1980	13.50%	9.97%	3.53%
3/26/1980	14.16%	10.10%	4.06%
3/27/1980	14.24%	10.12%	4.12%
3/28/1980	14.50%	10.13%	4.37%
4/11/1980	12.75%	10.27%	2.48%
4/14/1980	13.85%	10.29%	3.56%
4/16/1980	15.50%	10.31%	5.19%
4/22/1980	13.25%	10.35%	2.90%
4/22/1980	13.90%	10.35%	3.55%
4/24/1980	16.80%	10.38%	6.43%
4/29/1980	15.50%	10.41%	5.09%
5/6/1980	13.70%	10.45%	3.25%
5/7/1980	15.00%	10.45%	4.55%
5/8/1980	13.75%	10.46%	3.29%
5/9/1980	14.35%	10.47%	3.88%
5/13/1980	13.60%	10.48%	3.12%
5/15/1980	13.25%	10.49%	2.76%
5/19/1980	13.75%	10.51%	3.24%
5/27/1980	13.62%	10.54%	3.08%
5/27/1980	14.60%	10.54%	4.06%
5/29/1980	16.00%	10.56%	5.44%
5/30/1980	13.80%	10.56%	3.24%
6/2/1980	15.63%	10.57%	5.06%
6/9/1980	15.90%	10.60%	5.30%
6/10/1980	13.78%	10.60%	3.18%
6/12/1980	14.25%	10.61%	3.64%
6/19/1980	13.40%	10.62%	2.78%
6/30/1980	13.00%	10.65%	2.35%
6/30/1980	13.40%	10.65%	2.75%
7/9/1980	14.75%	10.67%	4.08%
7/10/1980	15.00%	10.68%	4.32%
7/15/1980	15.80%	10.70%	5.10%
7/18/1980	13.80%	10.71%	3.09%
7/22/1980	14.10%	10.72%	3.38%
7/24/1980	15.00%	10.73%	4.27%
7/25/1980	13.48%	10.73%	2.75%
7/31/1980	14.58%	10.75%	3.83%
8/8/1980	13.50%	10.78%	2.72%
8/8/1980	14.00%	10.78%	3.22%
8/8/1980	15.45%	10.78%	4.67%
8/11/1980	14.85%	10.78%	4.07%
8/14/1980	14.00%	10.79%	3.21%
8/14/1980	16.25%	10.79%	5.46%
8/25/1980	13.75%	10.82%	2.93%
8/27/1980	13.80%	10.83%	2.97%
8/29/1980	12.50%	10.84%	1.66%
9/15/1980	13.50%	10.88%	2.62%
9/15/1980	13.93%	10.88%	3.05%
9/15/1980	15.80%	10.88%	4.92%
9/24/1980	12.50%	10.93%	1.57%
9/24/1980	15.00%	10.93%	4.07%
9/26/1980	13.75%	10.94%	2.81%
9/30/1980	14.10%	10.96%	3.14%
9/30/1980	14.20%	10.96%	3.24%
10/1/1980	13.90%	10.97%	2.93%
10/3/1980	15.50%	10.98%	4.52%
10/7/1980	12.50%	10.99%	1.51%
10/9/1980	13.25%	11.00%	2.25%
10/9/1980	14.50%	11.00%	3.50%
10/9/1980	14.50%	11.00%	3.50%
10/16/1980	16.10%	11.02%	5.08%
10/17/1980	14.50%	11.03%	3.47%
10/31/1980	13.75%	11.11%	2.64%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
10/31/1980	14.25%	11.11%	3.14%
11/4/1980	15.00%	11.12%	3.88%
11/5/1980	13.75%	11.12%	2.63%
11/5/1980	14.00%	11.12%	2.88%
11/8/1980	13.75%	11.14%	2.61%
11/10/1980	14.85%	11.15%	3.70%
11/17/1980	14.00%	11.18%	2.82%
11/18/1980	14.00%	11.19%	2.81%
11/19/1980	13.00%	11.19%	1.81%
11/24/1980	14.00%	11.21%	2.79%
11/26/1980	14.00%	11.21%	2.79%
12/8/1980	14.15%	11.22%	2.93%
12/8/1980	15.10%	11.22%	3.88%
12/9/1980	15.35%	11.22%	4.13%
12/12/1980	15.45%	11.23%	4.22%
12/17/1980	13.25%	11.23%	2.02%
12/18/1980	15.80%	11.23%	4.57%
12/19/1980	14.50%	11.23%	3.27%
12/19/1980	14.64%	11.23%	3.41%
12/22/1980	13.45%	11.23%	2.22%
12/22/1980	15.00%	11.23%	3.77%
12/30/1980	14.50%	11.22%	3.28%
12/30/1980	14.95%	11.22%	3.73%
12/31/1980	13.39%	11.22%	2.17%
1/2/1981	15.25%	11.22%	4.03%
1/7/1981	14.30%	11.21%	3.09%
1/19/1981	15.25%	11.20%	4.05%
1/23/1981	13.10%	11.20%	1.90%
1/23/1981	14.40%	11.20%	3.20%
1/26/1981	15.25%	11.20%	4.05%
1/27/1981	15.00%	11.21%	3.79%
1/31/1981	13.47%	11.22%	2.25%
2/3/1981	15.25%	11.23%	4.02%
2/5/1981	15.75%	11.25%	4.50%
2/11/1981	15.60%	11.28%	4.32%
2/20/1981	15.25%	11.33%	3.92%
3/11/1981	15.40%	11.49%	3.91%
3/12/1981	14.51%	11.50%	3.01%
3/12/1981	16.00%	11.50%	4.50%
3/13/1981	13.02%	11.52%	1.50%
3/18/1981	16.19%	11.55%	4.64%
3/19/1981	13.75%	11.56%	2.19%
3/23/1981	14.30%	11.58%	2.72%
3/25/1981	15.30%	11.60%	3.70%
4/1/1981	14.53%	11.68%	2.85%
4/3/1981	19.10%	11.71%	7.39%
4/9/1981	15.00%	11.78%	3.22%
4/9/1981	15.30%	11.78%	3.52%
4/9/1981	16.50%	11.78%	4.72%
4/9/1981	17.00%	11.78%	5.22%
4/10/1981	13.75%	11.80%	1.95%
4/13/1981	13.57%	11.82%	1.75%
4/15/1981	15.30%	11.85%	3.45%
4/16/1981	13.50%	11.87%	1.63%
4/17/1981	14.10%	11.87%	2.23%
4/21/1981	14.00%	11.90%	2.10%
4/21/1981	16.80%	11.90%	4.90%
4/24/1981	16.00%	11.95%	4.05%
4/27/1981	12.50%	11.97%	0.53%
4/27/1981	13.61%	11.97%	1.64%
4/29/1981	13.65%	12.00%	1.65%
4/30/1981	13.50%	12.02%	1.48%
5/4/1981	16.22%	12.05%	4.17%
5/5/1981	14.40%	12.07%	2.33%
5/7/1981	16.25%	12.11%	4.14%
5/7/1981	16.27%	12.11%	4.16%
5/8/1981	13.00%	12.13%	0.87%
5/8/1981	16.00%	12.13%	3.87%
5/12/1981	13.50%	12.16%	1.34%
5/15/1981	15.75%	12.22%	3.53%
5/18/1981	14.88%	12.23%	2.65%
5/20/1981	16.00%	12.26%	3.74%
5/21/1981	14.00%	12.27%	1.73%
5/26/1981	14.90%	12.30%	2.60%
5/27/1981	15.00%	12.31%	2.69%
5/29/1981	15.50%	12.34%	3.16%
6/1/1981	16.50%	12.35%	4.15%
6/3/1981	14.67%	12.37%	2.30%
6/5/1981	13.00%	12.39%	0.61%
6/10/1981	16.75%	12.42%	4.33%
6/17/1981	14.40%	12.46%	1.94%
6/18/1981	16.33%	12.47%	3.86%
6/25/1981	14.75%	12.51%	2.24%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
6/26/1981	16.00%	12.52%	3.48%
6/30/1981	15.25%	12.54%	2.71%
7/1/1981	15.50%	12.56%	2.94%
7/1/1981	17.50%	12.56%	4.94%
7/10/1981	16.00%	12.62%	3.38%
7/14/1981	16.90%	12.64%	4.26%
7/15/1981	16.00%	12.65%	3.35%
7/17/1981	15.00%	12.67%	2.33%
7/20/1981	15.00%	12.68%	2.32%
7/21/1981	14.00%	12.69%	1.31%
7/28/1981	13.48%	12.74%	0.74%
7/31/1981	13.50%	12.78%	0.72%
7/31/1981	15.00%	12.78%	2.22%
7/31/1981	16.00%	12.78%	3.22%
8/5/1981	15.71%	12.83%	2.88%
8/10/1981	14.50%	12.87%	1.63%
8/11/1981	15.00%	12.88%	2.12%
8/20/1981	13.50%	12.95%	0.55%
8/20/1981	16.50%	12.95%	3.55%
8/24/1981	15.00%	12.97%	2.03%
8/28/1981	15.00%	13.01%	1.99%
9/3/1981	14.50%	13.05%	1.45%
9/10/1981	14.50%	13.11%	1.39%
9/11/1981	16.00%	13.12%	2.88%
9/16/1981	16.00%	13.15%	2.85%
9/17/1981	16.50%	13.16%	3.34%
9/23/1981	15.85%	13.20%	2.65%
9/28/1981	15.50%	13.23%	2.27%
10/9/1981	15.75%	13.33%	2.42%
10/15/1981	16.25%	13.37%	2.88%
10/16/1981	15.50%	13.38%	2.12%
10/16/1981	16.50%	13.38%	3.12%
10/19/1981	14.25%	13.39%	0.86%
10/20/1981	15.25%	13.41%	1.84%
10/20/1981	17.00%	13.41%	3.59%
10/23/1981	16.00%	13.45%	2.55%
10/27/1981	10.00%	13.48%	-3.48%
10/29/1981	14.75%	13.51%	1.24%
10/29/1981	16.50%	13.51%	2.99%
11/3/1981	15.17%	13.53%	1.64%
11/5/1981	16.60%	13.55%	3.05%
11/6/1981	15.17%	13.56%	1.61%
11/24/1981	15.50%	13.61%	1.89%
11/25/1981	15.25%	13.61%	1.64%
11/25/1981	15.35%	13.61%	1.74%
11/25/1981	16.10%	13.61%	2.49%
11/25/1981	16.10%	13.61%	2.49%
12/1/1981	15.70%	13.61%	2.09%
12/1/1981	16.00%	13.61%	2.39%
12/1/1981	16.49%	13.61%	2.88%
12/1/1981	16.50%	13.61%	2.89%
12/4/1981	16.00%	13.61%	2.39%
12/11/1981	16.25%	13.63%	2.62%
12/14/1981	14.00%	13.63%	0.37%
12/15/1981	15.81%	13.63%	2.18%
12/15/1981	16.00%	13.63%	2.37%
12/16/1981	15.25%	13.63%	1.62%
12/17/1981	16.50%	13.63%	2.87%
12/18/1981	15.45%	13.63%	1.82%
12/30/1981	14.25%	13.67%	0.58%
12/30/1981	16.00%	13.67%	2.33%
12/30/1981	16.25%	13.67%	2.58%
12/31/1981	16.15%	13.67%	2.48%
1/4/1982	15.50%	13.67%	1.83%
1/11/1982	14.50%	13.72%	0.78%
1/11/1982	17.00%	13.72%	3.28%
1/13/1982	14.75%	13.74%	1.01%
1/14/1982	15.75%	13.75%	2.00%
1/15/1982	15.00%	13.76%	1.24%
1/15/1982	16.50%	13.76%	2.74%
1/22/1982	16.25%	13.79%	2.46%
1/27/1982	16.84%	13.81%	3.03%
1/28/1982	13.00%	13.81%	-0.81%
1/29/1982	15.50%	13.82%	1.68%
2/1/1982	15.85%	13.82%	2.03%
2/3/1982	16.44%	13.84%	2.60%
2/8/1982	15.50%	13.86%	1.64%
2/11/1982	16.00%	13.88%	2.12%
2/11/1982	16.20%	13.88%	2.32%
2/17/1982	15.00%	13.89%	1.11%
2/19/1982	15.17%	13.89%	1.28%
2/26/1982	15.25%	13.89%	1.36%
3/1/1982	15.03%	13.89%	1.14%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
3/1/1982	16.00%	13.89%	2.11%
3/3/1982	15.00%	13.88%	1.12%
3/8/1982	17.10%	13.88%	3.22%
3/12/1982	16.25%	13.88%	2.37%
3/17/1982	17.30%	13.88%	3.42%
3/22/1982	15.10%	13.89%	1.21%
3/27/1982	15.40%	13.89%	1.51%
3/30/1982	15.50%	13.90%	1.60%
3/31/1982	17.00%	13.91%	3.09%
4/1/1982	14.70%	13.91%	0.79%
4/1/1982	16.50%	13.91%	2.59%
4/2/1982	15.50%	13.91%	1.59%
4/5/1982	15.50%	13.92%	1.58%
4/8/1982	16.40%	13.93%	2.47%
4/13/1982	14.50%	13.94%	0.56%
4/23/1982	15.75%	13.94%	1.81%
4/27/1982	15.00%	13.94%	1.06%
4/28/1982	15.75%	13.94%	1.81%
4/30/1982	14.70%	13.94%	0.76%
4/30/1982	15.50%	13.94%	1.56%
5/3/1982	16.60%	13.94%	2.66%
5/4/1982	16.00%	13.94%	2.06%
5/14/1982	15.50%	13.92%	1.58%
5/18/1982	15.42%	13.92%	1.50%
5/19/1982	14.69%	13.92%	0.77%
5/20/1982	15.00%	13.91%	1.09%
5/20/1982	15.10%	13.91%	1.19%
5/20/1982	15.50%	13.91%	1.59%
5/20/1982	16.30%	13.91%	2.39%
5/21/1982	17.75%	13.91%	3.84%
5/27/1982	15.00%	13.89%	1.11%
5/28/1982	15.50%	13.89%	1.61%
5/28/1982	17.00%	13.89%	3.11%
6/1/1982	13.75%	13.89%	-0.14%
6/1/1982	16.60%	13.89%	2.71%
6/9/1982	17.86%	13.88%	3.98%
6/14/1982	15.75%	13.88%	1.87%
6/15/1982	14.85%	13.88%	0.97%
6/18/1982	15.50%	13.87%	1.63%
6/21/1982	14.90%	13.87%	1.03%
6/23/1982	16.00%	13.86%	2.14%
6/23/1982	16.17%	13.86%	2.31%
6/24/1982	14.85%	13.86%	0.99%
6/25/1982	14.70%	13.86%	0.84%
7/1/1982	16.00%	13.84%	2.16%
7/2/1982	15.62%	13.84%	1.78%
7/2/1982	17.00%	13.84%	3.16%
7/13/1982	14.00%	13.82%	0.18%
7/13/1982	16.80%	13.82%	2.98%
7/14/1982	15.76%	13.82%	1.94%
7/14/1982	16.02%	13.82%	2.20%
7/19/1982	16.50%	13.80%	2.70%
7/22/1982	14.50%	13.77%	0.73%
7/22/1982	17.00%	13.77%	3.23%
7/27/1982	16.75%	13.75%	3.00%
7/29/1982	16.50%	13.74%	2.76%
8/11/1982	17.50%	13.68%	3.82%
8/18/1982	17.07%	13.63%	3.44%
8/20/1982	15.73%	13.60%	2.13%
8/25/1982	16.00%	13.57%	2.43%
8/26/1982	15.50%	13.56%	1.94%
8/30/1982	15.00%	13.55%	1.45%
9/3/1982	16.20%	13.53%	2.67%
9/8/1982	15.00%	13.52%	1.48%
9/15/1982	13.08%	13.50%	-0.42%
9/15/1982	16.25%	13.50%	2.75%
9/16/1982	16.00%	13.50%	2.50%
9/17/1982	15.25%	13.50%	1.75%
9/23/1982	17.17%	13.47%	3.70%
9/24/1982	14.50%	13.48%	1.04%
9/27/1982	15.25%	13.46%	1.79%
10/1/1982	15.50%	13.42%	2.08%
10/15/1982	15.90%	13.32%	2.58%
10/22/1982	15.75%	13.24%	2.51%
10/22/1982	17.15%	13.24%	3.91%
10/29/1982	15.54%	13.16%	2.38%
11/1/1982	15.50%	13.15%	2.35%
11/3/1982	17.20%	13.13%	4.07%
11/4/1982	16.25%	13.11%	3.14%
11/5/1982	16.20%	13.09%	3.11%
11/9/1982	16.00%	13.05%	2.95%
11/23/1982	15.50%	12.89%	2.61%
11/23/1982	15.85%	12.89%	2.96%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
11/30/1982	16.50%	12.81%	3.69%
12/1/1982	17.04%	12.79%	4.25%
12/6/1982	15.00%	12.73%	2.27%
12/6/1982	16.35%	12.73%	3.62%
12/10/1982	15.50%	12.66%	2.84%
12/13/1982	16.00%	12.65%	3.35%
12/14/1982	15.30%	12.63%	2.67%
12/14/1982	16.40%	12.63%	3.77%
12/20/1982	16.00%	12.57%	3.43%
12/21/1982	14.75%	12.56%	2.19%
12/21/1982	15.85%	12.56%	3.29%
12/22/1982	16.25%	12.54%	3.71%
12/22/1982	16.58%	12.54%	4.04%
12/22/1982	16.75%	12.54%	4.21%
12/29/1982	14.90%	12.48%	2.42%
12/29/1982	16.25%	12.48%	3.77%
12/30/1982	16.00%	12.47%	3.53%
12/30/1982	16.35%	12.47%	3.88%
12/30/1982	16.77%	12.47%	4.30%
1/5/1983	17.33%	12.40%	4.93%
1/11/1983	15.90%	12.34%	3.56%
1/12/1983	14.63%	12.33%	2.30%
1/12/1983	15.50%	12.33%	3.17%
1/20/1983	17.75%	12.24%	5.51%
1/21/1983	15.00%	12.22%	2.78%
1/24/1983	14.50%	12.21%	2.29%
1/24/1983	15.50%	12.21%	3.29%
1/25/1983	15.85%	12.19%	3.66%
1/27/1983	16.14%	12.17%	3.97%
2/1/1983	18.50%	12.13%	6.37%
2/4/1983	14.00%	12.10%	1.90%
2/10/1983	15.00%	12.06%	2.94%
2/21/1983	15.50%	11.98%	3.52%
2/22/1983	15.50%	11.97%	3.53%
2/23/1983	15.10%	11.96%	3.14%
2/23/1983	16.00%	11.96%	4.04%
3/2/1983	15.25%	11.89%	3.36%
3/9/1983	15.20%	11.82%	3.38%
3/15/1983	13.00%	11.77%	1.23%
3/18/1983	15.25%	11.73%	3.52%
3/23/1983	15.40%	11.69%	3.71%
3/24/1983	15.00%	11.67%	3.33%
3/29/1983	15.50%	11.63%	3.87%
3/30/1983	16.71%	11.61%	5.10%
3/31/1983	15.00%	11.59%	3.41%
4/4/1983	15.20%	11.58%	3.62%
4/8/1983	15.50%	11.51%	3.99%
4/11/1983	14.81%	11.49%	3.32%
4/19/1983	14.50%	11.38%	3.12%
4/20/1983	16.00%	11.36%	4.64%
4/29/1983	16.00%	11.24%	4.76%
5/1/1983	14.50%	11.24%	3.26%
5/9/1983	15.50%	11.15%	4.35%
5/11/1983	16.46%	11.12%	5.34%
5/12/1983	14.14%	11.11%	3.03%
5/18/1983	15.00%	11.05%	3.95%
5/23/1983	14.90%	11.01%	3.89%
5/23/1983	15.50%	11.01%	4.49%
5/25/1983	15.50%	10.98%	4.52%
5/27/1983	15.00%	10.96%	4.04%
5/31/1983	14.00%	10.95%	3.05%
5/31/1983	15.50%	10.95%	4.55%
6/2/1983	14.50%	10.93%	3.57%
6/17/1983	15.03%	10.84%	4.19%
7/1/1983	14.80%	10.78%	4.02%
7/1/1983	14.90%	10.78%	4.12%
7/8/1983	16.25%	10.76%	5.49%
7/13/1983	13.20%	10.75%	2.45%
7/19/1983	15.00%	10.74%	4.26%
7/19/1983	15.10%	10.74%	4.36%
7/25/1983	16.25%	10.73%	5.52%
7/28/1983	15.90%	10.74%	5.16%
8/3/1983	16.34%	10.75%	5.59%
8/3/1983	16.50%	10.75%	5.75%
8/19/1983	15.00%	10.80%	4.20%
8/22/1983	15.50%	10.80%	4.70%
8/22/1983	16.40%	10.80%	5.60%
8/31/1983	14.75%	10.84%	3.91%
9/7/1983	15.00%	10.86%	4.14%
9/14/1983	15.78%	10.89%	4.89%
9/16/1983	15.00%	10.90%	4.10%
9/19/1983	14.50%	10.91%	3.59%
9/20/1983	16.50%	10.91%	5.59%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
9/28/1983	14.50%	10.94%	3.56%
9/29/1983	15.50%	10.95%	4.55%
9/30/1983	15.25%	10.95%	4.30%
9/30/1983	16.15%	10.95%	5.20%
10/4/1983	14.80%	10.96%	3.84%
10/7/1983	16.00%	10.97%	5.03%
10/13/1983	15.52%	10.99%	4.53%
10/17/1983	15.50%	11.00%	4.50%
10/18/1983	14.50%	11.00%	3.50%
10/19/1983	16.25%	11.01%	5.24%
10/19/1983	16.50%	11.01%	5.49%
10/26/1983	15.00%	11.04%	3.96%
10/27/1983	15.20%	11.04%	4.16%
11/1/1983	16.00%	11.06%	4.94%
11/9/1983	14.90%	11.09%	3.81%
11/10/1983	14.35%	11.10%	3.25%
11/23/1983	16.00%	11.13%	4.87%
11/23/1983	16.15%	11.13%	5.02%
11/30/1983	15.00%	11.14%	3.86%
12/5/1983	15.25%	11.15%	4.10%
12/6/1983	15.07%	11.15%	3.92%
12/8/1983	15.90%	11.16%	4.74%
12/9/1983	14.75%	11.17%	3.58%
12/12/1983	14.50%	11.17%	3.33%
12/15/1983	15.56%	11.19%	4.37%
12/19/1983	14.80%	11.21%	3.59%
12/20/1983	14.69%	11.22%	3.47%
12/20/1983	16.00%	11.22%	4.78%
12/20/1983	16.25%	11.22%	5.03%
12/22/1983	14.75%	11.23%	3.52%
12/22/1983	15.75%	11.23%	4.52%
1/3/1984	14.75%	11.27%	3.48%
1/10/1984	15.90%	11.30%	4.60%
1/12/1984	15.60%	11.31%	4.29%
1/18/1984	13.75%	11.33%	2.42%
1/19/1984	15.90%	11.33%	4.57%
1/30/1984	16.10%	11.37%	4.73%
1/31/1984	15.25%	11.37%	3.88%
2/1/1984	14.80%	11.38%	3.42%
2/6/1984	13.75%	11.40%	2.35%
2/6/1984	14.75%	11.40%	3.35%
2/9/1984	15.25%	11.42%	3.83%
2/15/1984	15.70%	11.44%	4.26%
2/20/1984	15.00%	11.46%	3.54%
2/20/1984	15.00%	11.46%	3.54%
2/22/1984	14.75%	11.47%	3.28%
2/28/1984	14.50%	11.51%	2.99%
3/2/1984	14.25%	11.54%	2.71%
3/20/1984	16.00%	11.64%	4.36%
3/23/1984	15.50%	11.67%	3.83%
3/26/1984	14.71%	11.68%	3.03%
4/2/1984	15.50%	11.71%	3.79%
4/6/1984	14.74%	11.75%	2.99%
4/11/1984	15.72%	11.78%	3.94%
4/17/1984	15.00%	11.81%	3.19%
4/18/1984	16.20%	11.82%	4.38%
4/25/1984	14.64%	11.85%	2.79%
4/30/1984	14.40%	11.87%	2.53%
5/16/1984	14.69%	11.98%	2.71%
5/16/1984	15.00%	11.98%	3.02%
5/22/1984	14.40%	12.02%	2.38%
5/29/1984	15.10%	12.06%	3.04%
6/13/1984	15.25%	12.15%	3.10%
6/15/1984	15.60%	12.17%	3.43%
6/22/1984	16.25%	12.21%	4.04%
6/29/1984	15.25%	12.26%	2.99%
7/2/1984	13.35%	12.27%	1.08%
7/10/1984	16.00%	12.31%	3.69%
7/12/1984	16.50%	12.32%	4.18%
7/13/1984	16.25%	12.33%	3.92%
7/17/1984	14.14%	12.35%	1.79%
7/18/1984	15.30%	12.36%	2.94%
7/18/1984	15.50%	12.36%	3.14%
7/19/1984	14.30%	12.37%	1.93%
7/24/1984	16.79%	12.39%	4.40%
7/31/1984	16.00%	12.43%	3.57%
8/3/1984	14.25%	12.44%	1.81%
8/17/1984	14.30%	12.49%	1.81%
8/20/1984	15.00%	12.49%	2.51%
8/27/1984	16.30%	12.51%	3.79%
8/31/1984	15.55%	12.52%	3.03%
9/8/1984	16.00%	12.53%	3.47%
9/10/1984	14.75%	12.54%	2.21%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
9/13/1984	15.00%	12.55%	2.45%
9/17/1984	17.38%	12.56%	4.82%
9/26/1984	14.50%	12.57%	1.93%
9/28/1984	15.00%	12.57%	2.43%
9/28/1984	16.25%	12.57%	3.68%
10/9/1984	14.75%	12.58%	2.17%
10/12/1984	15.60%	12.59%	3.01%
10/22/1984	15.00%	12.59%	2.41%
10/26/1984	16.40%	12.58%	3.82%
10/31/1984	16.25%	12.58%	3.67%
11/7/1984	15.60%	12.58%	3.02%
11/9/1984	16.00%	12.58%	3.42%
11/14/1984	15.75%	12.58%	3.17%
11/20/1984	15.25%	12.58%	2.67%
11/20/1984	15.92%	12.58%	3.34%
11/23/1984	15.00%	12.58%	2.42%
11/28/1984	16.15%	12.57%	3.58%
12/3/1984	15.80%	12.56%	3.24%
12/4/1984	16.50%	12.56%	3.94%
12/18/1984	16.40%	12.53%	3.87%
12/19/1984	14.75%	12.53%	2.22%
12/19/1984	15.00%	12.53%	2.47%
12/20/1984	16.00%	12.53%	3.47%
12/28/1984	16.00%	12.50%	3.50%
1/3/1985	14.75%	12.49%	2.26%
1/10/1985	15.75%	12.47%	3.28%
1/11/1985	16.30%	12.46%	3.84%
1/23/1985	15.80%	12.43%	3.37%
1/24/1985	15.82%	12.43%	3.39%
1/25/1985	16.75%	12.42%	4.33%
1/30/1985	14.90%	12.40%	2.50%
1/31/1985	14.75%	12.39%	2.36%
2/8/1985	14.47%	12.35%	2.12%
3/1/1985	13.84%	12.31%	1.53%
3/8/1985	16.85%	12.28%	4.57%
3/14/1985	15.50%	12.25%	3.25%
3/15/1985	15.62%	12.25%	3.37%
3/29/1985	15.62%	12.17%	3.45%
4/3/1985	14.60%	12.14%	2.46%
4/9/1985	15.50%	12.11%	3.39%
4/16/1985	15.70%	12.06%	3.64%
4/22/1985	14.00%	12.02%	1.98%
4/26/1985	15.50%	11.98%	3.52%
4/29/1985	15.00%	11.97%	3.03%
5/2/1985	14.68%	11.94%	2.74%
5/8/1985	15.62%	11.89%	3.73%
5/10/1985	16.50%	11.87%	4.63%
5/29/1985	14.61%	11.73%	2.88%
5/31/1985	16.00%	11.71%	4.29%
6/14/1985	15.50%	11.61%	3.89%
7/9/1985	15.00%	11.45%	3.55%
7/16/1985	14.50%	11.39%	3.11%
7/26/1985	14.50%	11.33%	3.17%
8/2/1985	14.80%	11.29%	3.51%
8/7/1985	15.00%	11.27%	3.73%
8/28/1985	14.25%	11.15%	3.10%
8/28/1985	15.50%	11.15%	4.35%
8/29/1985	14.50%	11.15%	3.35%
9/9/1985	14.60%	11.11%	3.49%
9/9/1985	14.90%	11.11%	3.79%
9/17/1985	14.90%	11.08%	3.82%
9/23/1985	15.00%	11.06%	3.94%
9/27/1985	15.50%	11.05%	4.45%
9/27/1985	15.80%	11.05%	4.75%
10/2/1985	14.00%	11.03%	2.97%
10/2/1985	14.75%	11.03%	3.72%
10/3/1985	15.25%	11.03%	4.22%
10/24/1985	15.40%	10.96%	4.44%
10/24/1985	15.82%	10.96%	4.88%
10/24/1985	15.85%	10.96%	4.89%
10/28/1985	16.00%	10.95%	5.05%
10/29/1985	16.65%	10.94%	5.71%
10/31/1985	15.06%	10.83%	4.13%
11/4/1985	14.50%	10.92%	3.58%
11/7/1985	15.50%	10.90%	4.60%
11/8/1985	14.30%	10.89%	3.41%
12/12/1985	14.75%	10.73%	4.02%
12/18/1985	15.00%	10.69%	4.31%
12/20/1985	14.50%	10.67%	3.83%
12/20/1985	14.50%	10.67%	3.83%
12/20/1985	15.00%	10.67%	4.33%
1/24/1986	15.40%	10.41%	4.99%
1/31/1986	15.00%	10.35%	4.65%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
2/5/1986	15.00%	10.32%	4.68%
2/5/1986	15.75%	10.32%	5.43%
2/10/1986	13.30%	10.29%	3.01%
2/11/1986	12.50%	10.28%	2.22%
2/14/1986	14.40%	10.24%	4.16%
2/18/1986	16.00%	10.23%	5.77%
2/24/1986	14.50%	10.18%	4.32%
2/26/1986	14.00%	10.15%	3.85%
3/5/1986	14.90%	10.08%	4.82%
3/11/1986	14.50%	10.02%	4.48%
3/12/1986	13.50%	10.00%	3.50%
3/27/1986	14.10%	9.86%	4.24%
3/31/1986	13.50%	9.84%	3.66%
4/1/1986	14.00%	9.83%	4.17%
4/2/1986	15.50%	9.81%	5.69%
4/4/1986	15.00%	9.78%	5.22%
4/14/1986	13.40%	9.69%	3.71%
4/23/1986	15.00%	9.57%	5.43%
5/16/1986	14.50%	9.32%	5.18%
5/16/1986	14.50%	9.32%	5.18%
5/29/1986	13.90%	9.19%	4.71%
5/30/1986	15.10%	9.18%	5.92%
6/2/1986	12.81%	9.17%	3.64%
6/11/1986	14.00%	9.07%	4.93%
6/24/1986	16.63%	8.94%	7.69%
6/26/1986	12.00%	8.91%	3.09%
6/26/1986	14.75%	8.91%	5.84%
6/30/1986	13.00%	8.87%	4.13%
7/10/1986	14.34%	8.75%	5.59%
7/11/1986	12.75%	8.73%	4.02%
7/14/1986	12.60%	8.71%	3.89%
7/17/1986	12.40%	8.66%	3.74%
7/25/1986	14.25%	8.57%	5.68%
8/6/1986	13.50%	8.44%	5.06%
8/14/1986	13.50%	8.35%	5.15%
9/16/1986	12.75%	8.06%	4.69%
9/19/1986	13.25%	8.03%	5.22%
10/1/1986	14.00%	7.95%	6.05%
10/3/1986	13.40%	7.93%	5.47%
10/31/1986	13.50%	7.77%	5.73%
11/5/1986	13.00%	7.75%	5.25%
12/3/1986	12.90%	7.58%	5.32%
12/4/1986	14.44%	7.58%	6.86%
12/16/1986	13.60%	7.52%	6.08%
12/22/1986	13.80%	7.51%	6.29%
12/30/1986	13.00%	7.49%	5.51%
1/2/1987	13.00%	7.49%	5.51%
1/12/1987	12.40%	7.47%	4.93%
1/27/1987	12.71%	7.46%	5.25%
3/2/1987	12.47%	7.47%	5.00%
3/3/1987	13.60%	7.47%	6.13%
3/4/1987	12.38%	7.47%	4.91%
3/10/1987	13.50%	7.47%	6.03%
3/13/1987	13.00%	7.47%	5.53%
3/31/1987	13.00%	7.46%	5.54%
4/6/1987	13.00%	7.47%	5.53%
4/14/1987	12.50%	7.49%	5.01%
4/16/1987	14.50%	7.50%	7.00%
4/27/1987	12.00%	7.54%	4.46%
5/5/1987	12.85%	7.58%	5.27%
5/12/1987	12.65%	7.62%	5.03%
5/28/1987	13.50%	7.70%	5.80%
6/15/1987	13.20%	7.78%	5.42%
6/29/1987	15.00%	7.83%	7.17%
6/30/1987	12.50%	7.84%	4.66%
7/8/1987	12.00%	7.86%	4.14%
7/10/1987	12.90%	7.86%	5.04%
7/15/1987	13.50%	7.88%	5.62%
7/16/1987	13.50%	7.88%	5.62%
7/16/1987	15.00%	7.88%	7.12%
7/27/1987	13.00%	7.92%	5.08%
7/27/1987	13.40%	7.92%	5.48%
7/27/1987	13.50%	7.92%	5.58%
7/31/1987	12.98%	7.95%	5.03%
8/26/1987	12.63%	8.06%	4.57%
8/26/1987	12.75%	8.06%	4.69%
8/27/1987	13.25%	8.06%	5.19%
9/9/1987	13.00%	8.14%	4.86%
9/30/1987	12.75%	8.31%	4.44%
9/30/1987	13.00%	8.31%	4.69%
10/2/1987	11.50%	8.33%	3.17%
10/15/1987	13.00%	8.43%	4.57%
11/2/1987	13.00%	8.55%	4.45%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
11/19/1987	13.00%	8.64%	4.36%
11/30/1987	12.00%	8.68%	3.32%
12/3/1987	14.20%	8.70%	5.50%
12/15/1987	13.25%	8.77%	4.48%
12/16/1987	13.50%	8.78%	4.72%
12/16/1987	13.72%	8.78%	4.94%
12/17/1987	11.75%	8.79%	2.96%
12/18/1987	13.50%	8.80%	4.70%
12/21/1987	12.01%	8.81%	3.20%
12/22/1987	12.00%	8.81%	3.19%
12/22/1987	12.00%	8.81%	3.19%
12/22/1987	12.75%	8.81%	3.94%
12/22/1987	13.00%	8.81%	4.19%
1/20/1988	13.80%	8.94%	4.86%
1/26/1988	13.90%	8.95%	4.95%
1/29/1988	13.20%	8.96%	4.24%
2/4/1988	12.60%	8.96%	3.64%
3/1/1988	11.56%	8.94%	2.82%
3/23/1988	12.87%	8.92%	3.95%
3/24/1988	11.24%	8.92%	2.32%
3/30/1988	12.72%	8.92%	3.80%
4/1/1988	12.50%	8.92%	3.58%
4/7/1988	13.25%	8.93%	4.32%
4/25/1988	10.96%	8.96%	2.00%
5/3/1988	12.91%	8.97%	3.94%
5/11/1988	13.50%	8.99%	4.51%
5/16/1988	13.00%	8.99%	4.01%
6/30/1988	12.75%	9.00%	3.75%
7/1/1988	12.75%	8.99%	3.76%
7/20/1988	13.40%	8.96%	4.44%
8/5/1988	12.75%	8.92%	3.83%
8/23/1988	11.70%	8.93%	2.77%
8/29/1988	12.75%	8.94%	3.81%
8/30/1988	13.50%	8.94%	4.56%
9/8/1988	12.60%	8.95%	3.65%
10/13/1988	13.10%	8.93%	4.17%
12/19/1988	13.00%	9.02%	3.98%
12/20/1988	12.25%	9.02%	3.23%
12/20/1988	13.00%	9.02%	3.98%
12/21/1988	12.90%	9.02%	3.88%
12/27/1988	13.00%	9.03%	3.97%
12/28/1988	13.10%	9.03%	4.07%
12/30/1988	13.40%	9.04%	4.36%
1/27/1989	13.00%	9.05%	3.95%
1/31/1989	13.00%	9.05%	3.95%
2/17/1989	13.00%	9.05%	3.95%
2/20/1989	12.40%	9.05%	3.35%
3/1/1989	12.76%	9.05%	3.71%
3/8/1989	13.00%	9.05%	3.95%
3/30/1989	14.00%	9.05%	4.95%
4/5/1989	14.20%	9.05%	5.15%
4/18/1989	13.00%	9.05%	3.95%
5/5/1989	12.40%	9.05%	3.35%
6/2/1989	13.20%	9.00%	4.20%
6/8/1989	13.50%	8.98%	4.52%
6/27/1989	13.25%	8.91%	4.34%
6/30/1989	13.00%	8.90%	4.10%
8/14/1989	12.50%	8.77%	3.73%
9/28/1989	12.25%	8.63%	3.62%
10/24/1989	12.50%	8.54%	3.96%
11/9/1989	13.00%	8.49%	4.51%
12/15/1989	13.00%	8.34%	4.66%
12/20/1989	12.90%	8.32%	4.58%
12/21/1989	12.90%	8.31%	4.59%
12/27/1989	12.50%	8.29%	4.21%
12/27/1989	13.00%	8.29%	4.71%
1/10/1990	12.80%	8.24%	4.56%
1/11/1990	12.90%	8.24%	4.66%
1/17/1990	12.80%	8.22%	4.58%
1/26/1990	12.00%	8.20%	3.80%
2/9/1990	12.10%	8.17%	3.93%
2/24/1990	12.86%	8.15%	4.71%
3/30/1990	12.90%	8.16%	4.74%
4/4/1990	15.76%	8.17%	7.59%
4/12/1990	12.52%	8.18%	4.34%
4/19/1990	12.75%	8.20%	4.55%
5/21/1990	12.10%	8.28%	3.82%
5/29/1990	12.40%	8.30%	4.10%
5/31/1990	12.00%	8.30%	3.70%
6/4/1990	12.90%	8.30%	4.60%
6/6/1990	12.25%	8.31%	3.94%
6/15/1990	13.20%	8.32%	4.88%
6/20/1990	12.92%	8.32%	4.60%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
6/27/1990	12.90%	8.33%	4.57%
6/29/1990	12.50%	8.33%	4.17%
7/6/1990	12.10%	8.34%	3.76%
7/6/1990	12.35%	8.34%	4.01%
8/10/1990	12.55%	8.41%	4.14%
8/16/1990	13.21%	8.43%	4.78%
8/22/1990	13.10%	8.45%	4.65%
8/24/1990	13.00%	8.46%	4.54%
9/26/1990	11.45%	8.59%	2.86%
10/2/1990	13.00%	8.61%	4.39%
10/5/1990	12.84%	8.62%	4.22%
10/19/1990	13.00%	8.67%	4.33%
10/25/1990	12.30%	8.68%	3.62%
11/21/1990	12.70%	8.69%	4.01%
12/13/1990	12.30%	8.67%	3.63%
12/17/1990	12.87%	8.67%	4.20%
12/18/1990	13.10%	8.67%	4.43%
12/19/1990	12.00%	8.66%	3.34%
12/20/1990	12.75%	8.66%	4.09%
12/21/1990	12.50%	8.66%	3.84%
12/27/1990	12.79%	8.66%	4.13%
1/2/1991	13.10%	8.65%	4.45%
1/4/1991	12.50%	8.65%	3.85%
1/15/1991	12.75%	8.64%	4.11%
1/25/1991	11.70%	8.63%	3.07%
2/4/1991	12.50%	8.60%	3.90%
2/7/1991	12.50%	8.59%	3.91%
2/12/1991	13.00%	8.58%	4.43%
2/14/1991	12.72%	8.57%	4.15%
2/22/1991	12.80%	8.55%	4.25%
3/6/1991	13.10%	8.53%	4.57%
3/8/1991	12.30%	8.52%	3.78%
3/8/1991	13.00%	8.52%	4.48%
4/22/1991	13.00%	8.49%	4.51%
5/7/1991	13.50%	8.47%	5.03%
5/13/1991	13.25%	8.47%	4.78%
5/30/1991	12.75%	8.44%	4.31%
6/12/1991	12.00%	8.41%	3.59%
6/25/1991	11.70%	8.39%	3.31%
6/28/1991	12.50%	8.38%	4.12%
7/1/1991	12.00%	8.38%	3.62%
7/3/1991	12.50%	8.37%	4.13%
7/19/1991	12.10%	8.34%	3.76%
8/1/1991	12.90%	8.32%	4.58%
8/16/1991	13.20%	8.29%	4.91%
9/27/1991	12.50%	8.23%	4.27%
9/30/1991	12.25%	8.23%	4.02%
10/17/1991	13.00%	8.20%	4.80%
10/23/1991	12.50%	8.20%	4.30%
10/23/1991	12.55%	8.20%	4.35%
10/31/1991	11.80%	8.19%	3.61%
11/1/1991	12.00%	8.19%	3.81%
11/5/1991	12.25%	8.19%	4.06%
11/12/1991	12.50%	8.18%	4.32%
11/12/1991	13.25%	8.18%	5.07%
11/25/1991	12.40%	8.18%	4.22%
11/26/1991	11.60%	8.18%	3.42%
11/26/1991	12.50%	8.18%	4.32%
11/27/1991	12.10%	8.18%	3.92%
12/18/1991	12.25%	8.15%	4.10%
12/19/1991	12.60%	8.15%	4.45%
12/19/1991	12.80%	8.15%	4.65%
12/20/1991	12.65%	8.14%	4.51%
1/9/1992	12.80%	8.09%	4.71%
1/16/1992	12.75%	8.07%	4.68%
1/21/1992	12.00%	8.06%	3.94%
1/22/1992	13.00%	8.06%	4.94%
1/27/1992	12.65%	8.05%	4.60%
1/31/1992	12.00%	8.04%	3.96%
2/11/1992	12.40%	8.03%	4.37%
2/25/1992	12.50%	8.01%	4.49%
3/16/1992	11.43%	7.98%	3.45%
3/18/1992	12.28%	7.98%	4.30%
4/2/1992	12.10%	7.95%	4.15%
4/9/1992	11.45%	7.94%	3.51%
4/10/1992	11.50%	7.93%	3.57%
4/14/1992	11.50%	7.93%	3.57%
5/5/1992	11.50%	7.89%	3.61%
5/12/1992	11.87%	7.88%	3.99%
5/12/1992	12.46%	7.88%	4.58%
6/1/1992	12.30%	7.87%	4.43%
6/12/1992	10.90%	7.86%	3.04%
6/26/1992	12.35%	7.85%	4.50%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
6/29/1992	11.00%	7.85%	3.15%
6/30/1992	13.00%	7.85%	5.15%
7/13/1992	11.90%	7.84%	4.06%
7/13/1992	13.50%	7.84%	5.66%
7/22/1992	11.20%	7.83%	3.37%
8/3/1992	12.00%	7.81%	4.19%
8/6/1992	12.50%	7.80%	4.70%
9/22/1992	12.00%	7.71%	4.29%
9/28/1992	11.40%	7.71%	3.69%
9/30/1992	11.75%	7.70%	4.05%
10/2/1992	13.00%	7.70%	5.30%
10/12/1992	12.20%	7.70%	4.50%
10/16/1992	13.16%	7.70%	5.46%
10/30/1992	11.75%	7.71%	4.04%
11/3/1992	12.00%	7.71%	4.29%
12/3/1992	11.85%	7.68%	4.17%
12/15/1992	11.00%	7.66%	3.34%
12/16/1992	11.90%	7.66%	4.24%
12/16/1992	12.40%	7.66%	4.74%
12/17/1992	12.00%	7.66%	4.34%
12/22/1992	12.30%	7.65%	4.65%
12/22/1992	12.40%	7.65%	4.75%
12/29/1992	12.25%	7.63%	4.62%
12/30/1992	12.00%	7.63%	4.37%
12/31/1992	11.90%	7.63%	4.27%
1/12/1993	12.00%	7.61%	4.39%
1/21/1993	11.25%	7.59%	3.66%
2/2/1993	11.40%	7.56%	3.84%
2/15/1993	12.30%	7.52%	4.78%
2/24/1993	11.90%	7.49%	4.41%
2/26/1993	11.80%	7.48%	4.32%
2/26/1993	12.20%	7.48%	4.72%
4/23/1993	11.75%	7.29%	4.46%
5/11/1993	11.75%	7.25%	4.50%
5/14/1993	11.50%	7.24%	4.26%
5/25/1993	11.50%	7.23%	4.27%
5/28/1993	11.00%	7.22%	3.78%
6/3/1993	12.00%	7.21%	4.79%
6/16/1993	11.50%	7.19%	4.31%
6/18/1993	12.10%	7.18%	4.92%
6/25/1993	11.67%	7.17%	4.50%
7/21/1993	11.38%	7.10%	4.28%
7/23/1993	10.46%	7.09%	3.37%
8/24/1993	11.50%	6.96%	4.54%
9/21/1993	10.50%	6.81%	3.69%
9/29/1993	11.47%	6.77%	4.70%
9/30/1993	11.60%	6.76%	4.84%
11/2/1993	10.80%	6.60%	4.20%
11/12/1993	12.00%	6.57%	5.43%
11/26/1993	11.00%	6.52%	4.48%
12/14/1993	10.55%	6.48%	4.07%
12/16/1993	10.60%	6.48%	4.12%
12/21/1993	11.30%	6.47%	4.83%
1/4/1994	10.07%	6.44%	3.63%
1/13/1994	11.00%	6.42%	4.58%
1/21/1994	11.00%	6.40%	4.60%
1/28/1994	11.35%	6.39%	4.96%
2/3/1994	11.40%	6.38%	5.02%
2/17/1994	10.60%	6.36%	4.24%
2/25/1994	11.25%	6.35%	4.90%
2/25/1994	12.00%	6.35%	5.65%
3/1/1994	11.00%	6.35%	4.65%
3/4/1994	11.00%	6.35%	4.65%
4/25/1994	11.00%	6.41%	4.59%
5/10/1994	11.75%	6.45%	5.30%
5/13/1994	10.50%	6.46%	4.04%
6/3/1994	11.00%	6.54%	4.46%
6/27/1994	11.40%	6.65%	4.75%
8/5/1994	12.75%	6.88%	5.87%
10/31/1994	10.00%	7.33%	2.67%
11/9/1994	10.85%	7.39%	3.46%
11/9/1994	10.85%	7.39%	3.46%
11/18/1994	11.20%	7.45%	3.75%
11/22/1994	11.60%	7.47%	4.13%
11/28/1994	11.06%	7.49%	3.57%
12/8/1994	11.50%	7.54%	3.96%
12/8/1994	11.70%	7.54%	4.16%
12/14/1994	10.95%	7.56%	3.39%
12/15/1994	11.50%	7.57%	3.93%
12/19/1994	11.50%	7.58%	3.92%
12/28/1994	12.15%	7.61%	4.54%
1/9/1995	12.28%	7.64%	4.64%
1/31/1995	11.00%	7.69%	3.31%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
2/10/1995	12.60%	7.70%	4.90%
2/17/1995	11.90%	7.70%	4.20%
3/9/1995	11.50%	7.71%	3.79%
3/20/1995	12.00%	7.72%	4.28%
3/23/1995	12.81%	7.72%	5.09%
3/29/1995	11.60%	7.72%	3.88%
4/6/1995	11.10%	7.71%	3.39%
4/7/1995	11.00%	7.71%	3.29%
4/19/1995	11.00%	7.70%	3.30%
5/12/1995	11.63%	7.68%	3.95%
5/25/1995	11.20%	7.65%	3.55%
6/9/1995	11.25%	7.60%	3.65%
6/21/1995	12.25%	7.56%	4.69%
6/30/1995	11.10%	7.52%	3.58%
9/11/1995	11.30%	7.20%	4.10%
9/27/1995	11.30%	7.12%	4.18%
9/27/1995	11.50%	7.12%	4.38%
9/27/1995	11.75%	7.12%	4.63%
9/29/1995	11.00%	7.11%	3.89%
11/9/1995	11.38%	6.90%	4.48%
11/9/1995	12.36%	6.90%	5.46%
11/17/1995	11.00%	6.86%	4.14%
12/4/1995	11.35%	6.78%	4.57%
12/11/1995	11.40%	6.74%	4.66%
12/20/1995	11.60%	6.70%	4.90%
12/27/1995	12.00%	6.66%	5.34%
2/5/1996	12.25%	6.48%	5.77%
3/29/1996	10.67%	6.42%	4.25%
4/8/1996	11.00%	6.42%	4.58%
4/11/1996	12.59%	6.43%	6.16%
4/11/1996	12.59%	6.43%	6.16%
4/24/1996	11.25%	6.43%	4.82%
4/30/1996	11.00%	6.43%	4.57%
5/13/1996	11.00%	6.44%	4.56%
5/23/1996	11.25%	6.43%	4.82%
6/25/1996	11.25%	6.48%	4.77%
6/27/1996	11.20%	6.48%	4.72%
8/12/1996	10.40%	6.57%	3.83%
9/27/1996	11.00%	6.71%	4.29%
10/16/1996	12.25%	6.76%	5.49%
11/5/1996	11.00%	6.81%	4.19%
11/26/1996	11.30%	6.83%	4.47%
12/18/1996	11.75%	6.83%	4.92%
12/31/1996	11.50%	6.83%	4.67%
1/3/1997	10.70%	6.83%	3.87%
2/13/1997	11.80%	6.82%	4.98%
2/20/1997	11.80%	6.82%	4.98%
3/31/1997	10.02%	6.80%	3.22%
4/2/1997	11.65%	6.80%	4.85%
4/28/1997	11.50%	6.81%	4.69%
4/29/1997	11.70%	6.81%	4.89%
7/17/1997	12.00%	6.77%	5.23%
12/12/1997	11.00%	6.60%	4.40%
12/23/1997	11.12%	6.57%	4.55%
2/2/1998	12.75%	6.39%	6.36%
3/2/1998	11.25%	6.29%	4.96%
3/6/1998	10.75%	6.27%	4.48%
3/20/1998	10.50%	6.22%	4.28%
4/30/1998	12.20%	6.12%	6.08%
7/10/1998	11.40%	5.94%	5.46%
9/15/1998	11.90%	5.78%	6.12%
11/30/1998	12.60%	5.58%	7.02%
12/10/1998	12.20%	5.54%	6.66%
12/17/1998	12.10%	5.52%	6.58%
2/5/1999	10.30%	5.38%	4.92%
3/4/1999	10.50%	5.34%	5.16%
4/6/1999	10.94%	5.32%	5.62%
7/29/1999	10.75%	5.52%	5.23%
9/23/1999	10.75%	5.70%	5.05%
11/17/1999	11.10%	5.90%	5.20%
1/7/2000	11.50%	6.05%	5.45%
1/7/2000	11.50%	6.05%	5.45%
2/17/2000	10.60%	6.17%	4.43%
3/28/2000	11.25%	6.20%	5.05%
5/24/2000	11.00%	6.18%	4.82%
7/18/2000	12.20%	6.16%	6.04%
9/29/2000	11.16%	6.03%	5.13%
11/28/2000	12.90%	5.89%	7.01%
11/30/2000	12.10%	5.88%	6.22%
1/23/2001	11.25%	5.79%	5.46%
2/8/2001	11.50%	5.77%	5.73%
5/8/2001	10.75%	5.62%	5.13%
6/26/2001	11.00%	5.62%	5.38%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
7/25/2001	11.02%	5.60%	5.42%
7/25/2001	11.02%	5.60%	5.42%
7/31/2001	11.00%	5.59%	5.41%
8/31/2001	10.50%	5.56%	4.94%
9/7/2001	10.75%	5.55%	5.20%
9/10/2001	11.00%	5.55%	5.45%
9/20/2001	10.00%	5.55%	4.45%
10/24/2001	10.30%	5.54%	4.76%
11/28/2001	10.60%	5.49%	5.11%
12/3/2001	12.88%	5.49%	7.39%
12/20/2001	12.50%	5.50%	7.00%
1/22/2002	10.00%	5.50%	4.50%
3/27/2002	10.10%	5.45%	4.65%
4/22/2002	11.80%	5.45%	6.35%
5/28/2002	10.17%	5.46%	4.71%
6/10/2002	12.00%	5.47%	6.53%
6/18/2002	11.16%	5.48%	5.68%
6/20/2002	11.00%	5.48%	5.52%
6/20/2002	12.30%	5.48%	6.82%
7/15/2002	11.00%	5.48%	5.52%
9/12/2002	12.30%	5.45%	6.85%
9/26/2002	10.45%	5.41%	5.04%
12/4/2002	11.55%	5.29%	6.26%
12/13/2002	11.75%	5.27%	6.48%
12/20/2002	11.40%	5.25%	6.15%
1/8/2003	11.10%	5.19%	5.91%
1/31/2003	12.45%	5.13%	7.32%
2/28/2003	12.30%	5.05%	7.25%
3/6/2003	10.75%	5.03%	5.72%
3/7/2003	9.96%	5.02%	4.94%
3/20/2003	12.00%	4.98%	7.02%
4/3/2003	12.00%	4.96%	7.04%
4/15/2003	11.15%	4.94%	6.21%
6/25/2003	10.75%	4.79%	5.96%
6/26/2003	10.75%	4.79%	5.96%
7/9/2003	9.75%	4.79%	4.96%
7/16/2003	9.75%	4.79%	4.96%
7/25/2003	9.50%	4.80%	4.70%
8/26/2003	10.50%	4.83%	5.67%
12/17/2003	9.85%	4.94%	4.91%
12/17/2003	10.70%	4.94%	5.76%
12/18/2003	11.50%	4.94%	6.56%
12/19/2003	12.00%	4.94%	7.06%
12/19/2003	12.00%	4.94%	7.06%
12/23/2003	10.50%	4.94%	5.56%
1/13/2004	12.00%	4.95%	7.05%
3/2/2004	10.75%	4.99%	5.76%
3/26/2004	10.25%	5.02%	5.23%
4/5/2004	11.25%	5.03%	6.22%
5/18/2004	10.50%	5.07%	5.43%
5/25/2004	10.25%	5.08%	5.17%
5/27/2004	10.25%	5.08%	5.17%
6/2/2004	11.22%	5.08%	6.14%
6/30/2004	10.50%	5.10%	5.40%
6/30/2004	10.50%	5.10%	5.40%
7/16/2004	11.60%	5.11%	6.49%
8/25/2004	10.25%	5.10%	5.15%
9/9/2004	10.40%	5.10%	5.30%
11/9/2004	10.50%	5.07%	5.43%
11/23/2004	11.00%	5.06%	5.94%
12/14/2004	10.97%	5.07%	5.90%
12/21/2004	11.25%	5.07%	6.18%
12/21/2004	11.50%	5.07%	6.43%
12/22/2004	10.70%	5.07%	5.63%
12/22/2004	11.50%	5.07%	6.43%
12/29/2004	9.85%	5.07%	4.78%
1/6/2005	10.70%	5.08%	5.62%
2/18/2005	10.30%	4.98%	5.32%
2/25/2005	10.50%	4.96%	5.54%
3/10/2005	11.00%	4.93%	6.07%
3/24/2005	10.30%	4.90%	5.40%
4/4/2005	10.00%	4.88%	5.12%
4/7/2005	10.25%	4.87%	5.38%
5/18/2005	10.25%	4.78%	5.47%
5/25/2005	10.75%	4.76%	5.99%
5/26/2005	9.75%	4.76%	4.99%
6/1/2005	9.75%	4.75%	5.00%
7/19/2005	11.50%	4.64%	6.86%
8/5/2005	11.75%	4.62%	7.13%
8/15/2005	10.13%	4.61%	5.52%
9/28/2005	10.00%	4.54%	5.46%
10/4/2005	10.75%	4.54%	6.21%
12/12/2005	11.00%	4.55%	6.45%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
12/13/2005	10.75%	4.55%	6.20%
12/21/2005	10.29%	4.54%	5.75%
12/21/2005	10.40%	4.54%	5.86%
12/22/2005	11.00%	4.54%	6.46%
12/22/2005	11.15%	4.54%	6.61%
12/28/2005	10.00%	4.54%	5.46%
12/28/2005	10.00%	4.54%	5.46%
1/5/2006	11.00%	4.53%	6.47%
1/27/2006	9.75%	4.52%	5.23%
3/3/2006	10.39%	4.53%	5.86%
4/17/2006	10.20%	4.61%	5.59%
4/26/2006	10.60%	4.64%	5.96%
5/17/2006	11.60%	4.69%	6.91%
6/6/2006	10.00%	4.74%	5.26%
6/27/2006	10.75%	4.80%	5.95%
7/6/2006	10.20%	4.83%	5.37%
7/24/2006	9.60%	4.86%	4.74%
7/26/2006	10.50%	4.86%	5.64%
7/28/2006	10.05%	4.86%	5.19%
8/23/2006	9.55%	4.89%	4.66%
9/1/2006	10.54%	4.90%	5.64%
9/14/2006	10.00%	4.91%	5.09%
10/6/2006	9.67%	4.92%	4.75%
11/21/2006	10.08%	4.95%	5.13%
11/21/2006	10.08%	4.95%	5.13%
11/21/2006	10.12%	4.95%	5.17%
12/1/2006	10.25%	4.95%	5.30%
12/1/2006	10.50%	4.95%	5.55%
12/7/2006	10.75%	4.95%	5.80%
12/21/2006	10.90%	4.95%	5.95%
12/21/2006	11.25%	4.95%	6.30%
12/22/2006	10.25%	4.95%	5.30%
1/5/2007	10.00%	4.95%	5.05%
1/11/2007	10.10%	4.95%	5.15%
1/11/2007	10.10%	4.95%	5.15%
1/11/2007	10.90%	4.95%	5.95%
1/12/2007	10.10%	4.95%	5.15%
1/13/2007	10.40%	4.95%	5.45%
1/19/2007	10.80%	4.94%	5.86%
3/21/2007	11.35%	4.87%	6.48%
3/22/2007	9.75%	4.86%	4.89%
5/15/2007	10.00%	4.81%	5.19%
5/17/2007	10.25%	4.81%	5.44%
5/17/2007	10.25%	4.81%	5.44%
5/22/2007	10.20%	4.80%	5.40%
5/22/2007	10.50%	4.80%	5.70%
5/23/2007	10.70%	4.80%	5.90%
5/25/2007	9.67%	4.80%	4.87%
6/15/2007	9.90%	4.82%	5.08%
6/21/2007	10.20%	4.83%	5.37%
6/22/2007	10.50%	4.83%	5.67%
6/28/2007	10.75%	4.84%	5.91%
7/12/2007	9.67%	4.86%	4.81%
7/19/2007	10.00%	4.87%	5.13%
7/19/2007	10.00%	4.87%	5.13%
8/15/2007	10.40%	4.88%	5.52%
10/9/2007	10.00%	4.91%	5.09%
10/17/2007	9.10%	4.91%	4.19%
10/31/2007	9.95%	4.90%	5.06%
11/29/2007	10.90%	4.87%	6.03%
12/6/2007	10.75%	4.86%	5.89%
12/13/2007	9.95%	4.86%	5.10%
12/14/2007	10.70%	4.86%	5.84%
12/14/2007	10.80%	4.86%	5.94%
12/19/2007	10.20%	4.86%	5.34%
12/20/2007	10.20%	4.85%	5.35%
12/20/2007	11.00%	4.85%	6.15%
12/28/2007	10.25%	4.85%	5.40%
12/31/2007	11.25%	4.85%	6.40%
1/8/2008	10.75%	4.83%	5.92%
1/17/2008	10.75%	4.81%	5.94%
1/28/2008	9.40%	4.80%	4.60%
1/30/2008	10.00%	4.79%	5.21%
1/31/2008	10.71%	4.79%	5.92%
2/29/2008	10.25%	4.75%	5.50%
3/12/2008	10.25%	4.73%	5.52%
3/25/2008	9.10%	4.68%	4.42%
4/22/2008	10.25%	4.60%	5.65%
4/24/2008	10.10%	4.60%	5.50%
5/1/2008	10.70%	4.59%	6.11%
5/19/2008	11.00%	4.56%	6.44%
5/27/2008	10.00%	4.55%	5.45%
6/10/2008	10.70%	4.54%	6.16%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
6/27/2008	10.50%	4.54%	5.98%
6/27/2008	11.04%	4.54%	6.50%
7/10/2008	10.43%	4.52%	5.91%
7/16/2008	9.40%	4.52%	4.88%
7/30/2008	10.80%	4.51%	6.29%
7/31/2008	10.70%	4.51%	6.19%
8/11/2008	10.25%	4.51%	5.74%
8/26/2008	10.18%	4.50%	5.68%
9/10/2008	10.30%	4.50%	5.80%
9/24/2008	10.65%	4.48%	6.17%
9/24/2008	10.65%	4.48%	6.17%
9/24/2008	10.65%	4.48%	6.17%
9/30/2008	10.20%	4.48%	5.72%
10/8/2008	10.15%	4.46%	5.69%
11/13/2008	10.55%	4.45%	6.10%
11/17/2008	10.20%	4.44%	5.76%
12/1/2008	10.25%	4.40%	5.85%
12/23/2008	11.00%	4.27%	6.73%
12/29/2008	10.00%	4.24%	5.78%
12/29/2008	10.20%	4.24%	5.96%
12/31/2008	10.75%	4.22%	6.53%
1/14/2009	10.50%	4.15%	6.35%
1/21/2009	10.50%	4.12%	6.38%
1/21/2009	10.50%	4.12%	6.38%
1/21/2009	10.50%	4.12%	6.38%
1/27/2009	10.76%	4.09%	6.67%
1/30/2009	10.50%	4.08%	6.42%
2/4/2009	8.75%	4.06%	4.69%
3/4/2009	10.50%	3.96%	6.54%
3/12/2009	11.50%	3.93%	7.57%
4/2/2009	11.10%	3.85%	7.25%
4/21/2009	10.61%	3.80%	6.81%
4/24/2009	10.00%	3.79%	6.21%
4/30/2009	11.25%	3.78%	7.47%
5/4/2009	10.74%	3.77%	6.97%
5/20/2009	10.25%	3.74%	6.51%
5/28/2009	10.50%	3.74%	6.76%
6/22/2009	10.00%	3.76%	6.24%
6/24/2009	10.80%	3.77%	7.03%
7/8/2009	10.63%	3.77%	6.86%
7/17/2009	10.50%	3.78%	6.72%
8/31/2009	10.25%	3.82%	6.43%
10/14/2009	10.70%	4.01%	6.69%
10/23/2009	10.88%	4.06%	6.82%
11/2/2009	10.70%	4.09%	6.61%
11/3/2009	10.70%	4.10%	6.60%
11/24/2009	10.25%	4.15%	6.10%
11/25/2009	10.75%	4.16%	6.59%
11/30/2009	10.35%	4.17%	6.18%
12/3/2009	10.50%	4.18%	6.32%
12/7/2009	10.70%	4.18%	6.52%
12/16/2009	10.90%	4.21%	6.69%
12/16/2009	11.00%	4.21%	6.79%
12/18/2009	10.40%	4.22%	6.18%
12/18/2009	10.40%	4.22%	6.18%
12/22/2009	10.20%	4.23%	5.97%
12/22/2009	10.40%	4.23%	6.17%
12/22/2009	10.40%	4.23%	6.17%
12/30/2009	10.00%	4.26%	5.74%
1/4/2010	10.80%	4.28%	6.52%
1/11/2010	11.00%	4.30%	6.70%
1/26/2010	10.13%	4.35%	5.78%
1/27/2010	10.40%	4.35%	6.05%
1/27/2010	10.40%	4.35%	6.05%
1/27/2010	10.70%	4.35%	6.35%
2/9/2010	9.80%	4.38%	5.42%
2/18/2010	10.60%	4.40%	6.20%
2/24/2010	10.18%	4.41%	5.77%
3/2/2010	9.63%	4.41%	5.22%
3/4/2010	10.50%	4.41%	6.09%
3/5/2010	10.50%	4.41%	6.09%
3/11/2010	11.90%	4.42%	7.48%
3/17/2010	10.00%	4.41%	5.59%
3/25/2010	10.15%	4.42%	5.73%
4/2/2010	10.10%	4.43%	5.67%
4/27/2010	10.00%	4.46%	5.54%
4/29/2010	9.90%	4.46%	5.44%
4/29/2010	10.06%	4.46%	5.60%
4/29/2010	10.26%	4.46%	5.80%
5/12/2010	10.30%	4.45%	5.85%
5/12/2010	10.30%	4.45%	5.85%
5/28/2010	10.10%	4.44%	5.66%
5/28/2010	10.20%	4.44%	5.76%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
6/7/2010	10.30%	4.44%	5.86%
6/16/2010	10.00%	4.44%	5.56%
6/28/2010	9.67%	4.43%	5.24%
6/28/2010	10.50%	4.43%	6.07%
6/30/2010	9.40%	4.43%	4.97%
7/1/2010	10.25%	4.43%	5.82%
7/15/2010	10.53%	4.43%	6.10%
7/15/2010	10.70%	4.43%	6.27%
7/30/2010	10.70%	4.41%	6.29%
8/4/2010	10.50%	4.41%	6.09%
8/6/2010	9.83%	4.41%	5.42%
8/25/2010	9.90%	4.37%	5.53%
9/3/2010	10.60%	4.35%	6.25%
9/14/2010	10.70%	4.33%	6.37%
9/16/2010	10.00%	4.33%	5.67%
9/16/2010	10.00%	4.33%	5.67%
9/30/2010	9.75%	4.29%	5.46%
10/14/2010	10.35%	4.24%	6.11%
10/28/2010	10.70%	4.21%	6.49%
11/2/2010	10.38%	4.20%	6.18%
11/4/2010	10.70%	4.20%	6.50%
11/19/2010	10.20%	4.18%	6.02%
11/22/2010	10.00%	4.18%	5.82%
12/1/2010	10.13%	4.16%	5.97%
12/6/2010	9.86%	4.15%	5.71%
12/9/2010	10.25%	4.15%	6.10%
12/13/2010	10.70%	4.15%	6.55%
12/14/2010	10.13%	4.15%	5.98%
12/15/2010	10.44%	4.15%	6.29%
12/17/2010	10.00%	4.15%	5.85%
12/20/2010	10.60%	4.15%	6.45%
12/21/2010	10.30%	4.14%	6.16%
12/27/2010	9.90%	4.14%	5.76%
12/29/2010	11.15%	4.14%	7.01%
1/5/2011	10.15%	4.13%	6.02%
1/12/2011	10.30%	4.12%	6.18%
1/13/2011	10.30%	4.12%	6.18%
1/18/2011	10.00%	4.12%	5.88%
1/20/2011	9.30%	4.12%	5.18%
1/20/2011	10.13%	4.12%	6.01%
1/31/2011	9.60%	4.12%	5.48%
2/3/2011	10.00%	4.12%	5.88%
2/25/2011	10.00%	4.14%	5.86%
3/25/2011	9.80%	4.18%	5.62%
3/30/2011	10.00%	4.18%	5.82%
4/12/2011	10.00%	4.21%	5.79%
4/25/2011	10.74%	4.23%	6.51%
4/26/2011	9.67%	4.23%	5.44%
4/27/2011	10.40%	4.24%	6.16%
5/4/2011	10.00%	4.24%	5.76%
5/4/2011	10.00%	4.24%	5.76%
5/24/2011	10.50%	4.27%	6.23%
6/8/2011	10.75%	4.30%	6.45%
6/16/2011	9.20%	4.32%	4.88%
6/17/2011	9.95%	4.32%	5.63%
7/13/2011	10.20%	4.36%	5.84%
8/1/2011	9.20%	4.39%	4.81%
8/8/2011	10.00%	4.38%	5.62%
8/11/2011	10.00%	4.38%	5.62%
8/12/2011	10.35%	4.37%	5.88%
8/19/2011	10.25%	4.36%	5.89%
9/2/2011	12.88%	4.32%	8.56%
9/22/2011	10.00%	4.24%	5.76%
10/12/2011	10.30%	4.14%	6.16%
10/20/2011	10.50%	4.10%	6.40%
11/30/2011	10.90%	3.87%	7.03%
11/30/2011	10.90%	3.87%	7.03%
12/14/2011	10.00%	3.80%	6.20%
12/14/2011	10.30%	3.80%	6.50%
12/20/2011	10.20%	3.76%	6.44%
12/21/2011	10.20%	3.76%	6.44%
12/22/2011	9.90%	3.75%	6.15%
12/22/2011	10.40%	3.75%	6.65%
12/23/2011	10.19%	3.74%	6.45%
1/25/2012	10.50%	3.57%	6.93%
1/27/2012	10.50%	3.56%	6.94%
2/15/2012	10.20%	3.47%	6.73%
2/23/2012	9.90%	3.44%	6.46%
2/27/2012	10.25%	3.43%	6.82%
2/29/2012	10.40%	3.41%	6.99%
3/29/2012	10.37%	3.32%	7.05%
4/4/2012	10.00%	3.30%	6.70%
4/26/2012	10.00%	3.21%	6.79%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
5/2/2012	10.00%	3.18%	6.82%
5/7/2012	9.80%	3.17%	6.63%
5/15/2012	10.00%	3.14%	6.86%
5/29/2012	10.05%	3.11%	6.94%
6/7/2012	10.30%	3.08%	7.22%
6/14/2012	9.40%	3.06%	6.34%
6/15/2012	10.40%	3.06%	7.34%
6/18/2012	9.60%	3.06%	6.54%
6/19/2012	9.25%	3.05%	6.20%
6/26/2012	10.10%	3.04%	7.06%
6/29/2012	10.00%	3.04%	6.86%
7/9/2012	10.20%	3.03%	7.17%
7/16/2012	9.80%	3.02%	6.78%
7/20/2012	9.31%	3.01%	6.30%
7/20/2012	9.81%	3.01%	6.80%
9/13/2012	9.80%	2.94%	6.86%
9/19/2012	9.80%	2.94%	6.86%
9/19/2012	10.05%	2.94%	7.11%
9/26/2012	9.50%	2.94%	6.56%
10/12/2012	9.60%	2.93%	6.67%
10/23/2012	9.75%	2.93%	6.82%
10/24/2012	10.30%	2.93%	7.37%
11/9/2012	10.30%	2.92%	7.38%
11/28/2012	10.40%	2.90%	7.50%
11/29/2012	9.75%	2.89%	6.86%
11/29/2012	9.88%	2.89%	6.99%
12/5/2012	9.71%	2.89%	6.82%
12/5/2012	10.40%	2.89%	7.51%
12/12/2012	9.80%	2.88%	6.92%
12/13/2012	9.50%	2.88%	6.62%
12/13/2012	10.50%	2.88%	7.62%
12/14/2012	10.40%	2.88%	7.52%
12/19/2012	9.71%	2.87%	6.84%
12/19/2012	10.25%	2.87%	7.38%
12/20/2012	9.50%	2.87%	6.63%
12/20/2012	9.80%	2.87%	6.93%
12/20/2012	10.25%	2.87%	7.38%
12/20/2012	10.25%	2.87%	7.38%
12/20/2012	10.30%	2.87%	7.43%
12/20/2012	10.40%	2.87%	7.53%
12/20/2012	10.45%	2.87%	7.58%
12/21/2012	10.20%	2.87%	7.33%
12/26/2012	9.80%	2.86%	6.94%
1/9/2013	9.70%	2.85%	6.85%
1/9/2013	9.70%	2.85%	6.85%
1/9/2013	9.70%	2.85%	6.85%
1/16/2013	9.60%	2.84%	6.76%
1/16/2013	9.60%	2.84%	6.76%
2/13/2013	10.20%	2.84%	7.36%
2/22/2013	9.75%	2.85%	6.90%
2/27/2013	10.00%	2.86%	7.14%
3/14/2013	9.30%	2.88%	6.42%
3/27/2013	9.80%	2.90%	6.90%
5/1/2013	9.84%	2.94%	6.90%
5/15/2013	10.30%	2.96%	7.34%
5/30/2013	10.20%	2.98%	7.22%
5/31/2013	9.00%	2.98%	6.02%
6/11/2013	10.00%	3.00%	7.00%
6/21/2013	9.75%	3.02%	6.73%
6/25/2013	9.80%	3.03%	6.77%
7/12/2013	9.36%	3.07%	6.29%
8/8/2013	9.83%	3.14%	6.69%
8/14/2013	9.15%	3.16%	5.99%
9/11/2013	10.20%	3.26%	6.94%
9/11/2013	10.25%	3.26%	6.99%
9/24/2013	10.20%	3.31%	6.89%
10/3/2013	9.65%	3.33%	6.32%
11/6/2013	10.20%	3.41%	6.79%
11/21/2013	10.00%	3.44%	6.56%
11/26/2013	10.00%	3.45%	6.55%
12/3/2013	10.25%	3.47%	6.78%
12/4/2013	9.50%	3.47%	6.03%
12/5/2013	10.20%	3.48%	6.72%
12/9/2013	8.72%	3.48%	5.24%
12/9/2013	9.75%	3.48%	6.27%
12/13/2013	9.75%	3.50%	6.25%
12/16/2013	9.95%	3.50%	6.45%
12/16/2013	9.95%	3.50%	6.45%
12/16/2013	10.12%	3.50%	6.62%
12/17/2013	9.50%	3.51%	5.99%
12/17/2013	10.95%	3.51%	7.44%
12/18/2013	8.72%	3.51%	5.21%
12/18/2013	9.80%	3.51%	6.29%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
12/19/2013	10.15%	3.51%	6.64%
12/30/2013	9.50%	3.54%	5.96%
2/20/2014	9.20%	3.68%	5.52%
2/26/2014	9.75%	3.69%	6.06%
3/17/2014	9.55%	3.72%	5.83%
3/26/2014	9.40%	3.73%	5.67%
3/26/2014	9.98%	3.73%	6.23%
4/2/2014	9.70%	3.73%	5.97%
5/16/2014	9.80%	3.70%	6.10%
5/30/2014	9.70%	3.68%	6.02%
6/6/2014	10.40%	3.67%	6.73%
6/30/2014	9.55%	3.64%	5.91%
7/2/2014	9.62%	3.64%	5.98%
7/10/2014	9.95%	3.63%	6.32%
7/23/2014	9.75%	3.61%	6.14%
7/29/2014	9.45%	3.60%	5.85%
7/31/2014	9.90%	3.60%	6.30%
8/20/2014	9.75%	3.57%	6.18%
8/25/2014	9.60%	3.56%	6.04%
8/29/2014	9.80%	3.54%	6.26%
9/11/2014	9.60%	3.51%	6.09%
9/15/2014	10.25%	3.51%	6.74%
10/9/2014	9.80%	3.45%	6.35%
11/6/2014	9.56%	3.37%	6.19%
11/6/2014	10.20%	3.37%	6.83%
11/14/2014	10.20%	3.35%	6.85%
11/26/2014	9.70%	3.33%	6.37%
11/26/2014	10.20%	3.33%	6.87%
12/4/2014	9.68%	3.31%	6.37%
12/10/2014	9.25%	3.29%	5.96%
12/10/2014	9.25%	3.29%	5.96%
12/11/2014	10.07%	3.29%	6.78%
12/12/2014	10.20%	3.28%	6.92%
12/17/2014	9.17%	3.27%	5.90%
12/18/2014	9.83%	3.26%	6.57%
1/23/2015	9.50%	3.14%	6.36%
2/24/2015	9.83%	3.04%	6.79%
3/18/2015	9.75%	2.98%	6.77%
3/25/2015	9.50%	2.96%	6.54%
3/26/2015	9.72%	2.95%	6.77%
4/23/2015	10.20%	2.87%	7.33%
4/29/2015	9.53%	2.86%	6.67%
5/1/2015	9.60%	2.85%	6.75%
5/28/2015	9.75%	2.83%	6.92%
6/17/2015	9.00%	2.82%	6.18%
6/17/2015	9.00%	2.82%	6.18%
9/2/2015	9.50%	2.79%	6.71%
9/10/2015	9.30%	2.79%	6.51%
10/15/2015	9.00%	2.81%	6.19%
11/19/2015	10.00%	2.88%	7.12%
11/19/2015	10.30%	2.88%	7.42%
12/3/2015	10.00%	2.90%	7.10%
12/9/2015	9.14%	2.90%	6.24%
12/9/2015	9.14%	2.90%	6.24%
12/11/2015	10.30%	2.90%	7.40%
12/15/2015	9.60%	2.91%	6.69%
12/17/2015	9.70%	2.91%	6.79%
12/18/2015	9.50%	2.91%	6.59%
12/30/2015	9.50%	2.93%	6.57%
1/6/2016	9.50%	2.94%	6.56%
2/23/2016	9.75%	2.94%	6.81%
3/16/2016	9.85%	2.91%	6.94%
4/29/2016	9.80%	2.83%	6.97%
6/3/2016	9.75%	2.80%	6.95%
6/8/2016	9.48%	2.80%	6.68%
6/15/2016	9.00%	2.78%	6.22%
6/15/2016	9.00%	2.78%	6.22%
7/18/2016	9.96%	2.71%	7.27%
8/9/2016	9.85%	2.66%	7.19%
8/18/2016	9.50%	2.63%	6.87%
8/24/2016	9.75%	2.62%	7.13%
9/1/2016	9.50%	2.59%	6.91%
9/8/2016	10.00%	2.58%	7.42%
9/28/2016	9.58%	2.54%	7.04%
9/30/2016	9.90%	2.53%	7.37%
11/9/2016	9.80%	2.48%	7.32%
11/10/2016	9.50%	2.48%	7.02%
11/15/2016	9.55%	2.49%	7.06%
11/18/2016	10.00%	2.50%	7.50%
11/29/2016	10.55%	2.51%	8.04%
12/1/2016	10.00%	2.51%	7.49%
12/6/2016	8.64%	2.52%	6.12%
12/6/2016	8.64%	2.52%	6.12%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
12/7/2016	10.10%	2.52%	7.58%
12/12/2016	9.60%	2.53%	7.07%
12/14/2016	9.10%	2.53%	6.57%
12/19/2016	9.00%	2.54%	6.46%
12/19/2016	9.37%	2.54%	6.83%
12/22/2016	9.60%	2.55%	7.05%
12/22/2016	9.90%	2.55%	7.35%
12/28/2016	9.50%	2.55%	6.95%
1/18/2017	9.45%	2.58%	6.87%
1/24/2017	9.00%	2.59%	6.41%
1/31/2017	10.10%	2.60%	7.50%
2/15/2017	9.60%	2.62%	6.98%
2/22/2017	9.60%	2.64%	6.96%
2/24/2017	9.75%	2.64%	7.11%
2/28/2017	10.10%	2.64%	7.46%
3/2/2017	9.41%	2.65%	6.76%
3/20/2017	9.50%	2.68%	6.82%
4/4/2017	10.25%	2.71%	7.54%
4/12/2017	9.40%	2.74%	6.66%
4/20/2017	9.50%	2.76%	6.74%
5/3/2017	9.50%	2.79%	6.71%
5/11/2017	9.20%	2.81%	6.39%
5/18/2017	9.50%	2.83%	6.67%
5/23/2017	9.70%	2.84%	6.85%
6/16/2017	9.65%	2.89%	6.76%
6/22/2017	9.70%	2.90%	6.80%
6/22/2017	9.70%	2.90%	6.80%
7/24/2017	9.50%	2.95%	6.55%
8/15/2017	10.00%	2.97%	7.03%
9/22/2017	9.60%	2.93%	6.67%
9/28/2017	9.80%	2.92%	6.88%
10/20/2017	9.50%	2.91%	6.59%
10/26/2017	10.20%	2.91%	7.29%
10/26/2017	10.25%	2.91%	7.34%
10/26/2017	10.30%	2.91%	7.39%
11/6/2017	10.25%	2.90%	7.35%
11/15/2017	11.95%	2.89%	9.08%
11/30/2017	10.00%	2.88%	7.12%
11/30/2017	10.00%	2.88%	7.12%
12/5/2017	9.50%	2.88%	6.62%
12/6/2017	8.40%	2.87%	5.53%
12/6/2017	8.40%	2.87%	5.53%
12/7/2017	9.80%	2.87%	6.93%
12/14/2017	9.60%	2.86%	6.74%
12/14/2017	9.65%	2.86%	6.79%
12/18/2017	9.50%	2.86%	6.64%
12/20/2017	9.58%	2.86%	6.72%
12/21/2017	9.10%	2.85%	6.25%
12/28/2017	9.50%	2.85%	6.65%
12/29/2017	9.51%	2.85%	6.66%
1/18/2018	9.70%	2.84%	6.86%
1/31/2018	9.30%	2.84%	6.46%
2/2/2018	9.98%	2.84%	7.14%
2/23/2018	9.90%	2.85%	7.05%
3/12/2018	9.25%	2.86%	6.39%
3/15/2018	9.00%	2.87%	6.13%
3/29/2018	10.00%	2.88%	7.12%
4/12/2018	9.90%	2.89%	7.01%
4/13/2018	9.73%	2.89%	6.84%
4/18/2018	9.25%	2.89%	6.36%
4/18/2018	10.00%	2.89%	7.11%
4/26/2018	9.50%	2.90%	6.60%
5/30/2018	9.95%	2.94%	7.01%
5/31/2018	9.50%	2.94%	6.56%
6/14/2018	8.80%	2.96%	5.84%
6/22/2018	9.50%	2.97%	6.53%
6/22/2018	9.90%	2.97%	6.93%
6/28/2018	9.35%	2.97%	6.38%
6/29/2018	9.50%	2.97%	6.53%
8/8/2018	9.53%	2.99%	6.54%
8/21/2018	9.70%	3.00%	6.70%
8/24/2018	9.28%	3.01%	6.27%
9/5/2018	9.10%	3.02%	6.08%
9/14/2018	10.00%	3.03%	6.97%
9/20/2018	9.80%	3.04%	6.76%
9/26/2018	9.77%	3.05%	6.72%
9/26/2018	10.00%	3.05%	6.95%
9/27/2018	9.30%	3.05%	6.25%
10/4/2018	9.85%	3.06%	6.79%
10/29/2018	9.60%	3.10%	6.50%
10/31/2018	9.99%	3.11%	6.88%
11/1/2018	8.69%	3.11%	5.58%
12/4/2018	8.69%	3.14%	5.55%

Date of Electric Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
12/13/2018	9.30%	3.14%	6.16%
12/14/2018	9.50%	3.14%	6.35%
12/19/2018	9.84%	3.14%	6.70%
12/20/2018	9.65%	3.14%	6.51%
12/21/2018	9.30%	3.14%	6.16%
1/9/2019	10.00%	3.14%	6.86%
2/27/2019	9.75%	3.12%	6.63%

Average: 4.66%
No. of Cases: 1,581

Expected Earnings Analysis

Company	Ticker	[1]	[2]	[3]	[4]	[5]	[6]
		Expected ROE 2021-23/ 2022-24	Shares Outstanding		Adjustment Factor	Adjusted ROE	
			2019	2021-23/ 2022-24			% Increase
ALLETE, Inc.	ALE	9.0%	52.00	53.50	0.71%	1.004	9.03%
Alliant Energy Corporation	LNT	10.5%	240.00	245.00	0.52%	1.003	10.53%
Ameren Corporation	AEE	10.5%	245.50	250.00	0.46%	1.002	10.52%
American Electric Power Company, Inc.	AEP	11.0%	495.00	515.00	1.00%	1.005	11.05%
Avangrid, Inc.	AGR	6.5%	309.00	309.00	0.00%	1.000	6.50%
Black Hills Corporation	BKH	10.0%	60.50	61.00	0.21%	1.001	10.01%
CMS Energy Corporation	CMS	14.0%	286.50	294.00	0.65%	1.003	14.05%
DTE Energy Company	DTE	11.0%	192.00	195.00	0.39%	1.002	11.02%
Duke Energy Corporation	DUK	8.5%	731.50	750.00	0.50%	1.002	8.52%
El Paso Electric Company	EE	8.5%	40.70	41.00	0.18%	1.001	8.51%
Eversource, Inc.	EVERG	9.5%	227.00	212.00	-1.69%	0.991	9.42%
Hawaiian Electric Industries, Inc.	HE	9.5%	110.00	113.00	0.67%	1.003	9.53%
NextEra Energy, Inc.	NEE	13.5%	535.00	535.00	0.00%	1.000	13.50%
NorthWestern Corporation	NWE	9.0%	50.50	51.00	0.25%	1.001	9.01%
OGE Energy Corp.	OGE	11.5%	199.70	199.70	0.00%	1.000	11.50%
Otter Tail Corporation	OTTR	11.0%	41.00	44.00	1.78%	1.009	11.10%
Pinnacle West Capital Corporation	PNW	10.5%	112.75	114.25	0.33%	1.002	10.52%
PNM Resources, Inc.	PNM	9.5%	79.65	83.00	1.04%	1.005	9.55%
Portland General Electric Company	POR	9.0%	89.40	90.00	0.17%	1.001	9.01%
Southern Company	SO	13.0%	1050.00	1090.00	0.75%	1.004	13.05%
Wisconsin Energy Corporation	WEC	12.0%	315.50	315.50	0.00%	1.000	12.00%
Xcel Energy Inc.	XEL	10.5%	518.00	533.00	0.72%	1.004	10.54%
						Median	10.52%
						Average	10.38%

Notes:

[1] Source: Value Line

[2] Source: Value Line

[3] Source: Value Line

[4] Equals $[(3) / (2)]^{(1/4)} - 1$; $[(3) / (2)]^{(1/5)} - 1$

[5] Equals $(2 \times (1 + [4])) / (2 + [4])$

[6] Equals $[1] \times [5]$

Comparison of Capital Expenditures

Company	Ticker	CAPEX/ Net Plant [1]
ALLETE, Inc.	ALE	27.26%
Alliant Energy Corporation	LNT	38.02%
Ameren Corporation	AEE	35.73%
American Electric Power Company, Inc.	AEP	38.58%
Avangrid, Inc.	AGR	29.72%
Black Hills Corporation	BKH	31.90%
CMS Energy Corporation	CMS	34.75%
DTE Energy Company	DTE	33.46%
Duke Energy Corporation	DUK	28.79%
El Paso Electric Company	EE	28.40%
Evergy, Inc	EVRG	18.33%
Hawaiian Electric Industries, Inc.	HE	28.48%
NextEra Energy, Inc.	NEE	42.75%
NorthWestern Corporation	NWE	21.86%
OGE Energy Corp.	OGE	19.98%
Otter Tail Corporation	OTTR	38.20%
Pinnacle West Capital Corporation	PNW	26.51%
PNM Resources, Inc.	PNM	27.50%
Portland General Electric Company	POR	19.35%
Southern Company	SO	22.67%
WEC Energy Group, Inc.	WEC	33.87%
Xcel Energy Inc.	XEL	31.47%
PROXY GROUP MEAN		29.89%
PROXY GROUP MEDIAN		29.25%
Dominion North Carolina Power [3]		36.37%

Notes:

[1] Source: Value Line; 3-Year Projected Capital Expenditures and 2018 Net Plant

[3] Projected Capital Expenditures provided by the Company;

Net Plant from S&P Global Market Intelligence; Represents combined Virginia and North Carolina operations

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Summary of Recently Authorized ROEs for Vertically Integrated Electric Utilities

State	Company	Docket	Date	Authorized ROE	RRA Ranking
Washington	Avista Corp.	D-UE-150204	1/6/2016	9.50%	Average / 3
Arkansas	Entergy Arkansas LLC	D-15-015-U	2/23/2016	9.75%	Average / 1
Indiana	Indianapolis Power & Light Co.	Ca-44576	3/16/2016	9.85%	Average / 1
New Mexico	El Paso Electric Co.	C-15-00127-UT	6/8/2016	9.48%	Below Average / 2
Indiana	Northern IN Public Svc Co.	Ca-44588	7/18/2016	9.98%	Average / 1
Tennessee	Kingsport Power Company	D-16-00001	8/9/2016	9.85%	Above Average / 3
Arizona	UNS Electric Inc.	D-E-04204A-15-0142	8/18/2016	9.50%	Average / 3
Washington	PacifiCorp	D-UE-152253	9/1/2016	9.50%	Average / 3
Michigan	Upper Peninsula Power Co.	C-U-17895	9/8/2016	10.00%	Above Average / 3
New Mexico	Public Service Co. of NM	C-15-00261-UT	9/28/2016	9.58%	Below Average / 2
Wisconsin	Madison Gas and Electric Co.	D-3270-UR-121 (Elec)	11/9/2016	9.80%	Above Average / 2
Oklahoma	Public Service Co. of OK	Ca-PUD201600208	11/10/2016	9.50%	Average / 3
Wisconsin	Wisconsin Power and Light Co	D-6680-UR-120 (Elec)	11/18/2016	10.00%	Above Average / 2
Florida	Florida Power & Light Co.	D-160021-EI	11/29/2016	10.55%	Above Average / 2
California	Lberty Utilities (CalPeco Elect	A-15-05-008	12/1/2016	10.00%	Average / 1
South Carolina	Duke Energy Progress LLC	D-2016-227-E	12/7/2016	10.10%	Average / 3
Colorado	Black Hills Colorado Electric	D-16AL-0326E	12/19/2016	9.27%	Average / 2
Nevada	Sierra Pacific Power Co.	D-16-06006	12/22/2016	9.60%	Average / 2
North Carolina	Virginia Electric & Power Co.	D-E-22, Sub 532	12/22/2016	9.90%	Average / 1
Idaho	Avista Corp.	C-AVU-E-16-03	12/28/2016	9.50%	Average / 2
Wyoming	MDU Resources Group Inc.	D-20004-117-ER-16	1/18/2017	9.45%	Average / 3
Michigan	DTE Electric Co.	C-U-18014	1/31/2017	10.10%	Above Average / 3
Arizona	Tucson Electric Power Co.	D-E-01933A-15-0322	2/24/2017	9.75%	Average / 3
Michigan	Consumers Energy Co.	C-U-17990	2/28/2017	10.10%	Above Average / 3
Minnesota	Otter Tail Power Co.	D-E-017/GR-15-1033	3/2/2017	9.41%	Average / 2
Oklahoma	Oklahoma Gas and Electric Co.	Ca-PUD201500273	3/20/2017	9.50%	Average / 3
Florida	Gulf Power Co.	D-160186-EI	4/4/2017	10.25%	Above Average / 2
Missouri	Kansas City Power & Light	C-ER-2016-0285	5/3/2017	9.50%	Average / 3
Minnesota	Northern States Power Co. - MN	D-E-002/GR-15-826	5/11/2017	9.20%	Average / 2
Arkansas	Oklahoma Gas and Electric Co.	D-16-052-U	5/18/2017	9.50%	Average / 1
North Dakota	MDU Resources Group Inc.	C-PU-16-666	6/16/2017	9.65%	Average / 1
Kentucky	Kentucky Utilities Co.	C-2016-00370	6/22/2017	9.70%	Average / 1
Kentucky	Louisville Gas & Electric Co.	C-2016-00371 (elec.)	6/22/2017	9.70%	Average / 1
Arizona	Arizona Public Service Co.	D-E-01345A-16-0036	8/15/2017	10.00%	Average / 3
California	San Diego Gas & Electric Co.	Advice No. 3120-E	10/26/2017	10.20%	Average / 1
California	Pacific Gas and Electric Co.	Advice No. 3887-G/5148-E	10/26/2017	10.25%	Average / 1
California	Southern California Edison Co.	Advice No. 3665-E	10/26/2017	10.30%	Average / 1
Florida	Tampa Electric Co.	D-20170210-EI	11/6/2017	10.25%	Above Average / 2
Alaska	Alaska Electric Light Power	D-U-16-085	11/15/2017	11.95%	Below Average / 1
Washington	Puget Sound Energy Inc.	D-UE-170033	12/5/2017	9.50%	Average / 3
Wisconsin	Northern States Power Co - WI	D-4220-UR-123 (Elec)	12/7/2017	9.80%	Above Average / 2
Texas	Southwestern Electric Power Co	D-46449	12/14/2017	9.60%	Average / 3
Texas	El Paso Electric Co.	D-46831	12/14/2017	9.65%	Average / 3
Oregon	Portland General Electric Co.	D-UE-319	12/18/2017	9.50%	Average / 2
New Mexico	Public Service Co. of NM	C-16-00276-UT	12/20/2017	9.58%	Below Average / 2
Vermont	Green Mountain Power Corp.	C-17-3112-INV	12/21/2017	9.10%	Average / 3
Idaho	Avista Corp.	D-AVU-E-17-01	12/28/2017	9.50%	Average / 2
Nevada	Nevada Power Co.	D-17-06003	12/29/2017	9.51%	Average / 2
Kentucky	Kentucky Power Co.	C-2017-00179	1/18/2018	9.70%	Average / 1
Oklahoma	Public Service Co. of OK	Ca-PUD201700151	1/31/2018	9.30%	Average / 3
Iowa	Interstate Power & Light Co.	D-RPU-2017-0001	2/2/2018	9.98%	Average / 1
North Carolina	Duke Energy Progress LLC	D-E-2, Sub 1142	2/23/2018	9.90%	Average / 1
Minnesota	ALLETE (Minnesota Power)	D-E-015/GR-16-664	3/12/2018	9.25%	Average / 2
Michigan	Consumers Energy Co.	C-U-18322	3/29/2018	10.00%	Above Average / 3
Michigan	Indiana Michigan Power Co.	C-U-18370	4/12/2018	9.90%	Above Average / 3
Kentucky	Duke Energy Kentucky Inc.	C-2017-00321	4/13/2018	9.73%	Average / 1
Michigan	DTE Electric Co.	C-U-18255	4/18/2018	10.00%	Above Average / 3
Washington	Avista Corp.	D-UE-170485	4/26/2018	9.50%	Average / 3
Indiana	Indiana Michigan Power Co.	Ca-44967	5/30/2018	9.95%	Average / 1
Hawaii	Hawaiian Electric Co.	D-2016-0328	6/22/2018	9.50%	Average / 2
North Carolina	Duke Energy Carolinas LLC	D-E-7, Sub 1146	6/22/2018	9.90%	Average / 1
Hawaii	Hawaii Electric Light Co	D-2015-0170	6/29/2018	9.50%	Average / 2
New Mexico	Southwestern Public Service Co	C-17-00255-UT	9/5/2018	9.10%	Below Average / 2
Wisconsin	Wisconsin Power and Light Co	D-6680-UR-121 (Elec)	9/14/2018	10.00%	Above Average / 2
Wisconsin	Madison Gas and Electric Co.	D-3270-UR-122 (Elec)	9/20/2018	9.80%	Above Average / 2
North Dakota	Otter Tail Power Co.	C-PU-17-398	9/26/2018	9.77%	Average / 1
Kansas	Westar Energy Inc.	D-18-WSEE-328-RTS	9/27/2018	9.30%	Below Average / 1
Indiana	Indianapolis Power & Light Co.	Ca-45029	10/31/2018	9.99%	Average / 1
Kansas	Kansas City Power & Light	D-18-KCPE-480-RTS	12/13/2018	9.30%	Below Average / 1
Oregon	Portland General Electric Co.	D-UE-335	12/14/2018	9.50%	Average / 2
Michigan	Consumers Energy Co.	C-U-20134	1/9/2019	10.00%	Above Average / 3
West Virginia	Appalachian Power Co.	C-18-0646-E-42T	2/27/2019	9.75%	Below Average / 2

Authorized ROE / RRA Ranking			
	Min	Max	Median
Above Average	9.80%	10.55%	10.00%
Average	9.10%	10.30%	9.60%
Below Average	9.10%	11.95%	9.53%
	Min	Max	Median
Average / 1	9.50%	10.30%	9.90%

Source: Regulatory Research Associates

Flotation Cost Adjustment

Exhibit RBH-9
Page 1 of 2

Two most recent open market common stock issuances per company, if available

Company	Date	Shares Issued	Offering Price	Underwriting Discount	Offering Expense	Net Proceeds Per Share	Total Flotation Costs	Gross Equity Issue Before Costs	Net Proceeds	Flotation Cost Percentage
Dominion Resources, Inc.	5/20/2015	2,800,000	\$71.99	\$0.0300	\$200,000	\$71.89	\$284,000	\$201,572,000	\$201,288,000	0.141%
Dominion Resources, Inc.	9/7/2004	11,000,000	\$65.20	\$0.0800	\$200,000	\$65.10	\$1,080,000	\$717,200,000	\$716,120,000	0.151%
ALLETE, Inc.	2/27/2014	3,220,000	\$49.75	\$1.7413	\$450,000	\$47.87	\$6,056,825	\$160,195,000	\$154,138,175	3.781%
ALLETE, Inc.	5/25/2001	7,475,000	\$23.68	\$0.9472	\$350,000	\$22.69	\$7,430,320	\$177,008,000	\$169,577,680	4.198%
Alliant Energy Corporation	7/1/2003	17,250,000	\$19.25	\$0.7700	\$370,000	\$18.46	\$13,652,500	\$332,062,500	\$318,410,000	4.111%
Alliant Energy Corporation	11/8/2001	9,775,000	\$28.00	\$1.0500	\$425,000	\$26.91	\$10,688,750	\$273,700,000	\$263,011,250	3.905%
Ameren Corp.	9/9/2009	21,850,000	\$25.25	\$0.7575	\$450,000	\$24.47	\$17,001,375	\$551,712,500	\$534,711,125	3.082%
Ameren Corp.	6/30/2004	10,925,000	\$42.00	\$1.2600	\$400,000	\$40.70	\$14,165,500	\$458,850,000	\$444,684,500	3.087%
American Electric Power Company, Inc.	4/1/2009	69,000,000	\$24.50	\$0.7350	\$400,000	\$23.76	\$51,115,000	\$1,690,500,000	\$1,639,385,000	3.024%
American Electric Power Company, Inc.	2/27/2003	57,500,000	\$20.95	\$0.6285	\$550,000	\$20.31	\$36,688,750	\$1,204,625,000	\$1,167,936,250	3.046%
Avangrid, Inc.	9/26/2013	5,750,000	\$37.25	\$1.3038	\$250,000	\$35.90	\$7,746,563	\$214,187,500	\$206,440,938	3.617%
Avangrid, Inc.	9/16/2010	20,355,000	\$25.75	\$1.0944	\$325,000	\$24.64	\$22,601,003	\$524,141,250	\$501,540,247	4.312%
Black Hills Corporation	11/19/2015	5,980,000	\$40.25	\$1.4088	\$1,200,000	\$38.64	\$9,624,325	\$240,695,000	\$231,070,675	3.999%
Black Hills Corporation	11/12/2010	4,600,000	\$29.75	\$1.0413	\$276,650	\$28.65	\$5,066,400	\$136,850,000	\$131,783,600	3.702%
CMS Energy Corporation	3/30/2005	23,000,000	\$12.25	\$0.4288	\$325,000	\$11.81	\$10,187,400	\$281,750,000	\$271,562,600	3.616%
CMS Energy Corporation	10/7/2004	32,775,000	\$9.10	\$0.3185	\$325,000	\$8.77	\$10,763,838	\$298,252,500	\$287,488,663	3.609%
DTE Energy Company	6/19/2002	6,325,000	\$43.25	\$1.4056	\$250,000	\$41.80	\$9,140,420	\$273,556,250	\$264,415,830	3.341%
Duke Energy Corporation	3/6/2018	21,275,000	\$74.07	\$0.0000	\$450,000	\$74.05	\$450,000	\$1,575,881,800	\$1,575,431,800	0.029%
Duke Energy Corporation	3/1/2016	10,637,500	\$72.00	\$2.1600	\$400,000	\$69.80	\$23,377,000	\$765,900,000	\$742,523,000	3.052%
Eversource Energy, Inc.	9/27/2016	60,490,000	\$26.45	\$0.7935	\$500,000	\$25.65	\$48,498,815	\$1,599,960,500	\$1,551,461,685	3.031%
Eversource Energy, Inc.	9/23/2013	8,916,000	\$31.15	\$1.0900	\$250,000	\$30.03	\$9,968,440	\$277,733,400	\$267,764,960	3.589%
Hawaiian Electric Industries, Inc.	3/18/2013	7,000,000	\$26.75	\$1.0031	\$450,000	\$25.68	\$7,471,840	\$187,250,000	\$179,778,160	3.950%
Hawaiian Electric Industries, Inc.	12/2/2008	5,750,000	\$23.00	\$0.8625	\$300,000	\$22.09	\$5,259,375	\$132,250,000	\$126,990,625	3.977%
NextEra Energy, Inc.	11/1/2016	13,800,000	\$124.00	\$0.0000	\$750,000	\$123.95	\$750,000	\$1,711,200,000	\$1,710,450,000	0.044%
NextEra Energy, Inc.	11/18/2013	11,100,000	\$88.03	\$0.0000	\$750,000	\$87.96	\$750,000	\$977,133,000	\$976,383,000	0.077%
NorthWestern Corporation	9/29/2015	1,100,000	\$51.81	\$1.3300	\$1,000,000	\$49.57	\$2,463,000	\$56,991,000	\$54,528,000	4.322%
NorthWestern Corporation	11/5/2014	7,766,990	\$51.50	\$1.8025	\$1,000,000	\$49.57	\$14,999,999	\$399,999,985	\$384,999,986	3.750%
OGE Energy Corp.	8/21/2003	5,324,074	\$21.60	\$0.7900	\$325,000	\$20.75	\$4,531,018	\$114,999,998	\$110,468,980	3.940%
Otter Tail Corporation	9/18/2008	5,175,000	\$30.00	\$1.0875	\$400,000	\$28.84	\$6,027,813	\$155,250,000	\$149,222,188	3.883%
Otter Tail Corporation	12/7/2004	3,335,000	\$25.45	\$0.9500	\$300,000	\$24.41	\$3,468,250	\$84,875,750	\$81,407,500	4.086%
Pinnacle West Capital Corporation	4/8/2010	6,900,000	\$38.00	\$1.3300	\$190,000	\$36.64	\$9,367,000	\$262,200,000	\$252,833,000	3.572%
Pinnacle West Capital Corporation	4/27/2005	6,095,000	\$42.00	\$1.3650	\$250,000	\$40.59	\$8,569,675	\$255,990,000	\$247,420,325	3.348%
PNM Resources, Inc.	12/6/2006	5,750,000	\$30.79	\$1.0780	\$250,000	\$29.67	\$6,448,500	\$177,042,500	\$170,594,000	3.642%
PNM Resources, Inc.	3/23/2005	3,910,000	\$26.76	\$0.8697	\$200,000	\$25.84	\$3,600,527	\$104,631,600	\$101,031,073	3.441%
Portland General Electric Company	6/11/2013	12,765,000	\$29.50	\$0.9588	\$600,000	\$28.49	\$12,838,444	\$376,567,500	\$363,729,056	3.409%
Portland General Electric Company	3/5/2009	12,477,500	\$14.10	\$0.4935	\$375,000	\$13.58	\$6,532,646	\$175,932,750	\$169,400,104	3.713%
Southern Company	8/16/2016	32,500,000	\$49.30	\$1.6600	\$557,000	\$47.62	\$54,507,000	\$1,602,250,000	\$1,547,743,000	3.402%
Southern Company	5/5/2016	18,300,000	\$48.60	\$2.0200	\$395,000	\$46.56	\$37,361,000	\$889,380,000	\$852,019,000	4.201%
WEC Energy Group, Inc.	11/16/2005	5,290,000	\$53.70	\$1.7450	\$0	\$51.96	\$9,231,050	\$284,073,000	\$274,841,950	3.250%
WEC Energy Group, Inc.	11/20/2003	4,025,000	\$43.00	\$1.5050	\$0	\$41.50	\$6,057,625	\$173,075,000	\$167,017,375	3.500%
Xcel Energy Inc.	8/3/2010	21,850,000	\$21.50	\$0.6450	\$600,000	\$20.83	\$14,693,250	\$469,775,000	\$455,081,750	3.128%
Xcel Energy Inc.	9/9/2008	17,250,000	\$20.25	\$0.1500	\$600,000	\$20.07	\$3,187,500	\$349,312,500	\$346,125,000	0.913%
Mean							\$12,707,208	\$497,536,019		
							WEIGHTED AVERAGE FLOTATION COSTS:		2.554%	

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Sep 26 2019

Constant Growth Discounted Cash Flow Model Adjusted for Flotation Costs - 30 Day Average Stock Price

Company	Ticker	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
		Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield Current	Adjusted for Flot. Costs	Zacks Earnings Growth	First Call Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	DCF k(e)	Flotation Adjusted DCF k(e)
ALLETE, Inc.	ALE	\$2.35	\$77.59	3.03%	3.10%	3.18%	NA	6.00%	3.50%	4.75%	7.85%	7.93%
Alliant Energy Corporation	LNT	\$1.42	\$44.35	3.20%	3.31%	3.39%	6.00%	7.25%	6.50%	6.58%	9.89%	9.98%
Ameren Corporation	AEE	\$1.90	\$69.26	2.74%	2.84%	2.92%	6.80%	7.70%	7.50%	7.33%	10.18%	10.25%
American Electric Power Company, Inc.	AEP	\$2.68	\$78.90	3.40%	3.49%	3.58%	5.70%	5.74%	4.50%	5.31%	8.80%	8.89%
Avangrid, Inc.	AGR	\$1.76	\$49.52	3.55%	3.73%	3.83%	8.40%	9.20%	12.00%	9.87%	13.60%	13.69%
Black Hills Corporation	BKH	\$2.02	\$68.04	2.97%	3.04%	3.12%	4.70%	3.63%	6.50%	4.94%	7.99%	8.07%
CMS Energy Corporation	CMS	\$1.53	\$52.29	2.93%	3.02%	3.10%	6.00%	6.89%	7.00%	6.63%	9.65%	9.73%
DTE Energy Company	DTE	\$3.78	\$117.99	3.20%	3.30%	3.38%	6.00%	4.16%	7.50%	5.89%	9.18%	9.27%
Duke Energy Corporation	DUK	\$3.71	\$87.91	4.22%	4.33%	4.44%	5.10%	4.50%	5.50%	5.03%	9.36%	9.47%
El Paso Electric Company	EE	\$1.44	\$52.55	2.74%	2.80%	2.87%	4.40%	5.10%	3.00%	4.17%	6.96%	7.04%
Evergy, Inc.	EVRG	\$1.90	\$57.28	3.32%	3.46%	3.55%	7.80%	9.30%	NMF	8.55%	12.01%	12.10%
Hawaiian Electric Industries, Inc.	HE	\$1.28	\$37.34	3.43%	3.53%	3.62%	6.20%	7.80%	3.50%	5.83%	9.36%	9.45%
NextEra Energy, Inc.	NEE	\$5.00	\$180.80	2.77%	2.88%	2.95%	7.70%	7.46%	9.00%	8.05%	10.93%	11.01%
NorthWestern Corporation	NWE	\$2.30	\$64.39	3.57%	3.62%	3.72%	3.10%	2.59%	2.50%	2.73%	6.35%	6.45%
OGE Energy Corp.	OGE	\$1.46	\$41.20	3.54%	3.64%	3.74%	5.20%	NA	6.00%	5.60%	9.24%	9.34%
Otter Tail Corporation	OTTR	\$1.40	\$48.92	2.86%	2.99%	3.07%	NA	9.00%	9.00%	9.00%	11.99%	12.07%
Pinnacle West Capital Corporation	PNW	\$2.95	\$89.04	3.31%	3.39%	3.48%	4.60%	4.16%	6.00%	4.92%	8.31%	8.40%
PNM Resources, Inc.	PNM	\$1.16	\$42.78	2.71%	2.78%	2.86%	4.70%	4.10%	7.50%	5.43%	8.22%	8.29%
Portland General Electric Company	POR	\$1.45	\$48.17	3.01%	3.07%	3.16%	4.00%	4.90%	4.00%	4.30%	7.37%	7.46%
Southern Company	SO	\$2.40	\$48.60	4.94%	5.02%	5.15%	4.50%	1.80%	3.50%	3.27%	8.29%	8.42%
WEC Energy Group, Inc.	WEC	\$2.36	\$73.45	3.21%	3.30%	3.39%	4.40%	4.59%	7.00%	5.33%	8.63%	8.72%
Xcel Energy Inc.	XEL	\$1.62	\$52.64	3.08%	3.17%	3.25%	5.90%	6.60%	5.50%	6.00%	9.17%	9.25%
PROXY GROUP MEAN											9.24%	9.33%

Notes:

The proxy group DCF result is adjusted for flotation costs by dividing each company's expected dividend yield by (1 - flotation cost). The flotation cost adjustment is derived as the difference between the unadjusted DCF result and the DCF result adjusted for flotation costs.

[1] Source: Bloomberg Professional

[2] Source: Bloomberg Professional

[3] Equals [1] / [2]

[4] Equals [3] x (1 + 0.5 x [9])

[5] Equals [4] / (1 - 0.0255)

[6] Source: Zacks

[7] Source: Yahoo! Finance

[8] Source: Value Line

[9] Equals Average([6], [7], [8])

[10] Equals [4] + [9]

[11] Equals [5] + [9]

[12] Equals average [11] - average [10]

DCF Result Adjusted For Flotation Costs: 9.33%
DCF Result Unadjusted For Flotation Costs: 9.24%
Difference (Flotation Cost Adjustment): 0.09%[12]

Recently Authorized ROEs by RRA Ranking

State	Company	Case Identification	Service	Case Type	Date	Return on Equity (%)	RRA Rank	Electric Utilities		
								Top Tier (Average/1 and higher)	Middle Tier (Average/2)	Bottom Tier (Average/3 and lower)
Washington	Avista Corp.	D-UE-150204	Electric	Vertically Integrated	1/6/2016	9.50	Average / 3			9.50
Arkansas	Entergy Arkansas LLC	D-15-015-U	Electric	Vertically Integrated	2/23/2016	9.75	Average / 3			9.75
Indiana	Indianapolis Power & Light Co.	Ca-44576	Electric	Vertically Integrated	3/16/2016	9.85	Above Average / 3	9.85		
New Mexico	El Paso Electric Co.	C-15-00127-UT	Electric	Vertically Integrated	6/8/2016	9.48	Below Average / 1			9.48
Indiana	Northern IN Public Svc Co.	Ca-44688	Electric	Vertically Integrated	7/18/2016	9.98	Above Average / 3	9.98		
Tennessee	Kingsport Power Company	D-18-00001	Electric	Vertically Integrated	8/9/2016	9.85	Average / 1	9.85		
Arizona	UNS Electric Inc.	D-E-04204A-15-0142	Electric	Vertically Integrated	8/18/2016	9.50	Average / 3			9.50
Washington	PacifiCorp	D-UE-152253	Electric	Vertically Integrated	9/1/2016	9.50	Average / 3			9.50
Michigan	Upper Peninsula Power Co.	C-U-17895	Electric	Vertically Integrated	9/8/2016	10.00	Average / 1	10.00		
New Mexico	Public Service Co. of NM	C-15-00261-UT	Electric	Vertically Integrated	9/28/2016	9.58	Below Average / 1			9.58
Wisconsin	Madison Gas and Electric Co.	D-3270-UR-121 (Elec)	Electric	Vertically Integrated	11/9/2016	9.80	Above Average / 2	9.80		
Oklahoma	Public Service Co. of OK	Ca-PUD201500208	Electric	Vertically Integrated	11/10/2016	9.50	Average / 2		9.50	
Wisconsin	Wisconsin Power and Light Co	D-6680-UR-120 (Elec)	Electric	Vertically Integrated	11/18/2016	10.00	Above Average / 2	10.00		
Florida	Florida Power & Light Co.	D-160021-EI	Electric	Vertically Integrated	11/29/2016	10.55	Above Average / 3	10.55		
California	Liberty Utilities (CalPeco Elect	A-15-05-008	Electric	Vertically Integrated	12/1/2016	10.00	Average / 1	10.00		
South Carolina	Duke Energy Progress LLC	D-2016-227-E	Electric	Vertically Integrated	12/7/2016	10.10	Average / 1	10.10		
Colorado	Black Hills Colorado Electric	D-16AL-0328E	Electric	Vertically Integrated	12/19/2016	9.37	Average / 1	9.37		
Nevada	Sierra Pacific Power Co.	D-16-06006	Electric	Vertically Integrated	12/22/2016	9.60	Average / 2		9.60	
North Carolina	Virginia Electric & Power Co.	D-E-22, Sub 532	Electric	Vertically Integrated	12/22/2016	9.90	Average / 1	9.90		
Idaho	Avista Corp.	C-AVU-E-18-03	Electric	Vertically Integrated	12/28/2016	9.50	Average / 2		9.50	
Wyoming	MDU Resources Group Inc.	D-20004-117-ER-16	Electric	Vertically Integrated	1/18/2017	9.45	Average / 2		9.45	
Michigan	DTE Electric Co.	C-U-18014	Electric	Vertically Integrated	1/31/2017	10.10	Average / 1	10.10		
Arizona	Tucson Electric Power Co.	D-E-01933A-15-0322	Electric	Vertically Integrated	2/24/2017	9.75	Average / 3			9.75
Michigan	Consumers Energy Co.	C-U-17990	Electric	Vertically Integrated	2/28/2017	10.10	Average / 1	10.10		
Minnesota	Otter Tail Power Co.	D-E-017GR-15-1033	Electric	Vertically Integrated	3/2/2017	9.41	Average / 2		9.41	
Oklahoma	Oklahoma Gas and Electric Co.	Ca-PUD201500273	Electric	Vertically Integrated	3/20/2017	9.50	Average / 2		9.50	
Florida	Gulf Power Co.	D-160186-EI	Electric	Vertically Integrated	4/4/2017	10.25	Above Average / 3	10.25		
Missouri	Kansas City Power & Light	C-ER-2016-0285	Electric	Vertically Integrated	5/3/2017	9.50	Average / 2		9.50	
Minnesota	Northern States Power Co. - MN	D-E-002GR-15-826	Electric	Vertically Integrated	5/11/2017	9.20	Average / 2		9.20	
Arkansas	Oklahoma Gas and Electric Co.	D-16-052-U	Electric	Vertically Integrated	5/18/2017	9.50	Average / 1	9.50		
North Dakota	MDU Resources Group Inc.	C-PU-18-666	Electric	Vertically Integrated	6/16/2017	9.65	Average / 1	9.65		
Kentucky	Kentucky Utilities Co.	C-2016-00370	Electric	Vertically Integrated	6/22/2017	9.70	Average / 1	9.70		
Kentucky	Louisville Gas & Electric Co.	C-2016-00371 (elec.)	Electric	Vertically Integrated	6/22/2017	9.70	Average / 1	9.70		
Arizona	Arizona Public Service Co.	D-E-01345A-16-0036	Electric	Vertically Integrated	8/15/2017	10.00	Average / 3			10.00
California	San Diego Gas & Electric Co.	Advice No. 3120-E	Electric	Vertically Integrated	10/26/2017	10.20	Above Average / 3	10.20		
California	Pacific Gas and Electric Co.	Advice No. 3887-G/5148-E	Electric	Vertically Integrated	10/26/2017	10.25	Above Average / 3	10.25		
California	Southern California Edison Co.	Advice No. 3665-E	Electric	Vertically Integrated	10/26/2017	10.30	Above Average / 3	10.30		
Florida	Tampa Electric Co.	D-20170210-EI	Electric	Vertically Integrated	11/6/2017	10.25	Above Average / 2	10.25		
Alaska	Alaska Electric Light Power	D-U-16-088	Electric	Vertically Integrated	11/15/2017	11.95	Below Average / 1			11.95
Washington	Puget Sound Energy Inc.	D-UE-170033	Electric	Vertically Integrated	12/5/2017	9.50	Average / 3			9.50
Wisconsin	Northern States Power Co - WI	D-4220-UR-123 (Elec)	Electric	Vertically Integrated	12/7/2017	9.80	Above Average / 2	9.80		
Texas	Southwestern Electric Power Co	D-46449	Electric	Vertically Integrated	12/14/2017	9.60	Average / 3			9.60
Texas	El Paso Electric Co.	D-48831	Electric	Vertically Integrated	12/14/2017	9.85	Average / 3			9.65
Oregon	Portland General Electric Co.	D-UE-319	Electric	Vertically Integrated	12/18/2017	9.50	Average / 2		9.50	
New Mexico	Public Service Co. of NM	C-16-00276-UT	Electric	Vertically Integrated	12/20/2017	9.58	Below Average / 2			9.58
Vermont	Green Mountain Power Corp.	C-17-3112-INV	Electric	Vertically Integrated	12/21/2017	9.10	Average / 2		9.10	
Idaho	Avista Corp.	C-AVU-E-17-01	Electric	Vertically Integrated	12/28/2017	9.50	Average / 2		9.50	
Nevada	Nevada Power Co.	D-17-06003	Electric	Vertically Integrated	12/29/2017	9.51	Average / 2		9.51	
Kentucky	Kentucky Power Co.	C-2017-00179	Electric	Vertically Integrated	1/18/2018	9.70	Average / 1	9.70		
Oklahoma	Public Service Co. of OK	Ca-PUD201700151	Electric	Vertically Integrated	1/31/2018	9.30	Average / 3			9.30
Iowa	Interstate Power & Light Co.	D-RPU-2017-0001	Electric	Vertically Integrated	2/2/2018	9.98	Average / 1	9.98		
North Carolina	Duke Energy Progress LLC	D-E-2, Sub 1142	Electric	Vertically Integrated	2/23/2018	9.90	Average / 1	9.90		
Minnesota	ALLETE (Minnesota Power)	D-E-015GR-16-664	Electric	Vertically Integrated	3/12/2018	9.25	Average / 2		9.25	
Michigan	Consumers Energy Co.	C-U-18322	Electric	Vertically Integrated	3/28/2018	10.00	Above Average / 3	10.00		

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Recently Authorized ROEs by RRA Ranking

State	Company	Case Identification	Service	Case Type	Date	Return on Equity (%)	RRA Rank	Electric Utilities		
								Top Tier (Average/1 and higher)	Middle Tier (Average/2)	Bottom Tier (Average/3 and lower)
Michigan	Indiana Michigan Power Co.	C-U-18370	Electric	Vertically Integrated	4/12/2018	9.90	Above Average / 3	9.90		
Kentucky	Duke Energy Kentucky Inc.	C-2017-00321	Electric	Vertically Integrated	4/13/2018	9.73	Average / 1	9.73		
Michigan	DTE Electric Co.	C-U-18255	Electric	Vertically Integrated	4/18/2018	10.00	Above Average / 3	10.00		
Washington	Avista Corp.	D-UE-170485	Electric	Vertically Integrated	4/26/2018	9.50	Average / 3			9.50
Indiana	Indiana Michigan Power Co.	Ca-44967	Electric	Vertically Integrated	5/30/2018	9.95	Average / 1	9.95		
Hawaii	Hawaiian Electric Co.	D-2016-0328	Electric	Vertically Integrated	8/22/2018	9.50	Average / 2		9.50	
North Carolina	Duke Energy Carolinas LLC	D-E-7, Sub 1146	Electric	Vertically Integrated	8/22/2018	9.90	Average / 1	9.90		
Hawaii	Hawaii Electric Light Co	D-2015-0170	Electric	Vertically Integrated	8/29/2018	9.50	Average / 2		9.50	
New Mexico	Southwestern Public Service Co	C-17-00255-UT	Electric	Vertically Integrated	9/5/2018	9.58	Below Average / 2			9.58
Wisconsin	Wisconsin Power and Light Co	D-8680-UR-121 (Elec)	Electric	Vertically Integrated	9/14/2018	10.00	Above Average / 2	10.00		
Wisconsin	Madison Gas and Electric Co.	D-3270-UR-122 (Elec)	Electric	Vertically Integrated	9/20/2018	9.80	Above Average / 2	9.80		
North Dakota	Otter Tail Power Co.	C-PU-17-398	Electric	Vertically Integrated	9/26/2018	9.77	Average / 1	9.77		
Kansas	Westar Energy Inc.	D-18-WSEE-328-RTS	Electric	Vertically Integrated	9/27/2018	9.30	Below Average / 1			9.30
Indiana	Indianapolis Power & Light Co.	Ca-45029	Electric	Vertically Integrated	10/31/2018	9.99	Average / 1	9.99		
Kansas	Kansas City Power & Light	D-18-KCPE-480-RTS	Electric	Vertically Integrated	12/13/2018	9.30	Below Average / 1			9.30
Oregon	Portland General Electric Co.	D-UE-335	Electric	Vertically Integrated	12/14/2018	9.50	Average / 2		9.50	
Michigan	Consumers Energy Co.	C-U-20134	Electric	Vertically Integrated	1/9/2019	10.00	Above Average / 3	10.00		
West Virginia	Appalachian Power Co.	C-18-0646-E-42T	Electric	Vertically Integrated	2/27/2019	9.75	Below Average / 2			9.75
Oklahoma	Public Service Co. of OK	Ca-PUD201800097	Electric	Vertically Integrated	3/14/2019	9.40	Average / 3			9.40
Kentucky	Kentucky Utilities Co.	C-2018-00294	Electric	Vertically Integrated	4/30/2019	9.73	Average / 1	9.73		
Kentucky	Louisville Gas & Electric Co.	C-2018-00295 (elec.)	Electric	Vertically Integrated	4/30/2019	9.73	Average / 1	9.73		
South Carolina	Duke Energy Carolinas LLC	D-2018-319-E	Electric	Vertically Integrated	5/1/2019	9.50	Average / 3			9.50
Michigan	DTE Electric Co.	C-U-20162	Electric	Vertically Integrated	5/2/2019	10.00	Above Average / 3	10.00		
South Carolina	Duke Energy Progress LLC	D-2018-318-E	Electric	Vertically Integrated	5/8/2019	9.50	Average / 3			9.50
South Dakota	Otter Tail Power Co.	D-EL18-021	Electric	Vertically Integrated	5/14/2019	8.75	Average / 2		8.75	
Hawaii	Maui Electric Company Ltd	D-2017-0150	Electric	Vertically Integrated	5/16/2019	9.50	Average / 2		9.50	
Michigan	Upper Peninsula Power Co.	C-U-20276	Electric	Vertically Integrated	5/23/2019	9.90	Above Average / 3	9.90		
Total Cases						81		41	18	22
Mean						9.74		9.93	9.40	9.66
Median						9.70		9.95	9.50	9.50
Maximum						11.95		10.55	9.60	11.95
Minimum						8.75		9.37	8.75	9.30
2019 Mean						9.61				
2019 Median						9.73				

Source: Regulatory Research Associates

I/A

Recently Authorized ROEs by RRA Ranking

State	Company	Case Identification	Service	Case Type	Date	Return on Equity (%)	RRA Rank	Electric Utilities		
								Top Tier (Average/1 and higher)	Middle Tier (Average/2)	Bottom Tier (Average/3 and lower)
Washington	Avista Corp.	D-UE-150204	Electric	Vertically Integrated	1/8/2016	9.50	Average / 3			9.50
Arkansas	Entergy Arkansas LLC	D-15-015-U	Electric	Vertically Integrated	2/23/2016	9.75	Average / 3			9.75
Indiana	Indianapolis Power & Light Co.	Ca-44576	Electric	Vertically Integrated	3/16/2016	9.85	Above Average / 3	9.85		
New Mexico	El Paso Electric Co.	C-15-00127-UT	Electric	Vertically Integrated	6/8/2016	9.48	Below Average / 1			9.48
Indiana	Northern IN Public Svc Co.	Ca-44688	Electric	Vertically Integrated	7/18/2016	9.98	Above Average / 3	9.98		
Tennessee	Kingsport Power Company	D-16-00001	Electric	Vertically Integrated	8/9/2016	9.85	Average / 1	9.85		
Arizona	UNS Electric Inc.	D-E-04204A-15-0142	Electric	Vertically Integrated	8/18/2016	9.50	Average / 3			9.50
Washington	PacificCorp	D-UE-152253	Electric	Vertically Integrated	9/1/2016	9.50	Average / 3			9.50
Michigan	Upper Peninsula Power Co.	C-U-17895	Electric	Vertically Integrated	9/8/2016	10.00	Average / 1	10.00		
New Mexico	Public Service Co. of NM	C-15-00261-UT	Electric	Vertically Integrated	9/28/2016	9.58	Below Average / 1			9.58
Wisconsin	Madison Gas and Electric Co.	D-3270-UR-121 (Elec)	Electric	Vertically Integrated	11/9/2016	9.80	Above Average / 2	9.80		
Oklahoma	Public Service Co. of OK	Ca-PUD201500208	Electric	Vertically Integrated	12/1/2016	9.50	Average / 2		9.50	
Wisconsin	Wisconsin Power and Light Co	D-6680-UR-120 (Elec)	Electric	Vertically Integrated	11/18/2016	10.00	Above Average / 2	10.00		
Florida	Florida Power & Light Co.	D-160021-EI	Electric	Vertically Integrated	11/29/2016	10.55	Above Average / 3	10.55		
California	Liberty Utilities (CalPeco Elect	A-15-05-008	Electric	Vertically Integrated	12/1/2016	10.00	Average / 1	10.00		
South Carolina	Duke Energy Progress LLC	D-2016-227-E	Electric	Vertically Integrated	12/7/2016	10.10	Average / 1	10.10		
Colorado	Black Hills Colorado Electric	D-16AL-0326E	Electric	Vertically Integrated	12/19/2016	9.37	Average / 1	9.37		
Nevada	Sierra Pacific Power Co.	D-16-06006	Electric	Vertically Integrated	12/22/2016	9.60	Average / 2		9.60	
North Carolina	Virginia Electric & Power Co.	D-E-22, Sub 532	Electric	Vertically Integrated	12/22/2016	9.90	Average / 1	9.90		
Idaho	Avista Corp.	C-AVU-E-16-03	Electric	Vertically Integrated	12/28/2016	9.50	Average / 2			
Wyoming	MDU Resources Group Inc.	D-20004-117-ER-16	Electric	Vertically Integrated	11/18/2017	9.45	Average / 2		9.45	
Michigan	DTE Electric Co.	C-U-18014	Electric	Vertically Integrated	1/31/2017	10.10	Average / 1	10.10		
Arizona	Tucson Electric Power Co.	D-E-01933A-15-0322	Electric	Vertically Integrated	2/24/2017	9.75	Average / 3			9.75
Michigan	Consumers Energy Co.	C-U-17990	Electric	Vertically Integrated	2/28/2017	10.10	Average / 1	10.10		
Minnesota	Otter Tail Power Co.	D-E-017/GR-15-1033	Electric	Vertically Integrated	3/2/2017	9.41	Average / 2		9.41	
Oklahoma	Oklahoma Gas and Electric Co.	Ca-PUD201500273	Electric	Vertically Integrated	3/20/2017	9.50	Average / 2		9.50	
Florida	Gulf Power Co.	D-160186-EI	Electric	Vertically Integrated	4/4/2017	10.25	Above Average / 3	10.25		
Missouri	Kansas City Power & Light	C-ER-2016-0285	Electric	Vertically Integrated	5/3/2017	9.50	Average / 2		9.50	
Minnesota	Northern States Power Co. - MN	D-E-002/GR-15-826	Electric	Vertically Integrated	5/11/2017	9.20	Average / 2		9.20	
Arkansas	Oklahoma Gas and Electric Co.	D-16-052-U	Electric	Vertically Integrated	5/18/2017	9.50	Average / 1	9.50		
North Dakota	MDU Resources Group Inc.	C-PU-16-666	Electric	Vertically Integrated	6/16/2017	9.65	Average / 1	9.65		
Kentucky	Kentucky Utilities Co.	C-2016-00370	Electric	Vertically Integrated	6/22/2017	9.70	Average / 1	9.70		
Kentucky	Louisville Gas & Electric Co.	C-2016-00371 (elec.)	Electric	Vertically Integrated	6/22/2017	9.70	Average / 1	9.70		
Arizona	Arizona Public Service Co.	D-E-01345A-16-0036	Electric	Vertically Integrated	8/15/2017	10.00	Average / 3			10.00
California	San Diego Gas & Electric Co.	Advice No. 3120-E	Electric	Vertically Integrated	10/26/2017	10.20	Above Average / 3	10.20		
California	Pacific Gas and Electric Co.	Advice No. 3887-G/5148-E	Electric	Vertically Integrated	10/26/2017	10.25	Above Average / 3	10.25		
California	Southern California Edison Co.	Advice No. 3665-E	Electric	Vertically Integrated	10/26/2017	10.30	Above Average / 3	10.30		
Florida	Tampa Electric Co.	D-20170210-EI	Electric	Vertically Integrated	11/6/2017	10.25	Above Average / 2	10.25		
Alaska	Alaska Electric Light Power	D-U-16-086	Electric	Vertically Integrated	11/15/2017	11.95	Below Average / 1			11.95
Washington	Puget Sound Energy Inc.	D-UE-170033	Electric	Vertically Integrated	12/5/2017	9.50	Average / 3			9.50
Wisconsin	Northern States Power Co - WI	D-4220-UR-123 (Elec)	Electric	Vertically Integrated	12/7/2017	9.80	Above Average / 2	9.80		
Texas	Southwestern Electric Power Co	D-46449	Electric	Vertically Integrated	12/14/2017	9.60	Average / 3			9.60
Texas	El Paso Electric Co.	D-46831	Electric	Vertically Integrated	12/14/2017	9.65	Average / 3			9.65
Oregon	Portland General Electric Co.	D-UE-319	Electric	Vertically Integrated	12/18/2017	9.50	Average / 2		9.50	
New Mexico	Public Service Co. of NM	C-16-00276-UT	Electric	Vertically Integrated	12/20/2017	9.58	Below Average / 2			9.58
Vermont	Green Mountain Power Corp.	C-17-3112-INV	Electric	Vertically Integrated	12/21/2017	9.10	Average / 2		9.10	
Idaho	Avista Corp.	C-AVU-E-17-01	Electric	Vertically Integrated	12/28/2017	9.50	Average / 2		9.50	
Nevada	Nevada Power Co.	D-17-06003	Electric	Vertically Integrated	12/29/2017	9.51	Average / 2		9.51	
Kentucky	Kentucky Power Co.	C-2017-00179	Electric	Vertically Integrated	1/18/2018	9.70	Average / 1	9.70		
Oklahoma	Public Service Co. of OK	Ca-PUD201700151	Electric	Vertically Integrated	1/31/2018	9.30	Average / 3			9.30
Iowa	Interstate Power & Light Co.	D-RPU-2017-0001	Electric	Vertically Integrated	2/2/2018	9.98	Average / 1	9.98		

Recently Authorized ROEs by RRA Ranking

State	Company	Case Identification	Service	Case Type	Date	Return on Equity (%)	RRA Rank	Electric Utilities		
								Top Tier (Average/1 and higher)	Middle Tier (Average/2)	Bottom Tier (Average/3 and lower)
North Carolina	Duke Energy Progress LLC	D-E-2, Sub 1142	Electric	Vertically Integrated	2/23/2018	9.80	Average / 1	9.90		
Minnesota	ALLETE (Minnesota Power)	D-E-015/GR-16-664	Electric	Vertically Integrated	3/12/2018	9.25	Average / 2		9.25	
Michigan	Consumers Energy Co.	C-U-18322	Electric	Vertically Integrated	3/29/2018	10.00	Above Average / 3	10.00		
Michigan	Indiana Michigan Power Co.	C-U-18370	Electric	Vertically Integrated	4/12/2018	9.90	Above Average / 3	9.90		
Kentucky	Duke Energy Kentucky Inc.	C-2017-00321	Electric	Vertically Integrated	4/13/2018	9.73	Average / 1	9.73		
Michigan	DTE Electric Co.	C-U-18255	Electric	Vertically Integrated	4/18/2018	10.00	Above Average / 3	10.00		
Washington	Avista Corp.	D-UE-170485	Electric	Vertically Integrated	4/26/2018	9.50	Average / 3			9.50
Indiana	Indiana Michigan Power Co.	Ca-44967	Electric	Vertically Integrated	5/30/2018	9.95	Average / 1	9.95		
Hawaii	Hawaiian Electric Co.	D-2016-0328	Electric	Vertically Integrated	6/22/2018	9.50	Average / 2		9.50	
North Carolina	Duke Energy Carolinas LLC	D-E-7, Sub 1146	Electric	Vertically Integrated	6/22/2018	9.90	Average / 1	9.90		
Hawaii	Hawaii Electric Light Co.	D-2015-0170	Electric	Vertically Integrated	6/29/2018	9.50	Average / 2		9.50	
New Mexico	Southwestern Public Service Co.	C-17-00255-UT	Electric	Vertically Integrated	9/5/2018	9.56	Below Average / 2			9.56
Wisconsin	Wisconsin Power and Light Co.	D-6680-UR-121 (Elec)	Electric	Vertically Integrated	9/14/2018	10.00	Above Average / 2	10.00		
Wisconsin	Madison Gas and Electric Co.	D-3270-UR-122 (Elec)	Electric	Vertically Integrated	9/20/2018	9.80	Above Average / 2	9.80		
North Dakota	Otter Tail Power Co.	C-PU-17-398	Electric	Vertically Integrated	9/26/2018	9.77	Average / 1	9.77		
Kansas	Westar Energy Inc.	D-18-WSEE-328-RTS	Electric	Vertically Integrated	9/27/2018	9.30	Below Average / 1			9.30
Indiana	Indianapolis Power & Light Co.	Ca-45029	Electric	Vertically Integrated	10/31/2018	9.99	Average / 1	9.99		
Kansas	Kansas City Power & Light	D-18-KCPE-480-RTS	Electric	Vertically Integrated	12/13/2018	9.30	Below Average / 1			9.30
Oregon	Portland General Electric Co.	D-UE-335	Electric	Vertically Integrated	12/14/2018	9.50	Average / 2		9.50	
Michigan	Consumers Energy Co.	C-U-20134	Electric	Vertically Integrated	1/9/2019	10.00	Above Average / 3	10.00		
West Virginia	Appalachian Power Co.	C-18-0646-E-42T	Electric	Vertically Integrated	2/27/2019	9.75	Below Average / 2			9.75
Oklahoma	Public Service Co. of OK	Ca-PUD201800097	Electric	Vertically Integrated	3/14/2019	9.40	Average / 3			9.40
Kentucky	Kentucky Utilities Co.	C-2018-00294	Electric	Vertically Integrated	4/30/2019	9.73	Average / 1	9.73		
Kentucky	Louisville Gas & Electric Co.	C-2018-00295 (elec.)	Electric	Vertically Integrated	4/30/2019	9.73	Average / 1	9.73		
South Carolina	Duke Energy Carolinas LLC	D-2018-319-E	Electric	Vertically Integrated	5/1/2019	9.50	Average / 3			9.50
Michigan	DTE Electric Co.	C-U-20162	Electric	Vertically Integrated	5/2/2019	10.00	Above Average / 3	10.00		
South Carolina	Duke Energy Progress LLC	D-2018-318-E	Electric	Vertically Integrated	5/8/2019	9.50	Average / 3			9.50
South Dakota	Otter Tail Power Co.	D-EL18-021	Electric	Vertically Integrated	5/14/2019	8.75	Average / 2		8.75	
Hawaii	Maui Electric Company Ltd	D-2017-0150	Electric	Vertically Integrated	5/16/2019	9.50	Average / 2		9.50	
Michigan	Upper Peninsula Power Co.	C-U-20276	Electric	Vertically Integrated	5/23/2019	9.90	Above Average / 3	9.90		
Total Cases						81		41	18	22
Mean						9.74		9.93	9.40	9.66
Median						9.70		9.95	9.50	9.50
Maximum						11.95		10.55	9.60	11.95
Minimum						8.75		9.37	8.75	9.30
2019 Mean						9.61				
2019 Median						9.73				

Source: Regulatory Research Associates

AGO Hevert Cross-Examination Exhibit 1
COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, NOVEMBER 29, 2017

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2017-00038

For the determination of the fair
rate of return on common equity to be
applied to its rate adjustment clauses

FINAL ORDER

On March 31, 2017, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for the determination of the fair rate of return on common equity ("ROE") to be applied to its rate adjustment clauses ("RACs") for the next two years pursuant to § 56-585.1:1 of the Code of Virginia ("Code").¹ Enacted in 2015, this provision of the Code requires that:

Commencing in 2017 and concluding in 2019, the State Corporation Commission, after notice and opportunity for a hearing, shall conduct a proceeding every two years to determine the fair rate of return on common equity to be used by a Phase II Utility as the general rate of return applicable to rate adjustment clauses under subdivisions A 5 or A 6 of § 56-585.1. A Phase II [U]tility's filing in such proceedings shall be made on or before March 31 of 2017 and 2019.²

The Company requests that the Commission approve an ROE of 10.5% for Dominion's RACs approved under Subdivision A 5 or A 6 of Code § 56-585.1, to be applied prospectively,

¹ Ex. 2 (Application) at 1.

² Code § 56-585.1:1 C 2. Dominion is a Phase II Utility. See Code § 56-585.1 A 1.

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effective with the date of the Commission's final order in this proceeding.³ Dominion currently has a total of nine RACs subject to the ROE to be determined in this proceeding.⁴

On April 21, 2017, the Commission issued an Order for Notice and Hearing that, among other things, docketed the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on or participate in the proceeding; and scheduled a public hearing. Notices of participation were filed in this proceeding by the Virginia Committee for Fair Utility Rates ("Committee") and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). On July 26, 2017, Consumer Counsel filed the testimony and exhibits of its witness. On August 9, 2017, the Commission's Staff ("Staff") filed the testimony and exhibits of its witness. On August 23, 2017, the Company filed rebuttal testimony. No public comments were received on the Application.

The Commission convened a hearing, as scheduled, on September 6, 2017. No public witnesses appeared to testify at the hearing. The Company, the Committee, Consumer Counsel and Staff participated at the hearing. During the hearing, the Commission received testimony from witnesses on behalf of the participants, admitted evidence on the Application, and received closing argument from counsel.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

As noted above, the sole purpose of this case is a determination of the fair ROE to be used by Dominion as the general return applicable to RACs under subdivisions A 5 or A 6 of

³ Ex. 2 (Application) at 4.

⁴ Dominion's RACs, and subsequent revisions thereto, approved under these statutes include Riders B, BW, C1/C2, GV, R, S, U, US-2, and W.

Code § 56-585.1 A.⁵ "Such fair rate of return shall be calculated pursuant to the methodology set forth in subdivisions A 2 a and b of § 56-585.1. . . ."⁶ Thus, the Commission follows a similar process in determining a fair ROE herein as has been done in prior proceedings using the methodology set forth in Code § 56-585.1 A 2 a and b. First, the Commission determines the market cost of equity. Next, the statutory peer group ROE floor is applied.

Market Cost of Equity

Company witness Hevert calculated Dominion's cost of equity to be between 10.25% and 10.75% and determined that, considering the economic requirements necessary to support continuous access to capital, an ROE of 10.5% represents Dominion's cost of equity.⁷ Consumer Counsel witness Woolridge calculated Dominion's market cost of equity to be between 7.6% and 8.75% and determined that 8.75% represents Dominion's market cost of equity.⁸ Staff witness Oliver calculated Dominion's market cost of equity to be between 8.25% and 9.25% and determined that establishing the Company's cost of capital at 9.1% was appropriate.⁹ The Committee examined the testimony presented by Company witness Hevert, Staff witness Oliver, and Consumer Counsel witness Woolridge and recommended that the Commission adopt a market cost of equity that is no higher than the 9.1% recommended by Staff witness Oliver.¹⁰

The Commission finds that a market cost of equity within a range of 8.5% and 9.5% fairly represents the actual cost of equity in capital markets for companies comparable in risk to

⁵ Code § 56-585.1:1 C 2.

⁶ Code § 56-585.1:1 C 3.

⁷ Ex. 3 (Hevert Direct) at 4-50, 54-56.

⁸ Ex. 4 (Woolridge Direct) at 1-82.

⁹ Ex. 5 (Oliver Direct) at 1-16, 24-34.

¹⁰ See Tr. 18.

Dominion seeking to attract equity capital. Furthermore, under the circumstances of this case and for purposes of implementing Code § 56-585.1:1, the Commission finds that using a cost of equity of 9.2% is fair and reasonable for these purposes. The Commission concludes that this return is supported by the evidence in the record, results in a fair and reasonable ROE, and satisfies the following constitutional standards as stated by Staff witness Oliver: "maintenance of financial integrity, the ability to attract capital on reasonable terms, and earnings commensurate with returns on investments of comparable risk."¹¹ Conversely, the Commission further finds that Dominion's proposed cost of equity of 10.25% to 10.75% represents neither the actual cost of equity in the marketplace nor a reasonable ROE for the Company.

We conclude that a market cost of equity of 9.2% is supported by reasonable proxy groups, growth rates, discounted cash flow ("DCF") methods, and risk premium analyses.¹² Indeed, we conclude that the evidence supports a market cost of equity at the midpoint of the range, *i.e.*, 9.0%. We find that approving an ROE above the midpoint of the range found reasonable (9.2%) is supported by the concept of gradualism in ROE determinations.

While the market cost of equity approved herein is supported by reasonable proxy groups, growth rates, DCF methods, risk premium analyses, and gradualism in ROE determinations, the Commission finds that Dominion's proposed market cost of equity of 10.5% is not supported by reasonable growth rates, DCF methods or risk premium analyses. For example, the Company continues to use only earnings per share as the measure of growth in its DCF model.¹³ As the Commission has previously stated, using only earnings per share as the

¹¹ Ex. 5 (Oliver Direct) at 4.

¹² *See, e.g.*, Ex. 5 (Oliver Direct) at 4-16, 24-34; Ex. 4 (Woolridge Direct) at 1-82.

¹³ Ex. 3 (Hevert Direct) at 19-21; Ex. 4 (Woolridge Direct) at 68-70; Ex. 5 (Oliver Direct) at 26-27; Tr. 166-67.

Further, we reject claims that certain business risks facing Dominion warrant a 10.5% ROE.¹⁹ For example, while Company witness Hevert claims that risks associated with the Company's anticipated capital expenditures warrant a 10.5% ROE, of the approximately \$8.5 billion of additional planned capital expenditures the Company anticipates making, the record indicates that Dominion plans to recover over \$5 billion of this projected amount through RACs, which permit the timely and current recovery of all reasonable and prudent costs on a dollar-for-dollar basis.²⁰

Dominion suggests that its ROE should not be any lower than 9.4%.²¹ The Commission first approved an ROE of 9.4% for Dominion in a February 16, 2017 Order issued in Case Nos. PUE-2016-00059, PUE-2016-00060, PUE-2016-00061, PUE-2016-00062 and PUE-2016-00063.²² The midpoint of the range found reasonable in those cases was 9.0%. The Commission, however, did not direct an ROE of 9.0% but, rather, approved 9.4% based on the concept of gradualism in ROE cases. In addition, the Commission's decision in those proceedings was based on the record of evidence presented there, which reflects earlier financial data. For example, in those proceedings Staff and the Company relied upon financial data from late 2016.²³ In contrast, in the instant case, the Company updated its ROE results with financial data through July 2017.²⁴ Moreover, the record presented in this proceeding shows that

¹⁹ Ex. 3 (Hevert Direct) at 30-37; Ex. 5 (Oliver Direct) at 31-34.

²⁰ Ex. 3 (Hevert Direct) at 30-31; Ex. 5 (Oliver Direct) at 31.

²¹ Tr. 17.

²² See, e.g., *Application of Virginia Electric and Power Company d/b/a Dominion Virginia Power, For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center*, Case No. PUE-2016-00062, Doc. Con. Cen. No. 170220479, Order (Feb. 16, 2017).

²³ *Id.* at 11-12.

²⁴ See, e.g., Ex. 9 (Hevert Rebuttal) at Schedule 1.

Dominion's updated ROE results reflect a reduction in most of the values in its DCF, CAPM and risk premium results.²⁵

Statutory Peer Group

Code § 56-585.1:1 C 3 states that Dominion's ROE "shall be calculated pursuant to the methodology set forth in subdivisions A 2 a and b of § 56-585.1...." Subdivisions A 2 a and b of Code § 56-585.1 require that the Commission calculate a statutory floor below which the authorized ROE cannot be set. Specifically, the Code states in relevant part:

a. The Commission may use any methodology to determine such return it finds consistent with the public interest, but such return shall not be set lower than the average of the returns on common equity reported to the Securities and Exchange Commission for the three most recent annual periods for which such data are available by not less than a majority, selected by the Commission as specified in subdivision 2 b, of other investor-owned electric utilities in the peer group of the utility subject to such biennial review, nor shall the Commission set such return more than 300 basis points higher than such average.

b. In selecting such majority of peer group investor-owned electric utilities, the Commission shall first remove from such group the two utilities within such group that have the lowest reported returns of the group, as well as the two utilities within such group that have the highest reported returns of the group, and the Commission shall then select a majority of the utilities remaining in such peer group. In its final order regarding such biennial review, the Commission shall identify the utilities in such peer group it selected for the calculation of such limitation. For purposes of this subdivision, an investor-owned electric utility shall be deemed part of such peer group if (i) its principal operations are conducted in the southeastern United States east of the Mississippi River in either the states of West Virginia or Kentucky or in those states south of Virginia, excluding the state of Tennessee, (ii) it is a vertically-integrated electric utility providing generation, transmission and distribution services whose facilities and operations are subject to state public utility regulation in the state where its principal operations are conducted, (iii) it had a long-term bond rating assigned by Moody's Investors Service of at least Baa at the end of the most recent test period subject to such biennial review, and (iv) it is not an affiliate of the utility subject to such biennial review.

²⁵ Ex. 3 (Hevert Direct) at 23, 27, 30; Ex. 9 (Hevert Rebuttal) at 96.

The participants differed on which utilities should be included in the statutory peer group in this proceeding. First, Dominion excluded Mississippi Power Company ("Mississippi Power") from the statutory peer group solely because "its Moody's long term bond rating (Ba1) has dropped below the required level of at least Baa."²⁶ Staff and Consumer Counsel included Mississippi Power in their statutory peer group analyses because "Mississippi Power had a Moody's long-term bond rating of Baa3 at the end of the test period."²⁷

Code § 56-585.1 A 2 b mandates that "an investor-owned electric utility shall be deemed part of such peer group if ... (iii) it had a long-term bond rating assigned by Moody's Investors Service of at least Baa at the end of the most recent test period subject to such biennial review...." Code § 56-585.1:1 C 3 states that the ROE "shall be calculated [utilizing] ... a 12-month test period ending December 31 immediately preceding the year in which the proceeding is conducted." Factually, December 31, 2014, is "the end of the most recent test period subject to [a] biennial review"²⁸ for Dominion. Calendar year 2016 is the "12-month test period ending December 31 immediately preceding the year in which the [present] proceeding is conducted."²⁹ Notably, under either plain language interpretation identified above, Mississippi Power's downgrade would not affect its inclusion in the statutory peer group because the downgrade occurred on March 1, 2017, which is clearly after the end of either review period.³⁰ The Commission therefore finds that, for purposes of this proceeding, Mississippi Power shall be considered part of the peer group.

²⁶ Ex. 2 (Application) at Filing Schedule 45 - Statement 3A.

²⁷ Ex 4 (Woolridge Direct) at 86. *See also* Ex. 5 (Oliver Direct) at 19-20.

²⁸ Code § 56-585.1 A 2 b.

²⁹ Code § 56-585.1:1 C 3.

³⁰ Ex 4 (Woolridge Direct) at 86; Ex. 5 (Oliver Direct) at 19; Tr. 132.

The participants also differed on whether APCo should be considered part of the peer group. Staff and Consumer Counsel included APCo in their proposed peer groups, while Dominion excluded APCo from its proposed peer group.³¹ However, as discussed below, we have selected a statutory floor majority that is lower than the ROE approved herein regardless of whether APCo is included as part of the total peer group; thus, we need not address APCo's inclusion or exclusion as part of this proceeding.

The majority that the Commission selects had, on average, a return on average equity close to the ROE found fair and reasonable herein.³² This results in a statutory floor below the ROE approved herein.³³ The Commission concludes that the specific majority chosen herein is reasonable and does not violate any constitutional or statutory provision.³⁴

³¹ Ex. 3 (Hevert Direct) at 51-54; Ex 4 (Woolridge Direct) at 85-86; Ex. 5 (Oliver Direct) at 18-19; Ex. 9 (Hevert Rebuttal) at 55-56, 95.

³² Based upon the facts in this case, the Commission finds that it is reasonable to utilize returns on average equity for this purpose.

³³ The statutory floor without APCo in the peer group is 9.09% and is comprised of the following companies: Entergy Mississippi, Inc., Louisville Gas & Electric Company, Duke Energy Progress, Inc., South Carolina Electric & Gas Company, and Duke Energy Carolinas, LLC. The statutory floor with APCo in the peer group is 9.07% and is comprised of the following companies: Entergy Mississippi, Inc., Louisville Gas & Electric Company, Duke Energy Progress, Inc., South Carolina Electric & Gas Company, Duke Energy Carolinas, LLC, and APCo. *See* Ex. 5 (Oliver Direct) at Schedule 12.

³⁴ The Code clearly leaves the selection of the "majority" to the Commission's discretion. If the General Assembly wanted the Commission to apply a particular approach or evaluation methodology in selecting a majority, it could have directed as such; it did not. As the Commission has previously determined, it is reasonable in this proceeding to select a majority that has an earned return that is close to the market cost of equity capital found fair and consistent with the public interest herein. The Commission does not, and need not, find that this is the only majority that is reasonable. *See, e.g., Application of Virginia Electric and Power Company, For a 2013 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUE-2013-00020, 2013 S.C.C. Ann. Rept. 371, 375-76, Final Order (Nov. 26, 2013).

In sum, the Commission concludes that the fair ROE in this proceeding for Dominion is 9.2%.³⁵ The Commission finds that this ROE is supported by the record, is fair and reasonable to the Company within the meaning of the Code, permits the attraction of capital on reasonable terms, fairly compensates investors for the risks assumed, enables the Company to maintain its financial integrity, and satisfies all applicable constitutional standards.

Accordingly, IT IS SO ORDERED and this matter is dismissed.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission, c/o Document Control Center, 1300 East Main Street, First Floor, Tyler Building, Richmond, Virginia 23219. A copy also shall be sent to the Commission's Office of General Counsel and Divisions of Public Utility Regulation and Utility Accounting and Finance.

³⁵ Pursuant to Code § 56-585.1:1 C 3, "any adjustment to the fair rate of return for applicable rate adjustment clauses under subdivisions A 5 and A 6 of § 56-585.1 [shall take] effect on the date of the Commission's final order in the proceeding, utilizing rate adjustment clause true-up protocols as the Commission may in its discretion determine." Accordingly, the 9.2% ROE found appropriate herein shall become effective with respect to the Company RACs under Code § 56-585.1 A 5 and A 6 on the date of this Order and any resulting over- or under-recovery shall be addressed through appropriate true-up protocols in future RAC proceedings.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

I/A

IN THE MATTER OF THE APPLICATION OF) FINAL DECISION AND
 OTTER TAIL POWER COMPANY FOR) ORDER; NOTICE OF ENTRY
 AUTHORITY TO INCREASE ITS ELECTRIC)
 RATES) EL18-021

APPEARANCES

Commissioners Gary Hanson, Chris Nelson, and Kristie Fiegen.

Cary Stephenson, Richard J. Johnson, and Brett Koenecke appeared on behalf of Applicant, Otter Tail Power Company.

Kristen Edwards and Amanda Reiss, 500 E. Capitol Ave., Pierre, South Dakota 57501, appeared on behalf of the South Dakota Public Utilities Commission staff.

James E. Moore and Justin G. Smith appeared on behalf of Valley Queen Cheese Factory, Inc.

PROCEDURAL HISTORY

On April 20, 2018, the South Dakota Public Utilities Commission (Commission) received an application, including Statements A through R as required by ARSD 20:10:13, and supporting prefiled testimony from Otter Tail Power Company (Otter Tail) for approval to increase rates for electric service in its South Dakota service territory (Application).¹ Otter Tail proposed a two-step increase to rates, with the first step increasing rates by \$3,358,547 annually or 10.10 percent based on Otter Tail's 2017 test year. Otter Tail stated a typical residential customer would see an increase of \$11.29 per month under the rate design proposed by the company. Otter Tail proposed to implement \$2,386,538, or 7.17 percent, of this increase on an interim basis on May 21, 2018, once the 30 days passed from the date of the filing, pursuant to SDCL 49-34A-17, with the full amount step-one increase becoming effective upon the Commission's final disposition in this case. The second step proposed an additional \$629,107, or 1.72 percent, increase to rates, effective January 1, 2020. The second step would facilitate the recovery of the Merricourt Wind Project, projected to enter service later in 2019. A typical residential electric customer using 927 kWh would see an additional increase of \$1.75 a month as a result of the step increase. The proposed rates would potentially affect approximately 11,700 customers in Otter Tail's South Dakota service territory.

On April 26, 2018, the Commission electronically transmitted notice of the Application and the intervention deadline of June 1, 2018, to interested individuals and entities on the Commission's PUC Weekly Filings listserv. On May 16, 2018, the Commission issued an Order Suspending Operation of Proposed Rates; Order Assessing Filing Fee; Order Authorizing Executive Director to Enter Into a Consulting Contract. On June 28, 2018, Valley Queen Cheese Factory, Inc. filed a Petition to Intervene. On July 16, 2018, the Commission issued an Order Granting Late Filed Intervention. On September 17, 2018, Otter Tail filed a Notice of Intent to

¹ The Application, Commission Orders, and all other documents are available on the Commission's web page for Docket EL18-021 at: <http://puc.sd.gov/Dockets/Electric/2018/el18-021.aspx>

Implement Interim Electric Service Rates based on current rate design for service provided on and after October 18, 2018, pursuant to SDCL 49-34A-17. On October 18, 2018, Otter Tail implemented an interim rate increase for net annual, non-fuel electric revenues of approximately \$3.36 million, or 10.10 percent, subject to refund. On November 1, 2018, Otter Tail filed Supplemental Direct Testimony and an Errata Filing.

On February 7, 2019, the Commission issued a Scheduling Order. On February 15, 2019, Commission staff (Staff) filed a Joint Motion for Approval of Settlement Stipulation (Joint Motion) and Settlement Stipulation. On February 19, 2019, Staff filed its prefiled testimony. On February 21, 2019, a Staff Memorandum Supporting Settlement Stipulation was filed. On March 6, 2019, the Commission issued an Order Granting Joint Motion for Approval of Settlement Stipulation; Order Approving Settlement Stipulation. As a result of the Settlement Stipulation and Order, one issue remained for the evidentiary hearing: the appropriate return on equity to produce just and reasonable rates. On March 7, 2019, the Commission issued an Order for and Notice of Evidentiary Hearing. On March 15, 2019, the parties filed a Second Stipulation for Procedural Schedule wherein the parties agreed that Otter Tail would refund interim rates through May 31, 2019, or the date of the Commission's oral decision, whichever is earlier, and Otter Tail filed its prefiled rebuttal testimony. On March 18, 2019, the Commission issued an Amended Scheduling Order. On March 21, 2019, Staff filed a Motion in Limine. On March 22, 2019, Otter Tail filed its Response to Staff's Motion in Limine.

The evidentiary hearing was held as scheduled on March 26, 2019, with Otter Tail and Staff appearing and presenting evidence and argument. Valley Queen Cheese Factory, Inc. did not participate in the evidentiary hearing. On March 26, 2019, Staff withdrew its Motion in Limine as the parties had reached an agreement on the matter. On March 29, 2019, the parties filed a Third Stipulation for Procedural Schedule.

On April 2, 2019, the Commission issued a Second Amended Scheduling Order and Otter Tail filed a revised Schedule 2 to Stuart Tommerdahl's prefiled Direct Testimony. On April 23, 2019, Staff and Otter Tail each filed post-hearing briefs. On April 29, 2019, Staff filed a proposed Order and Findings of Fact and Conclusions of Law. On April 30, 2019, Otter Tail filed proposed Findings of Fact and Conclusions of Law.

On May 14, 2019, at its regularly scheduled meeting, the parties made oral arguments. After questions of the parties by the Commissioners and public discussion among the Commissioners, the Commission voted unanimously to approve a return on equity of 8.75%. To address the remaining issues of adjustments to revenue requirement and resulting rates, the Commission directed Staff and Otter Tail to compute the overall rate of return resulting from the decision made by the Commission and make the needed model runs and analyses to finalize the additional adjustments to rate inputs, to exchange their results with each other, and to file such results.

In compliance with the Commission's directives, on May 24, 2019, Staff filed the joint response of Otter Tail and Staff, including Exhibits reflecting the various input computations (Joint Compliance Filing), demonstrating that the overall rate of return resulting from the Commission's decision is 7.09% as reflected on Exhibit 8, that Otter Tail's net revenue deficiency reflecting the Commission's authorized overall rate of return is \$2,211,286 justifying an approximate 6.64% net increase in retail revenue. Exhibits 1 through 7 to the Joint Compliance Filing contain the revenue requirement, operating income statement, rate base schedules, and certain underlying exhibits supporting the revenue requirement determination.

On May 28, 2019, at its regularly scheduled meeting, in conformity with the Joint Compliance Filing, the Commission voted unanimously to approve an overall rate of return of 7.09% based on its decision on return on equity and a corresponding net revenue

requirement increase of \$2,211,286 based on the adjustments reflected in the Exhibits to the Joint Compliance Filing. The Commission further voted unanimously to direct Otter Tail to file for review and approval, its proposed computation methodology and mechanism for refund or credit of interim rate over-collections, including interest, its proposed interest rate on refund/credit amounts, and its final rates and tariff sheets reflecting the Commission's final decision, and to place the refund issues and tariff sheets on the agenda for decision at its regular meeting scheduled for June 25, 2019.

Having considered the evidence of record, applicable law, and the briefs and the arguments of the parties, the Commission makes the following Findings of Fact, Conclusions of Law, and Final Decision:

FINDINGS OF FACT

I. PARTIES

1. Applicant is Otter Tail Power Company, a Minnesota corporation operating in South Dakota and a public utility as defined in SDCL 49-34A-1(12). App. at 1.² Otter Tail provides retail electric service to approximately 132,100 customers, including approximately 11,700 in South Dakota, 61,700 in Minnesota, and 58,800 in North Dakota. Otter Tail serves 454 communities and rural areas in northeastern South Dakota, western Minnesota, and the eastern two-thirds of North Dakota. In South Dakota, Otter Tail serves 54 communities. Otter Tail is headquartered in Fergus Falls, Minnesota and is a subsidiary of Otter Tail Corporation, which has its headquarters in Fargo, North Dakota.³

2. Staff fully participated as a party in this matter.

3. Intervenor Valley Queen Cheese Factory, Inc. did not participate in the evidentiary hearing.

II. PROCEDURAL FINDINGS

4. The Procedural History set forth above is hereby incorporated by reference in its entirety in these Procedural Findings. The procedural findings set forth in the Procedural History are a substantially complete and accurate description of the material documents filed in this docket and the proceedings conducted and decisions rendered by the Commission in this matter.

III. RATE OF RETURN ON EQUITY

5. Determining a reasonable return on equity (ROE) rests primarily on sound judgment looking at the overall results of the analysis. Under SDCL 49-34A-8 and relevant case law, rates set in this proceeding must be just and reasonable.⁴

6. The just and reasonable test focuses on whether the "total effect of the rate order [is] unreasonable."⁵ Under the just and reasonable test "it is the result reached, not

² References to the Hearing Transcript are in the format "TR" followed by the Hearing Transcript page number(s) referenced, references to the Application are in the format "App" followed by the Application page number(s) referenced, and references to the Hearing Exhibits are in the format "Ex" followed by the exhibit numbers and, where applicable, the page number(s) referenced.

³ Ex. OTP-5 at 10.

⁴ *Federal Power Commission v. Hope Natural Gas Co.*, 320 U.S. 591, 603, 64 S.Ct. 281, 88 L.Ed. 333 (1944).

⁵ *Duquesne Light Co. v. Barasch*, 488 U.S. 299, 310 (1989).

the method employed that is controlling" and "the impact of the rate order which counts."⁶ The South Dakota Supreme Court recognized that rates that do not yield a fair return are unreasonable.⁷ The rate of a return should be "commensurate with returns on investments in other enterprises having corresponding risks" and "be sufficient ... to attract capital."⁸

7. "The ratemaking process under the Act, i.e. the fixing of 'just and reasonable' rates, involves a balancing of the investor and the consumer interests."⁹ "Regulation may, consistently with the Constitution, limit stringently the return recovered on investment, for investors' interests provide only one of the variables in the constitutional calculus of reasonableness."¹⁰

8. The overall rate of return of a utility is composed of three components: cost of long-term debt, return on equity, and capital structure.¹¹

9. In the Application and supporting direct prefiled testimony, Otter Tail's proposed revenue requirement reflected an overall rate of return (ROR) on investment of 7.96%, based on a test year average capital structure of 53.10% common equity and 46.90% long-term debt, a cost of long-term debt of 5.30%, and an ROE of 10.3%.¹² Otter Tail proposed a reasonable range for ROE to be from 10.00% to 10.60%.¹³ Otter Tail and Staff reached settlement on updated totals and relative percentages of long-term debt (47.08%) and common equity (52.92%) and the weighted cost of long-term debt to be included in the capital structure.¹⁴

10. Otter Tail's expert witness, Mr. Robert Hevert, and Staff's expert witness, Mr. Basil Copeland, each advocate a range of ROE values and recommended ROE that they believe should be "commensurate with returns on investments in other enterprises having corresponding risks" and "be sufficient ... to attract capital" and therefore just and reasonable.¹⁵

11. Mr. Copeland's analysis resulted in a proposed overall ROR of 6.83% based on an updated capital structure of 52.92% common equity and 47.27% long-term debt, an ROE of 8.25% and a cost of long-term debt of 5.22%.¹⁶ Mr. Copeland proposed a reasonable range for ROE for Otter Tail to be from 8.0% to 8.5%.¹⁷ Although Mr. Copeland recommends an ROE of 8.25%, his analysis indicates the cost of equity is in the 7% range.¹⁸

12. With respect to ROE, Otter Tail witnesses Mr. Bruce Gehardson and Mr. Kevin Moug provided both prefiled and oral testimony in support of Mr. Hevert. Mr. Hevert employed several analytical methodologies including a constant growth discounted cash flow (DCF) determination; a multi-stage DCF; a capital asset pricing model; and a market

⁶ *Hope*, 320 U.S. at 602.

⁷ *In Re NorthWestern Bell*, 43 N.W.2d 553, 555 (S.D. 1950).

⁸ *NorthWestern Public Service v. Cities of Chamberlain et al*, 265 N.W.2d 867, 874 (S.D. 1978).

⁹ *Hope*, 320 U.S. at 603.

¹⁰ *Permian Basin Area Rate Cases*, 390 U.S. 747, 769 (1968).

¹¹ Ex. OTP-3 at 2-3.

¹² Ex. OTP-3, Schedule 2, p. 1.

¹³ Ex. OTP-1 at 2.

¹⁴ See Settlement Stipulation, p.1; Staff Memorandum Supporting Settlement Stipulation, Attachment 19.

¹⁵ *NorthWestern Public Service v. Cities of Chamberlain et al*, 265 N.W.2d at 874.

¹⁶ See Staff Memorandum Supporting Settlement Stipulation, Attachment 19.

¹⁷ Ex. S1 at 3.

¹⁸ Ex. S1 at 3.

risk premium methodology to support his recommendation of 10.3%.¹⁹

13. Mr. Hevert developed a "proxy" group of nine companies to establish his comparisons of various elements factored into his ROE determination.²⁰ Mr. Hevert also employed several financial reporting entities in his development of estimates.²¹ Mr. Hevert's version of the constant growth DCF-indicated ROE relied upon earnings per share (EPS) growth.²² Mr. Hevert eliminated the results of three of his proxy group companies (El Paso Electric Company, IDACORP, Inc., and NorthWestern Corporation) due the DCF method yielding low average returns.²³ The result of his determinations were categorized with three "means"; mean low, mean, mean high.²⁴

14. Mr. Hevert also performed an analysis based on his multi-stage (three stage) DCF model. Mr. Hevert criticized the usage of a single stage DCF due to its assumptions of perpetuity. Mr. Hevert relied upon estimates of EPS growth and long-term gross domestic product (GDP) growth in formulating his results.²⁵

15. Mr. Hevert's capital asset pricing model (CAPM) employs the risk-free rate of return, adjusted Beta coefficients, and risk premium analysis.²⁶ Mr. Hevert also calculates return information based on the constant growth DCF model.²⁷

16. Mr. Hevert's bond yield plus risk premium analysis generally examines yields on bonds which are considered to be relatively "risk-free" (30-year treasuries of varying maturity dates were used) and compares this rate to a "premium" to be required for investment in riskier common equity over a period of years.²⁸

17. Mr. Copeland employed two variations of the DCF methodology, and a supplemental analysis of market-to-book ratios and excess returns on equity reflected in current market-to-book ratios.²⁹ The principal steps to prepare a DCF analysis are the selection of comparable companies to which to apply the method, and the selection of measures of expected growth.³⁰ Mr. Copeland used the constant growth DCF model to estimate growth based upon an average of EPS, dividends per share (DPS) and book value per share (BVPS). Mr. Copeland determined through that application of these three elements that the mean expected growth rate is 4.38%, and the median is 4.41%.³¹

18. Mr. Copeland also developed DCF estimates using the "dividend discount model" (DDM) which is a form of DCF methodology with less restrictive assumptions and the constant growth DCF. When dividend payout ratios are expected to trend upward or downward over extended periods of time, the multiple period DDM provides more accurate and reliable measures of the expected DCF return.³²

¹⁹ Ex. OTP-1 at 2.

²⁰ Ex. OTP-1 at 13-14.

²¹ Ex. OTP-1, Schedule I.

²² Ex. OTP-1 at 20.

²³ Ex. OTP-1 at 24.

²⁴ Ex. OTP-1 at 25.

²⁵ Ex. OTP-1 at 28.

²⁶ Ex. OTP-1 at 30.

²⁷ Ex. OTP-1 at 28, 32.

²⁸ Ex. OTP-1 at 33, 34.

²⁹ Ex. S1 at 11.

³⁰ Ex. S1 at 12.

³¹ Ex. S1 at 14.

³² Ex. S1 at 15.

19. The methodologies advocated by Mr. Copeland in this docket are exactly the same as he used in Docket EL11-019³³ but the input variables differ reflective of a declining cost of capital since that decision.³⁴ Mr. Copeland provided evidence of this decline by graphically showing the "volatility index" downward trend since that decision was made.³⁵ Mr. Copeland also noted for the 2011 to 2018 period a decline of over 100 basis points in Moody's Baa Corporate Bond yield and a 204 basis point decline in the implied market risk premia.³⁶

20. The primary reason for the difference in the witnesses' DCF methodologies was Otter Tail's exclusive use in its DCF model of forecasted growth in earnings per share (EPS) and Staff's use in its DCF model of an average of four different expected growth rate indicators.³⁷

21. As testified to by Mr. Copeland in his prefiled testimony, "it is sometimes possible to derive reasonable and accurate estimates of the cost of equity using only one of these growth measures as a 'proxy' for the expected rate of growth in dividends. But if the payout ratio is not constant, using just projected earnings or dividend growth can result in distorted estimates of the DCF cost of equity."³⁸ Mr. Copeland further testified, "there is substantial disparity between the EPS growth rates projected by Zacks and Yahoo and the DPS growth rates projected by Value Line. The median (which is a better measure of central tendency if there are outliers) projected EPS growth rate, 4.56 percent, is lower than the median DPS growth rate of 5.50 percent. However, the median '% Return to Common Equity' in Column I, 3.50 percent, is well below the median analyst projected EPS growth forecast of 4.56 percent, implying that the projected earnings growth rate is unsustainable for the long term."³⁹

22. Further, Mr. Copeland testified that, "[t]he best way to estimate the constant growth DCF cost of equity to avoid overstating or understating investors long-term growth rates an average of the EPS, DPS, and BVPS projections along with the % return to common equity measure of growth."⁴⁰

23. The Commission finds that the four-indicator average projected growth input employed by Staff in its DCF model is a more reliable methodology for projecting growth rates and the Commission adopts Staff's DCF model approach and its conclusions for purposes of its decision on ROE in this case. The Commission finds that use of this approach in this case is a proper application of the principle that regulatory commissions are to affect a "balancing of the investor and the consumer interests."⁴¹

24. Although Otter Tail raised this as a concern, there is no credible evidence in the record that Otter Tail will be unable to raise capital through equity issuances as a result of a return on equity at the rate recommended by Staff.⁴²

25. Mr. Copeland testified that the proper use of the DCF method for determining ROE is to do a survey of what investors expect as an expected return on the S&P 500. In this

³³ Prior to this docket, the most recent Commission decision regarding ROE was EL11-019 wherein the Commission found the ROE for Xcel was 9.25%.

³⁴ Ex. S1 at 18.

³⁵ Ex. S1 at 8.

³⁶ Ex. S1 at 9.

³⁷ Ex. S1 at 16-23, 47.

³⁸ Ex. S1 at 13.

³⁹ Ex. S1 at 13; S1, Schedule I.

⁴⁰ Ex. S1 at 13, 14.

⁴¹ *Hope*, 320 U.S. at 603.

⁴² TR. at 114 (Copeland).

case it is 8 percent.⁴³ The Commission finds that a background analysis such as the long-used DCF and the continued downward trend of DCF is verified, and can be considered as a further degree of common-sense confirmation for Mr. Copeland's recommended ROE.⁴⁴

26. Mr. Hevert testified that he considered Otter Tail's low rates to customers, the very high levels of customer satisfaction⁴⁵, and the customer savings resulting from Otter Tail's under-budget completion of recent capital projects⁴⁶ when determining his ROE range.⁴⁷

27. Mr. Tommerdahl testified that Otter Tail, by completing its largest capital project approximately \$125 million below budget, that it saved South Dakota ratepayers approximately \$300,000 in the 2017 Test Year, approximately \$2.9 million in the first ten years, and approximately \$5.4 million over project's 30-year life.⁴⁸ Mr. Tommerdahl testified that setting an ROE that recognizes overall performance in reducing costs and providing high quality of service is an appropriate element of the Commission's regulatory discretion and that the combination of Otter Tail's cost savings and its high quality of service merits consideration by the Commission in determining Otter Tail's ROE.⁴⁹

28. Mr. Gerhardson testified that Otter Tail has made significant investments in South Dakota; that South Dakota benefits from completed infrastructure investments; that the completed and planned infrastructure investments demonstrate Otter Tail's significant commitment to infrastructure in South Dakota; that while South Dakota is home to just 8.8 percent of Otter Tail's customers, the recent and additional near-term investments in South Dakota account for 36.0 percent of Otter Tail's total plant in service by 2021; the investments have and will continue to provide very significant economic benefits to South Dakota.⁵⁰

29. Mr. Gerhardson testified that there was no specific recommendation or any methodology by which to measure or quantify Otter Tail's assertion that Otter Tail's performance and commitment to South Dakota merits an ROE above average for that approved for other utilities.⁵¹

30. The Commission finds that economic development is not a factor in the determination of the appropriate ROE.⁵²

31. Otter Tail shows total company rate base of \$1,096,688,710, and also shows the South Dakota allocation of those costs to be \$83,294,792, or approximately 7.6%.⁵³ While some rate base costs are directly assigned to each state jurisdiction, plant that serves the entire system includes generation plant and bulk transmission. The Commission finds siting decisions for such plant are not and should not be based upon state-by-state economic development motives, but rather on engineering requirements.⁵⁴

32. The Commission finds that plant addition decisions and related costs ultimately paid by ratepayers for reliable electric service should be based on system operating efficiency

⁴³ Ex. S1 at 61.

⁴⁴ TR. at 124 (Copeland).

⁴⁵ Ex. OTP-5; Ex. OTP-6.

⁴⁶ Ex. OTP-8.

⁴⁷ Ex. OTP-1 at 4.

⁴⁸ Ex. OTP-8; TR. at 204 (Tommerdahl).

⁴⁹ Ex. OTP-8; TR. at 204 (Tommerdahl).

⁵⁰ Ex. OTP-5 at 4.

⁵¹ TR. at 184-185 (Gerhardson).

⁵² SDCL 49-34A-6; SDCL 49-34A-8.

⁵³ App. Section 2, Statements A-R, Statement M, p. 5 of 8.

⁵⁴ SDCL 49-34A-6.; SDCL 49-34A-8. *See also*, TR. at 194-195 (Gerhardson).

standards and not on economic development considerations.⁵⁵ The Commission finds that Otter Tail has expended considerable plant expenditures in both North Dakota and Minnesota throughout its operational life and South Dakota has paid its jurisdictional share of the costs. The Commission has allowed the cost recovery of plant expansion in other jurisdictions when such expansion is supported by efficient planning for system reliability.⁵⁶

33. The Commission finds that quality performance and service does not justify a higher return. It is the level of service expected for a utility that is earning the cost of capital.⁵⁷

34. Mr. Hevert testified that in his analysis, a higher ROE is reasonable as Otter Tail is a relatively small-sized utility.⁵⁸ Mr. Copeland testified that his analysis did not show that small utilities deserved a premium. Rather, any evidence that does exist, for unregulated "small cap" equities, is disputed.⁵⁹

35. Beta Coefficients measure relative risks of market participants compared to general market risk, and it has long been shown vertically-integrated utilities bear less market risk than similarly-sized non-regulated companies.⁶⁰ While Otter Tail may be a smaller vertically integrated utility, it is not an insubstantial company as it has a market capitalization near \$2 billion.⁶¹ Electric utilities generally, and Otter Tail specifically, are of less market risk than the market as a whole or the average firm in the S&P 500.⁶²

36. The Commission finds Mr. Copeland's testimony on the subject of premium's for small-sized utilities to be more credible.⁶³

37. Otter Tail and Staff's testimony regarding the magnitude of the recovery of flotation costs also differed. Mr. Copeland recommended 7 to 9 basis points.⁶⁴ Mr. Hevert recommended 13 basis point be allowed.⁶⁵ The Commission finds that recovery of reasonable flotation costs is appropriate, but the issue is moot as its approved ROE of 8.75% exceeds Mr. Copeland's recommendation by 50 basis points, and the high end of his range by 25 basis points, and thus any flotation costs are more than recovered.

38. The Commission approves an ROE of 8.75% as the appropriate and just and reasonable ROE for Otter Tail based on the evidence in this case. Based on this ROE and the cost of debt and capital structure values approved by the Commission's Oder Approving Settlement Stipulation, the Commission approves an overall rate of return of 7.09%.⁶⁶

⁵⁵ See SDCL 49-34A-2, requiring all public utilities to provide adequate service. See also, *Mont.-Dakota Utils. Co. v. Parkhill Farms, LLC*, 2017 S.D. 88, ¶ 14, 905 N.W.2d 334, 339 (Court holding that "are required" by law to "furnish adequate, efficient, and reasonable service").

⁵⁶ For example, see Docket No. EL11-019 in which the Commission allowed cost recovery for Noble's Wind Project located in Minnesota. See also, Docket No. EL12-06 in which the Commission allowed cost recovery through a phase-in plan for new plant located in Wyoming.

⁵⁷ See SDCL 49-34A-2.

⁵⁸ Ex. OTP-1 at 40-43.

⁵⁹ Ex. S1 at 76.

⁶⁰ Ex. S1 at 78.

⁶¹ TR. at 149 (Moug).

⁶² Ex. S1 at 54; TR. at 65-66 (Hevert); TR. at 92-93 (Copeland).

⁶³ Ex. S1 at 77.

⁶⁴ Ex. S1 at 80.

⁶⁵ Ex. OTP-1 at 23.

⁶⁶ May 24, 2019 Joint Compliance Filing.

IV. REVENUE REQUIREMENT AND CLASS DISTRIBUTION

39. Based on the Settlement Stipulation and Order, the Commission's decision on rate of return and the adjustments reflected in the exhibits to the Joint Compliance Filing, the Commission finds that the net deficiency in Otter Tail's revenue requirement is \$2,211,286.

V. ADDITIONAL MATTERS

40. On October 18, 2018, Otter Tail implemented an interim rate increase pursuant to SDCL 49-34A-17. In accordance with the proceedings conducted in this matter, the Commission finds that it is appropriate for the Commission to issue a future order as contemplated by SDCL 49-34A-17 to require Otter Tail to refund or credit back to customers the amounts, with interest, it collected during the interim rate period and to direct Otter Tail to file its proposed refund plan with the Commission, for review by Staff and Commission action at its regular meeting on June 25, 2019.

41. In accordance with SDCL 49-34A-10 and the proceedings conducted in the matter, the Commission finds that Otter Tail shall file tariff sheets conforming to its decision in this case and the Order Approving Settlement Stipulation; for review by Staff and Commission action at its regular meeting on June 25, 2019.

VI. GENERAL

42. To the extent that any Conclusion of Law set forth below is more appropriately a finding of fact, that Conclusion of Law is incorporated by reference as a Finding of Fact.

43. To the extent that any of the Findings of Fact in this decision are determined to be conclusions of law or mixed findings of fact and conclusions of law, the same are incorporated herein by this reference as a Conclusion of Law as if set forth in full herein.

CONCLUSIONS OF LAW

1. The following South Dakota statutes are applicable: SDCL 49-34A-1, 49-34A-2, 49-34A-3, 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-8.3, 49-34A-8.4, 49-34A-10 through 49-34A-14, 49-34A-17, 49-34A-19 through 49-34A-19.2, 49-34A-21, 49-34A-22, and applicable provisions of SDCL Chaps. 1-26 and 15-6. The Commission has jurisdiction in this matter pursuant to one or more of the above statutes.

2. The following South Dakota administrative rules are applicable: ARSD Chapters 20:10:01 and ARSD 20:10:13.

3. SDCL 49-34A-6 provides:

Every rate made, demanded or received by any public utility shall be just and reasonable. Every unjust or unreasonable rate shall be prohibited. The Public Utilities Commission is hereby authorized, empowered and directed to regulate all rates, fees and charges for the public utility service of all public utilities, including penalty for late payments, to the end that the public shall pay only just and reasonable rates for service rendered.

SDCL 49-34A-8 provides:

The commission, in the exercise of its power under this chapter to determine just

and reasonable rates for public utilities, shall give due consideration to the public need for adequate, efficient, economical, and reasonable service and to the need of the public utility for revenues sufficient to enable it to meet its total current cost of furnishing such service, including taxes and interest, and including adequate provision for depreciation of its utility property used and necessary in rendering service to the public, and to earn a fair and reasonable return upon the value of its property.

SDCL 49-34A-8.4 further provides:

The burden is on the public utility to establish that the underlying costs of any rates, charges, or automatic adjustment charges filed under this chapter are prudent, efficient, and economical and are reasonable and necessary to provide service to the public utility's customers in this state.

SDCL 49-34A-11 states that "[t]he burden of proof to show that any rate filed is just and reasonable shall be upon the public utility filing same."

4. Otter Tail is a "public utility" as defined in SDCL 49-34A-1(12).
5. The Application was properly filed with the Commission on April 20, 2018, included all schedules and information required by ARSD 20:10:13, and was jurisdictionally complete.
6. Otter Tail had the statutory authority pursuant to SDCL 49-34A-17 to "implement the proposed rate" on October 18, 2018, and Otter Tail's interim rate was lawfully implemented on October 18, 2018.
7. The Joint Motion and Settlement Stipulation were duly and lawfully granted and approved by the Commission without objection by any party through its Order Granting Joint Motion for Approval of Settlement Stipulation; Order Approving Settlement Stipulation issued on March 6, 2019.
8. In accordance with the Commission's Order for and Notice of Evidentiary Hearing issued on March 7, 2019, a hearing on the merits of this matter was held on March 26, 2019, with Otter Tail and Staff participating and afforded a full opportunity for a hearing on the merits of their issues.
9. The Commission concludes that an overall rate of return for Otter Tail of 7.09%, based upon a cost of long-term debt of 5.22%, a return on equity of 8.75%, and capital structure of 52.92% common equity and 47.08% long-term debt, will enable Otter Tail to earn a fair and reasonable return upon the value of its property while appropriately balancing investor and consumer interests.
10. Based on the Order Approving Settlement Stipulation, the Commission's decision on rate of return, and the adjustments reflected in the exhibits to the Joint Compliance Filing, the Commission concludes that the net deficiency in Otter Tail's revenue requirement is \$2,211,286.
11. Giving due consideration to the public need for adequate, efficient, economical, and reasonable service and to the need of the public utility for revenues sufficient to enable it to meet its total current cost of furnishing such service, including taxes and interest, and including adequate provision for depreciation of its utility property used and necessary in rendering service to the public, and to earn a fair and reasonable return upon the value of its property, the Commission concludes that the rates, terms and conditions approved in this Final Decision and

Order, incorporating the Order Approving Settlement Stipulation, are just and reasonable and are approved for service on and after the date established by the Commission in connection with its approval of Otter Tail's conforming tariff sheets.

12. SDCL 49-34A-17 and 49-34A-22 permit, but do not require, the Commission to order a public utility to refund or credit amounts, with interest, charged on an interim basis in excess of amounts chargeable under the rates as approved. Having found that a refund or credit of excess charges, with interest, is appropriate in this case, the Commission concludes that Otter Tail shall submit a refund plan for Commission action at its regular meeting on June 25, 2019.

13. In accordance with SDCL 49-34A-10, Otter Tail shall file tariff sheets conforming to this Final Decision and Order and the Order Approving Settlement Stipulation for Commission action at its regular meeting on June 25, 2019.

14. The Commission concludes that the Application and all required filings have been filed with the Commission in conformity with South Dakota law and that all procedural requirements under South Dakota law, including public hearing requirements, have been met or exceeded.

It is therefore

ORDERED, that a rate of return for Otter Tail of 7.09% consisting of a cost of long-term debt of 5.22%, a return on equity of 8.75%, and a capital structure of 52.92% common equity and 46.96% long-term debt is hereby approved. It is further

ORDERED, that a net revenue deficiency and corresponding rate increase for Otter Tail in the amount of \$2,211,286 is hereby approved. It is further

ORDERED, that Otter Tail shall submit a refund plan and tariff sheets conforming to this Final Decision and Order and the Order Approving Settlement Stipulation for Commission action at its regular meeting on June 25, 2019.

Dated at Pierre, South Dakota, this 30th day of May 2019.

NOTICE OF ENTRY

PLEASE TAKE NOTICE that this Final Decision and Order was duly issued and entered on the 30th day of May 2019.

<p align="center">CERTIFICATE OF SERVICE</p> <p>The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.</p> <p>By: _____</p> <p>Date: _____</p> <p align="center">(OFFICIAL SEAL)</p>
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BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Chris Nelson
CHRIS NELSON, Commissioner

Kristie Fiegen
KRISTIE FIEGEN, Commissioner

CONFIDENTIAL INFORMATION HIGHLIGHTED IN YELLOW

IA

Site	July 1, 2016 - June 30, 2019 compliance spend	Type of spend	Legal justification for spend
Bremo Power Station		<i>West Ash Pond (WAP)</i> - ash closure development, closure design drawings, surface water and pore water treatment, groundwater monitoring network and monitoring, CCR rule evaluations, excavation and removal of visual ash, and project management, construction quality assurance (CQA) and overheads. <i>North Ash Pond (NAP)</i> - ash closure development, closure design drawings, surface water and pore water treatment, groundwater monitoring, CCR rule evaluations, receipt and compaction of ash from WAP and EAP, grading and instrumentation for stability purposes, installation of a temporary raincover for infiltration and water management purposes, and project management, CQA and overheads. <i>East Ash Pond (EAP)</i> - ash closure development, closure design drawings, surface water and pore water treatment, groundwater monitoring, CCR rule evaluations, retaining wall design and installation to support ash excavation efforts, partial gas line removal to allow for full removal of ash, excavation and removal of visual ash and soil, and project management, CQA and overheads.	Water Treatment: VPDES Permit VA0004138; Closure: 40 CFR 257.102; Closure plan: 40 CFR 257.102(b); Groundwater network and monitoring: 40 CFR 257.90; CCR Rule evaluations: 40 CFR 257.105; Virginia Solid Waste Regulations (9VAC20-81-10, et al.)
Possum Point Power Station		<i>Ponds ABC</i> - ash closure development, closure design drawings, surface water and pore water treatment, groundwater monitoring network and monitoring, CCR rule evaluations, sewer forcemain relocation to support ash excavation efforts, excavation and removal of visual ash and soil, and project management, CQA and overheads. <i>Pond D</i> - ash closure development, closure design drawings, surface water and pore water treatment, groundwater monitoring, CCR rule evaluations, receipt and compaction of ash from Ponds ABC and E, dam stability grading efforts, riser structure modification for stormwater control, and project management, CQA and overheads. <i>Pond E</i> - ash closure development, closure design drawings, surface water and pore water treatment, groundwater monitoring, CCR rule evaluations, excavation and removal of visual ash and soil, and project management, CQA and overheads.	Water Treatment: VPDES Permit VA0002071; Closure: 40 CFR 257.102; Closure plan: 40 CFR 257.102(b); Groundwater network and monitoring: 40 CFR 257.90; CCR Rule evaluations: 40 CFR 257.105; Virginia Solid Waste Management Regulations (9VAC20-81-10, et al.)
Chesapeake Power Station		Ash closure development, closure design drawings, groundwater monitoring network and monitoring, CCR rule evaluations, installation of a temporary raincover for infiltrations and water management purposes, partial removal of bottom ash, general erosion and sediment control maintenance of the landfill, and project management, CQA and overheads.	Closure plan: 40 CFR 257.102(b); Groundwater network and monitoring: 40 CFR 257.90; CCR Rule evaluations: 40 CFR 257.105; Virginia Solid Waste Management Regulations (9VAC20-81-10, et al.)
Chesterfield Power Station		<i>Lower Ash Pond (LAP)</i> - ash closure development, closure design drawings, surface water and pore water treatment, groundwater monitoring, CCR rule evaluations, sheet pile wall to support the stability calculations, grading of ash and soil to facilitate the installation of raincover to support infiltration and water management purposes, and project management, CQA and overheads. <i>Upper Ash Pond (UAP)</i> - ash closure development, closure design drawings, groundwater monitoring, CCR rule evaluations, grading of ash and installation of an intermediate soil cover to support infiltration and water management purposes, and project management, CQA and overheads.	Water Treatment: VPDES Permit VA0004146; Closure: 40 CFR 257.102; Closure plan: 40 CFR 257.102(b); Groundwater network and monitoring: 40 CFR 257.90; CCR Rule evaluations: 40 CFR 257.105; Virginia Solid Waste Management Regulations (9VAC20-81-10, et al.)

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CONFIDENTIAL INFORMATION HIGHLIGHTED IN YELLOW			
Yorktown Power Station		<i>Ash Landfill</i> - Closure: Phase A consists of closing cells 1-3 and 7-11. Phase B consists of closing the remaining active cells, cell 12 and the vertical expansion; engineering, planning & scope development; mobilize to the project site; project site preparation; installation and maintenance of erosion control measures, other temporary controls, and dust control; excavation and grading; permanent storm water and leachate controls; installation of new liners and materials.	Closure: 40 CFR 257.102; Closure plan: 40 CFR 257.102(b); Groundwater network and monitoring: 40 CFR 257.90; CCR Rule evaluations: 40 CFR 257.105; Virginia Solid Waste Management Regulations (9VAC20-81-10, et al.)
Clover Power Station		<i>Flue Gas Desulfurization (FGD) North and South Sludge Ponds (2 Ponds)</i> - Closure: engineering, planning & scope development; mobilize to the project site; project site preparation; installation and maintenance of erosion control measures, other temporary controls, and dust control; dewatering; excavation and removal of existing lining system, dispose of non-CCR items; installation of new liner and materials.	Retrofit and Closure: 40 CFR 257.102; Closure plan: 40 CFR 257.102(b); Groundwater network and monitoring: 40 CFR 257.90; CCR Rule evaluations: 40 CFR 257.105; Virginia Solid Waste Management Regulations (9VAC20-81-10, et al.)
Mount Storm Power Station		<i>Primary and Secondary Ash Ponds - Pyrite Pond, Primary Pond A and Secondary Pond C, Primary Pond B and Secondary Pond D (5 Ponds)</i> - Clean, close and line the Pyrite Pond; clean, close and line Primary Pond B; clean out and permanently close Secondary Pond C; clean and close Primary Pond A; clean out and permanently close Secondary Pond D; engineering, planning and scope development; mobilize to the project site; project site preparation; installation and maintenance of erosion control measures, other temporary controls, and dust control; dewatering; excavation and removal of existing lining system, dispose of non-CCR items; installation of new liner and materials.	Retrofit and Closure: 40 CFR 257.102; Closure plan: 40 CFR 257.102(b); Groundwater network and monitoring: 40 CFR 257.90; CCR Rule evaluations: 40 CFR 257.105
Total - All Sites	\$	390,440,981	

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PART A		TRAFFIC LIGHTING CLASS - CUSTOMER, DEMAND & ENERGY COS - PER BOOKS								
	Energy Demand	58.9145% 41.0855%				Demand				
		Total	Customer		Production	Transmission	Distribution			
					Demand	Energy	Combined		Energy	
1	COS Per Books Rate Revenue (COS, Sch 2, Ln 25)	\$63,667	\$16,119		\$8,710	\$12,491	\$21,201	\$6,953	\$4,354	\$15,040
2	NOI (COS Sch 1, Ln 36)	\$19,105	\$2,014		\$3,733	\$5,353	\$9,086	\$4,503	\$1,932	\$1,569
3	NOI Ratio (Based on Ln 1)	100.0000%	10.5437%		19.5394%	28.0200%	47.5595%	23.5699%	10.1134%	8.2136%
4	Removal of Fuel Revenues (offset by fuel exp & reg fee)	(\$10,401)								(\$10,401)
5	Removal of Rider Revenues (on NOI Ratio)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Removal of Facilities Charges (on NOI Ratio)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Removal of Load Management (assigned to production)	\$0	\$0	\$0	\$0	\$0	\$0			
8	COS Per Books Base Rate Revenue	\$53,266	\$16,119		\$8,710	\$12,491	\$21,201	\$6,953	\$4,354	\$4,639

PART B		TRAFFIC LIGHTING CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR ANNUALIZED REVENUE FOR TEST YEAR							
		Total	Customer	Demand					Energy
				Production		Transmission	Distribution		
				Demand	Energy			Combined	
9	Annualized Rate Revenue Adjustment	(\$1,072)							
10	Allocated on NOI Ratio (Ln 3)	(\$1,072)	(\$113)	(\$209)	(\$300)	(\$510)	(\$253)	(\$108)	(\$98)
11	Total Revenues (Ln 8 + Ln 10)	\$52,194	\$16,006	\$8,501	\$12,191	\$20,691	\$6,701	\$4,246	\$4,551
12	Annualized Billing Units		2,316	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
13	Unit Costs based on Annualized Revenues		\$6.91 per month	\$0.016191 per kWh	\$0.023220 per kWh	\$0.039412 per kWh	\$0.012763 per kWh	\$0.008087 per kWh	\$0.008669 per kWh

PART C		TRAFFIC LIGHTING CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR ACCOUNTING ADJUSTMENTS AND CUSTOMER GROWTH									
		Total	Customer	Demand					Transmission	Distribution	Energy
				Demand	Energy	Combined					
14	Fully Adjusted Rate Revenue Adjustment	(\$1,941)									
15	Allocated on NOI Ratio (Ln 3)	(\$1,941)	(\$205)	(\$379)	(\$544)	(\$923)		(\$457)		(\$196)	(\$159)
16	Total Non-Fuel Base Rate Revenues (Ln 8 + Ln 15)	\$51,325	\$15,914	\$8,331	\$11,947	\$20,278		\$6,496		\$4,158	\$4,480
17	Fully Adjusted Billing Units		2,304	518,174	518,174	518,174		518,174		518,174	518,174
18	Unit Costs based on Fully Adjusted Cost of Service		\$6.91 per month	\$0.016077 per kWh	\$0.023056 per kWh	\$0.039133 per kWh		\$0.012536 per kWh		\$0.008024 per kWh	\$0.008645 per kWh

PART D		TRAFFIC LIGHTING CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR PROPOSED REVENUE INCREASE									
		Total	Customer	Demand					Transmission	Distribution	Energy
				Demand	Energy	Combined					
19	Proposed Rate Revenue Adjustment	\$767									
20	Allocated on NOI Ratio (Ln 3)	\$767	\$81	\$150	\$215	\$365	\$181	\$78		\$63	
21	Total Non-Fuel Base Rate Revenues (Ln 15 + Ln 20)	\$52,092	\$15,995	\$8,481	\$12,162	\$20,643	\$6,677	\$4,236		\$4,543	
22	Fully Adjusted Billing Units		2,304	518,174	518,174	518,174	518,174	518,174		518,174	
23	Unit Costs based on Proposed Revenue Requirement		\$6.94 per month	\$0.016366 per kWh	\$0.023471 per kWh	\$0.039837 per kWh	\$0.012885 per kWh	\$0.008174 per kWh		\$0.008767 per kWh	

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PART A		STREET & OUTDOOR LIGHTING CLASS - CUSTOMER, DEMAND & ENERGY COS - PER BOOKS							
	Energy			Demand					
	Demand			Production			Transmission	Distribution	
		Total	Customer	Demand	Energy	Combined			Energy
1									
2									
3									
1	COS Per Books Rate Revenue (COS, Sch 2, Ln 25)	\$5,019,311	\$3,394,953	\$210,193	\$301,405	\$511,598	\$138,172	\$327,294	\$647,294
2	NOI (COS Sch 1, Ln 36)	\$1,425,229	\$1,023,777	\$68,531	\$98,270	\$166,801	\$81,687	\$111,795	\$41,169
3	NOI Ratio (Based on Ln 1)	100.0000%	71.8325%	4.8084%	6.8950%	11.7034%	5.7315%	7.8440%	2.8886%
4	Removal of Fuel Revenues (offset by fuel exp & reg fee)	(\$476,207)							(\$476,207)
5	Removal of Rider Revenues (on NOI Ratio)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Removal of Facilities Charges (on NOI Ratio)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Removal of Load Management (assigned to production)	\$0		\$0	\$0	\$0			
8	COS Per Books Base Rate Revenue	\$4,543,104	\$3,394,953	\$210,193	\$301,405	\$511,598	\$138,172	\$327,294	\$171,087

PART B		STREET & OUTDOOR LIGHTING CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR ANNUALIZED REVENUE FOR TEST YEAR							
		Demand							
				Production		Transmission	Distribution		
		Total	Customer	Demand	Energy	Combined			Energy
9	Annualized Rate Revenue Adjustment	\$160,008							
10	Allocated on NOI Ratio (Ln 3)	\$160,008	\$114,937	\$7,694	\$11,033	\$18,726	\$9,171	\$12,551	\$4,622
11	Total Revenues (Ln 8 + Ln 10)	\$4,703,111	\$3,509,890	\$217,887	\$312,438	\$530,325	\$147,343	\$339,845	\$175,709
12	Annualized Billing Units		334,932	24,128,000	24,128,000	24,128,000	24,128,000	24,128,000	24,128,000
13	Unit Costs based on Annualized Revenues		\$10.48 per month	\$0.009030 per kWh	\$0.012949 per kWh	\$0.021980 per kWh	\$0.006107 per kWh	\$0.014085 per kWh	\$0.007282 per kWh

PART C		STREET & OUTDOOR LIGHTING CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR ACCOUNTING ADJUSTMENTS AND CUSTOMER GROWTH							
	Total	Customer	Demand			Transmission	Distribution	Energy	
			Production		Combined				
			Demand	Energy					
14	Fully Adjusted Rate Revenue Adjustment	\$148,155							
15	Allocated on NOI Ratio (Ln 3)	\$148,155	\$105,423	\$7,124	\$10,215	\$17,339	\$8,491	\$11,621	\$4,280
16	Total Non-Fuel Base Rate Revenues (Ln 8 + Ln 15)	\$4,691,259	\$3,501,376	\$217,317	\$311,621	\$528,937	\$146,663	\$338,915	\$175,367
17	Fully Adjusted Billing Units		327,072	23,561,668	23,561,668	23,561,668	23,561,668	23,561,668	23,561,668
18	Unit Costs based on Fully Adjusted Cost of Service		\$10.71 per month	\$0.009223 per kWh	\$0.013226 per kWh	\$0.022449 per kWh	\$0.006225 per kWh	\$0.014384 per kWh	\$0.007443 per kWh

<div>PART D</div>		STREET & OUTDOOR LIGHTING CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR PROPOSED REVENUE INCREASE						
		Demand						
				Production		Transmission	Distribution	
		Total	Customer	Demand	Energy	Combined		Energy
19	Proposed Rate Revenue Adjustment	\$176,777						
20	Allocated on NOI Ratio (Ln 3)	\$176,777	\$126,983	\$8,500	\$12,189	\$20,689	\$10,132	\$13,866
21	Total Non-Fuel Base Rate Revenues (Ln 15 + Ln 20)	\$4,868,035	\$3,628,359	\$225,817	\$323,809	\$549,626	\$156,795	\$352,782
22	Fully Adjusted Billing Units		327,072	23,561,668	23,561,668	23,561,668	23,561,668	23,561,668
23	Unit Costs based on Proposed Revenue Requirement		\$11.09 per month	\$0.009584 per kWh	\$0.013743 per kWh	\$0.023327 per kWh	\$0.006655 per kWh	\$0.014973 per kWh
								\$0.007660 per kWh

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PART A		6VP CLASS - CUSTOMER, DEMAND & ENERGY COS - PER BOOKS							
	Energy Demand	58.9145%		Demand					
		41.0855%		Production			Transmission	Distribution	
		Total	Customer	Demand	Energy	Combined			Energy
1	COS Per Books Rate Revenue (COS, Sch 2, Ln 25)	\$15,918,199	\$14,735	\$2,514,550	\$3,605,736	\$6,120,286	\$1,306,367	\$1,610,157	\$6,866,654
2	NOI (COS Sch 1, Ln 36)	\$2,581,376	\$2,045	\$541,587	\$776,608	\$1,318,195	\$550,375	\$371,995	\$238,766
3	NOI Ratio (Based on Ln 1)	100.0000%	0.0792%	20.9806%	30.0850%	51.0656%	25.1949%	14.4107%	9.2495%
4	Removal of Fuel Revenues (offset by fuel exp & reg fee)	(\$5,264,928)							(\$5,264,928)
5	Removal of Rider Revenues (on NOI Ratio)	(\$669)	(\$1)	(\$140)	(\$201)	(\$342)	(\$169)	(\$96)	(\$62)
6	Removal of Facilities Charges (on NOI Ratio)	(\$249,448)	(\$198)	(\$52,336)	(\$75,047)	(\$127,382)	(\$62,848)	(\$35,947)	(\$23,073)
7	Removal of Load Management (assigned to production)	\$0		\$0	\$0	\$0			
8	COS Per Books Base Rate Revenue	\$10,403,155	\$14,537	\$2,462,074	\$3,530,489	\$5,992,563	\$1,243,351	\$1,574,113	\$1,578,591

PART B		6VP CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR ANNUALIZED REVENUE FOR TEST YEAR							
				Demand			Transmission	Distribution	Energy
Total	Customer	Production		Combined					
		Demand	Energy						
9	Annualized Rate Revenue Adjustment	\$407,134							
10	Allocated on NOI Ratio (Ln 3)	\$407,134	\$323	\$85,419	\$122,486	\$207,905	\$102,577	\$58,671	\$37,658
11	Total Revenues (Ln 8 + Ln 10)	\$10,810,289	\$14,859	\$2,547,493	\$3,652,975	\$6,200,468	\$1,345,928	\$1,632,784	\$1,616,249
12	Annualized Billing Units		36	54,788,770	219,055,231	273,844,001	837,879	837,879	273,844,001
13	Unit Costs based on Annualized Revenues		\$412.76 per month	\$0.046497 per kWh	\$0.016676 per kWh	\$0.022642 per kWh	\$1.606351 per kW	\$1.948711 per kW	\$0.005902 per kW

PART C		6VP CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR ACCOUNTING ADJUSTMENTS AND CUSTOMER GROWTH							
				Demand			Transmission	Distribution	
				Production					
		Total	Customer	Demand	Energy	Combined			Energy
14	Fully Adjusted Rate Revenue Adjustment	\$967,792							
15	Allocated on NOI Ratio (Ln 3)	\$967,792	\$767	\$203,048	\$291,161	\$494,209	\$243,834	\$139,466	\$89,516
16	Total Non-Fuel Base Rate Revenues (Ln 8 + Ln 15)	\$11,370,947	\$15,304	\$2,665,122	\$3,821,649	\$6,486,772	\$1,487,185	\$1,713,579	\$1,668,108
17	Fully Adjusted Billing Units		36	57,631,701	230,421,776	288,053,477	881,356		288,053,477
18	Unit Costs based on Fully Adjusted Cost of Service		\$425.10 per month	\$0.046244 per kWh	\$0.016585 per kWh	\$0.022519 per kWh	\$1.687383 per kW	\$1.944253 per kW	\$0.005791 per kWh

<div>PART D</div>		6VP CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR PROPOSED REVENUE INCREASE							
		Demand					Transmission	Distribution	Energy
		Production		Combined					
	Total	Customer	Demand	Energy	Combined				
19	Proposed Rate Revenue Adjustment	\$160,279							
20	Allocated on NOI Ratio (Ln 3)	\$160,279	\$127	\$33,627	\$48,220	\$81,847	\$40,382	\$23,097	\$14,825
21	Total Non-Fuel Base Rate Revenues (Ln 15 + Ln 20)	\$11,531,226	\$15,431	\$2,698,750	\$3,869,889	\$6,568,619	\$1,527,567	\$1,736,676	\$1,682,933
22	Fully Adjusted Billing Units		36	57,631,701	230,421,776	288,053,477	881,356	881,356	288,053,477
23	Unit Costs based on Proposed Revenue Requirement		\$428.63 per month	\$0.046828 per kWh	\$0.016795 per kWh	\$0.022803 per kWh	\$1.733201 per kW	\$1.970459 per kW	\$0.005842 per kWh

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PART A			SCHEDULE NS CLASS - CUSTOMER, DEMAND & ENERGY COS - PER BOOKS						
	Energy	58.9145%	Demand						
	Demand	41.0855%		Production		Transmission	Distribution		
		Total	Customer	Demand	Energy	Combined		Energy	
1	COS Per Books Rate Revenue (COS, Sch 2, Ln 25)	\$43,029,576	\$14,561	\$6,934,528	\$9,943,757	\$16,878,285	\$3,431,294	\$0	\$22,705,435
2	NOI (COS Sch 1, Ln 36)	\$5,683,186	\$1,777	\$1,370,501	\$1,965,227	\$3,335,728	\$1,639,629	\$0	\$706,053
3	NOI Ratio (Based on Ln 1)	100.0000%	0.0313%	24.1150%	34.5797%	58.6947%	28.8505%	0.0000%	12.4235%
4	Removal of Fuel Revenues (offset by fuel exp & reg fee)	(\$17,497,696)							(\$17,497,696)
5	Removal of Rider Revenues (on NOI Ratio)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Removal of Facilities Charges (on NOI Ratio)	(\$8,434)	(\$3)	(\$2,034)	(\$2,916)	(\$4,950)	(\$2,433)	\$0	(\$1,048)
7	Removal of Load Management (assigned to production)	\$0		\$0	\$0	\$0			
8	COS Per Books Base Rate Revenue	\$25,523,446	\$14,559	\$6,932,494	\$9,940,841	\$16,873,335	\$3,428,861	\$0	\$5,206,691

PART B		SCHEDULE NS CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR ANNUALIZED REVENUE FOR TEST YEAR						
		Demand						
		Production			Transmission	Distribution		
	Total	Customer	Demand	Energy	Combined		Energy	
9	Annualized Rate Revenue Adjustment	\$5,078						
10	Allocated on NOI Ratio (Ln 3)	\$5,078	\$2	\$1,225	\$1,756	\$2,981	\$631	
11	Total Revenues (Ln 8 + Ln 10)	\$25,528,524	\$14,560	\$6,933,719	\$9,942,597	\$16,876,316	\$5,207,322	
12	Annualized Billing Units		12	2,017,526	918,042,000	2,017,526	918,042,000	
13	Unit Costs based on Annualized Revenues		\$1,213.35 per month	\$3.436743 per kW	\$0.010830 per kWh	\$0.018383 per kWh	\$0.005672 per kW	

PART C		SCHEDULE NS CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR ACCOUNTING ADJUSTMENTS AND CUSTOMER GROWTH						
		Demand						
		Production			Transmission	Distribution		
		Demand	Energy	Combined			Energy	
		Total	Customer					
14	Fully Adjusted Rate Revenue Adjustment	\$121,968						
15	Allocated on NOI Ratio (Ln 3)	\$121,968	\$38	\$29,413	\$42,176	\$71,589	\$35,189	\$0
16	Total Non-Fuel Base Rate Revenues (Ln 8 + Ln 15)	\$25,645,414	\$14,597	\$6,961,907	\$9,983,017	\$16,944,924	\$3,464,050	\$0
17	Fully Adjusted Billing Units		12	2,026,764	922,245,529	922,245,529	2,026,764	2,026,764
18	Unit Costs based on Fully Adjusted Cost of Service		\$1,216.40 per month	\$3.434986 per kW	\$0.010825 per kWh	\$0.018374 per kWh	\$1.709153 per kW	\$0.000000 per kW
								\$0.005629 per kWh

<div>PART D</div>		SCHEDULE NS CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR PROPOSED REVENUE INCREASE							
		Demand					Transmission	Distribution	Energy
		Production							
	Total	Customer	Demand	Energy	Combined				
19	Proposed Rate Revenue Adjustment	\$508,308							
20	Allocated on NOI Ratio (Ln 3)	\$508,308	\$159	\$122,579	\$175,771	\$298,350	\$146,650	\$0	\$63,150
21	Total Non-Fuel Base Rate Revenues (Ln 15 + Ln 20)	\$26,153,722	\$14,756	\$7,084,485	\$10,158,788	\$17,243,274	\$3,610,699	\$0	\$5,284,994
22	Fully Adjusted Billing Units		12	2,026,764	922,245,529	922,245,529	2,026,764	2,026,764	922,245,529
23	Unit Costs based on Proposed Revenue Requirement		\$1,229.64 per month	\$3.495466 per kW	\$0.011015 per kWh	\$0.018697 per kWh	\$1.781509 per kW	\$0.000000 per kW	\$0.005731 per kWh

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PART A		LARGE GENERAL SERVICE CLASS - CUSTOMER, DEMAND & ENERGY COS - PER BOOKS							
	Energy Demand	58.9145% 41.0855%		Demand					
				Production			Transmission	Distribution	
	Total		Customer	Demand	Energy	Combined			Energy
1	COS Per Books Rate Revenue (COS, Sch 2, Ln 25)	\$42,648,768	\$111,662	\$6,791,168	\$9,738,186	\$16,529,354	\$3,781,930	\$4,651,161	\$17,574,662
2	NOI (COS Sch 1, Ln 36)	\$7,982,494	\$16,813	\$1,656,602	\$2,375,482	\$4,032,084	\$1,991,110	\$1,241,952	\$700,535
3	NOI Ratio (Based on Ln 1)	100.0000%	0.2106%	20.7529%	29.7586%	50.5116%	24.9435%	15.5584%	8.7759%
4	Removal of Fuel Revenues (offset by fuel exp & reg fee)	(\$12,880,462)							(\$12,880,462)
5	Removal of Rider Revenues (on NOI Ratio)	(\$425,690)	(\$897)	(\$88,343)	(\$126,680)	(\$215,023)	(\$106,182)	(\$66,231)	(\$37,358)
6	Removal of Facilities Charges (on NOI Ratio)	(\$386,284)	(\$814)	(\$80,165)	(\$114,953)	(\$195,118)	(\$96,353)	(\$60,100)	(\$33,900)
7	Removal of Load Management (assigned to production)	\$12,007		\$4,933	\$7,074	\$12,007			
8	COS Per Books Base Rate Revenue	\$28,968,338	\$109,952	\$6,627,592	\$9,503,627	\$16,131,219	\$3,579,395	\$4,524,830	\$4,622,941

PART B		LARGE GENERAL SERVICE CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR ANNUALIZED REVENUE FOR TEST YEAR							
				Demand			Transmission	Distribution	
		Total	Customer	Demand	Energy	Combined			Energy
9	Annualized Rate Revenue Adjustment	\$491,348							
10	Allocated on NOI Ratio (Ln 3)	\$491,348	\$1,035	\$101,969	\$146,219	\$248,188	\$122,559	\$76,446	\$43,120
11	Total Revenues (Ln 8 + Ln 10)	\$29,459,686	\$110,987	\$6,729,562	\$9,649,846	\$16,379,407	\$3,701,954	\$4,601,277	\$4,666,061
12	Annualized Billing Units		696	1,279,918	658,729,998	1,279,918	1,761,554	1,761,554	658,729,998
13	Unit Costs based on Annualized Revenues		\$159.46 per month	\$5.257807 per kW	\$0.014649 per kWh	\$12.797232 per kW	\$2.101528 per kW	\$2.612055 per kW	\$0.007083 per kWh

PART C		LARGE GENERAL SERVICE CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR ACCOUNTING ADJUSTMENTS AND CUSTOMER GROWTH							
				Demand					
		Total	Customer	Production	Transmission	Distribution			
				Demand	Energy	Combined		Energy	
14	Fully Adjusted Rate Revenue Adjustment	\$1,802,396							
15	Allocated on NOI Ratio (Ln 3)	\$1,802,396	\$3,796	\$374,050	\$536,369	\$910,419	\$449,580	\$280,425	
16	Total Non-Fuel Base Rate Revenues (Ln 8 + Ln 15)	\$30,770,735	\$113,748	\$7,001,643	\$10,039,996	\$17,041,638	\$4,028,975	\$4,805,255	
17	Fully Adjusted Billing Units		672	1,338,623	688,943,531	1,338,623	1,842,350	1,842,350	
18	Unit Costs based on Fully Adjusted Cost of Service		\$169.27 per month	\$5.230481 per kW	\$0.014573 per kWh	\$12.730723 per kW	\$2.186868 per kW	\$2.608221 per kW	
								\$0.006940 per kWh	

PART D		LARGE GENERAL SERVICE CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR PROPOSED REVENUE INCREASE							
		Total	Customer	Demand			Transmission	Distribution	Energy
				Demand	Energy	Combined			
19	Proposed Rate Revenue Adjustment	\$360,831							
20	Allocated on NOI Ratio (Ln 3)	\$360,831	\$760	\$74,883	\$107,378	\$182,261	\$90,004	\$56,140	\$31,666
21	Total Non-Fuel Base Rate Revenues (Ln 15 + Ln 20)	\$31,131,566	\$114,508	\$7,076,526	\$10,147,374	\$17,223,900	\$4,118,979	\$4,861,395	\$4,812,784
22	Fully Adjusted Billing Units		672	1,338,623	688,943,531	1,338,623	1,842,350	1,842,350	688,943,531
23	Unit Costs based on Proposed Revenue Requirement		\$170.40 per month	\$5.286422 per kW	\$0.014729 per kWh	\$12.866879 per kW	\$2.235720 per kW	\$2.638692 per kW	\$0.006986 per kWh

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PART A		SGS, COUNTY, & MUNI CLASS - CUSTOMER, DEMAND & ENERGY COS - PER BOOKS							
	Energy Demand	58.9145%	Demand					Energy	
		41.0855%	Customer	Production	Transmission	Distribution			
		Total		Demand	Energy	Combined			
1	COS Per Books Rate Revenue (COS, Sch 2, Ln 25)	\$72,363,896	\$2,916,439	\$11,165,189	\$16,010,308	\$27,175,497	\$6,965,437	\$11,241,868	\$24,064,655
2	NOI (COS Sch 1, Ln 36)	\$17,228,796	\$449,827	\$3,286,549	\$4,712,743	\$7,999,292	\$3,961,853	\$3,620,045	\$1,197,779
3	NOI Ratio (Based on Ln 1)	100.0000%	2.6109%	19.0759%	27.3539%	46.4298%	22.9955%	21.0116%	6.9522%
4	Removal of Fuel Revenues (offset by fuel exp & reg fee)	(\$16,394,082)							(\$16,394,082)
5	Removal of Rider Revenues (on NOI Ratio)	(\$1,870,083)	(\$48,826)	(\$356,735)	(\$511,540)	(\$868,275)	(\$430,036)	(\$392,934)	(\$130,012)
6	Removal of Facilities Charges (on NOI Ratio)	(\$532,061)	(\$13,892)	(\$101,495)	(\$145,539)	(\$247,035)	(\$122,350)	(\$111,795)	(\$36,990)
7	Removal of Load Management (assigned to production)	\$0		\$0	\$0	\$0			
8	COS Per Books Base Rate Revenue	\$53,567,670	\$2,853,721	\$10,706,958	\$15,353,229	\$26,060,187	\$6,413,051	\$10,737,139	\$7,503,572

PART B		SGS, COUNTY, & MUNI CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR ANNUALIZED REVENUE FOR TEST YEAR							
				Demand			Transmission	Distribution	
				Production					
		Total	Customer	Demand	Energy	Combined			Energy
9	Annualized Rate Revenue Adjustment	\$30,407							
10	Allocated on NOI Ratio (Ln 3)	\$30,407	\$794	\$5,800	\$8,318	\$14,118	\$6,992	\$6,389	\$2,114
11	Total Revenues (Ln 8 + Ln 10)	\$53,598,077	\$2,854,515	\$10,712,759	\$15,361,546	\$26,074,305	\$6,420,043	\$10,743,528	\$7,505,686
12	Annualized Billing Units		214,068	831,509,000	831,509,000	831,509,000	831,509,000	831,509,000	831,509,000
13	Unit Costs based on Annualized Revenues		\$13.33 per month	\$0.012884 per kWh	\$0.018474 per kWh	\$0.031358 per kWh	\$0.007721 per kWh	\$0.012921 per kWh	\$0.009027 per kWh

PART C		SGS, COUNTY, & MUNI CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR ACCOUNTING ADJUSTMENTS AND CUSTOMER GROWTH							
	Total	Customer	Demand			Transmission	Distribution	Energy	
			Production		Combined				
			Demand	Energy					
14	Fully Adjusted Rate Revenue Adjustment	(\$2,300,223)							
15	Allocated on NOI Ratio (Ln 3)	(\$2,300,223)	(\$60,057)	(\$438,788)	(\$629,200)	(\$1,067,988)	(\$528,948)	(\$483,314)	(\$159,916)
16	Total Non-Fuel Base Rate Revenues (Ln 8 + Ln 15)	\$51,267,447	\$2,793,665	\$10,268,170	\$14,724,029	\$24,992,198	\$5,884,102	\$10,253,826	\$7,343,656
17	Fully Adjusted Billing Units		214,416	792,504,930	792,504,930	792,504,930	792,504,930	792,504,930	792,504,930
18	Unit Costs based on Fully Adjusted Cost of Service		\$13.03 per month	\$0.012957 per kWh	\$0.018579 per kWh	\$0.031536 per kWh	\$0.007425 per kWh	\$0.012939 per kWh	\$0.009266 per kWh

PART D		SGS, COUNTY, & MUNI CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR PROPOSED REVENUE INCREASE							
				Demand			Transmission	Distribution	
				Production					
		Total	Customer	Demand	Energy	Combined			Energy
19	Proposed Rate Revenue Adjustment	\$806,375							
20	Allocated on NOI Ratio (Ln 3)	\$806,375	\$21,054	\$153,823	\$220,575	\$374,398	\$185,430	\$169,432	\$56,061
21	Total Non-Fuel Base Rate Revenues (Ln 15 + Ln 20)	\$52,073,822	\$2,814,718	\$10,421,993	\$14,944,603	\$25,366,597	\$6,059,533	\$10,423,258	\$7,399,717
22	Fully Adjusted Billing Units		214,416	792,504,930	792,504,930	792,504,930	792,504,930	792,504,930	792,504,930
23	Unit Costs based on Proposed Revenue Requirement		\$13.13 per month	\$0.013151 per kWh	\$0.018857 per kWh	\$0.032008 per kWh	\$0.007659 per kWh	\$0.013152 per kWh	\$0.009337 per kWh

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<div>PART A</div>		RESIDENTIAL CLASS - CUSTOMER, DEMAND & ENERGY COS - PER BOOKS							
	Energy Demand	58.9145%	Demand						
		41.0855%	Production		Transmission		Distribution		
		Total	Customer	Demand	Energy	Combined			Energy
1	COS Per Books Rate Revenue (COS, Sch 2, Ln 25)	\$174,934,778	\$8,386,095	\$27,626,382	\$39,614,814	\$67,241,196	\$16,189,697	\$38,821,080	\$44,296,709
2	NOI (COS Sch 1, Ln 36)	\$41,436,958	\$1,792,170	\$7,263,905	\$10,416,068	\$17,679,973	\$8,803,628	\$11,128,541	\$2,032,646
3	NOI Ratio (Based on Ln 1)	100.0000%	4.3251%	17.5300%	25.1371%	42.6672%	21.2458%	26.8556%	4.9054%
4	Removal of Fuel Revenues (offset by fuel exp & reg fee)	(\$33,434,224)							(\$33,434,224)
5	Removal of Rider Revenues (on NOI Ratio)	(\$2,644,988)	(\$114,397)	(\$463,667)	(\$664,874)	(\$1,128,541)	(\$561,950)	(\$710,353)	(\$129,747)
6	Removal of Facilities Charges (on NOI Ratio)	(\$127)	(\$6)	(\$22)	(\$32)	(\$54)	(\$27)	(\$34)	(\$6)
7	Removal of Load Management (assigned to production)	\$0		\$0	\$0	\$0			
8	COS Per Books Base Rate Revenue	\$138,855,439	\$8,271,692	\$27,162,693	\$38,949,908	\$66,112,601	\$15,627,720	\$38,110,693	\$10,732,732

<div>PART B</div>		RESIDENTIAL CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR ANNUALIZED REVENUE FOR TEST YEAR							
				Demand			Transmission	Distribution	
		Total	Customer	Demand	Energy	Combined			Energy
9	Annualized Rate Revenue Adjustment	\$2,142,813							
10	Allocated on NOI Ratio (Ln 3)	\$2,142,813	\$92,678	\$375,635	\$538,642	\$914,277	\$455,258	\$575,486	\$105,113
11	Total Revenues (Ln 8 + Ln 10)	\$140,998,252	\$8,364,370	\$27,538,328	\$39,488,550	\$67,026,878	\$16,082,979	\$38,686,179	\$10,837,845
12	Annualized Billing Units		1,237,908	1,694,005,997	1,694,005,997	1,694,005,997	1,694,005,997	1,694,005,997	1,694,005,997
13	Unit Costs based on Annualized Revenues		\$6.76 per month	\$0.016256 per kWh	\$0.023311 per kWh	\$0.039567 per kWh	\$0.009494 per kWh	\$0.022837 per kWh	\$0.006398 per kWh

<div>PART C</div>		RESIDENTIAL CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR ACCOUNTING ADJUSTMENTS AND CUSTOMER GROWTH							
				Demand			Transmission	Distribution	
		Total	Customer	Demand	Energy	Combined			
									Energy
14	Fully Adjusted Rate Revenue Adjustment	(7,068,818)							
15	Allocated on NOI Ratio (Ln 3)	(7,068,818)	(305,730)	(1,239,165)	(1,776,899)	(3,016,064)	(1,501,829)	(1,898,441)	(346,753)
16	Total Non-Fuel Base Rate Revenues (Ln 8 + Ln 15)	\$131,786,621	\$7,965,962	\$25,923,528	\$37,173,009	\$63,096,537	\$14,125,891	\$36,212,252	\$10,385,978
17	Fully Adjusted Billing Units		1,240,872	1,571,287,839	1,571,287,839	1,571,287,839	1,571,287,839	1,571,287,839	1,571,287,839
18	Unit Costs based on Fully Adjusted Cost of Service		\$6.42 per month	\$0.016498 per kWh	\$0.023658 per kWh	\$0.040156 per kWh	\$0.008990 per kWh	\$0.023046 per kWh	\$0.006610 per kWh

<div>PART D</div>		RESIDENTIAL CLASS - CUSTOMER, DEMAND & ENERGY COS - ADJUSTED FOR PROPOSED REVENUE INCREASE							
				Demand			Transmission	Distribution	
		Total	Customer	Demand	Energy	Combined			Energy
19	Proposed Rate Revenue Adjustment	\$6,466,762							
20	Allocated on NOI Ratio (Ln 3)	\$6,466,762	\$279,691	\$1,133,624	\$1,625,559	\$2,759,184	\$1,373,918	\$1,736,750	\$317,220
21	Total Non-Fuel Base Rate Revenues (Ln 15 + Ln 20)	\$138,253,383	\$8,245,653	\$27,057,152	\$38,798,568	\$65,855,721	\$15,499,809	\$37,949,002	\$10,703,198
22	Fully Adjusted Billing Units		1,240,872	1,571,287,839	1,571,287,839	1,571,287,839	1,571,287,839	1,571,287,839	1,571,287,839
23	Unit Costs based on Proposed Revenue Requirement		\$6.65 per month	\$0.017220 per kWh	\$0.024692 per kWh	\$0.041912 per kWh	\$0.009864 per kWh	\$0.024152 per kWh	\$0.006812 per kWh

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PER BOOKS, ANNUALIZED, FULLY ADJUSTED AND FULLY ADJUSTED WITH INCREASE

CHANGE IN CLASS RATE OF RETURNS DUE TO BASE FUEL RATE CHANGE - FROM ITEM 45c, COLS. 6 & 7								
	North Carolina Juris Amount	Residential	SGS, County, & Muni	Large General Service	Schedule NS	6VP	Street & Outdoor Lights	Traffic Lights
Revenue Increase (Allocated on Factor 3)	(\$2,155,000)	(\$838,209)	(\$411,006)	(\$322,918)	(\$438,674)	(\$131,994)	(\$11,939)	(\$261)
Δ Adjusted NOI	\$5,577	\$2,169	\$1,064	\$836	\$1,135	\$342	\$31	\$1
Total Rate Base (from Column 7)	\$1,145,615,602	\$616,099,609	\$211,960,555	\$129,846,839	\$121,597,666	\$50,054,668	\$15,942,183	\$114,082
Δ ROR	0.0005%	0.0004%	0.0005%	0.0006%	0.0009%	0.0007%	0.0002%	0.0006%
Δ Index		0.00	0.00	0.00	0.00	0.00	0.00	0.00

CLASS RATE OF RETURNS AFTER ALL RATEMAKING ADJUSTMENTS AND AFTER REVENUE INCREASE INCLUDING BASE FUEL RATE CHANGE - FROM ITEM 45c, COL. 4, 6, & 7								
	North Carolina Juris. Amount	Residential	SGS, County & Muni	Large General Service	Sch. NS	6VP	Outdoor Street Lights	Traffic Lights
Total Revenue Increase (Col 4 + Col 6)	\$6,428,000	\$5,810,313	\$358,670	\$14,473	\$44,409	\$12,965	\$186,387	\$784
Adjusted NOI	\$82,511,108	\$42,190,929	\$17,315,872	\$10,503,726	\$7,042,673	\$3,742,291	\$1,696,537	\$19,081
Rate Base	\$1,145,615,602	\$616,099,609	\$211,960,555	\$129,846,839	\$121,597,666	\$50,054,668	\$15,942,183	\$114,082
ROR	7.2023%	6.8481%	8.1694%	8.0893%	5.7918%	7.4764%	10.6418%	16.7259%
Index		0.95	1.13	1.12	0.80	1.04	1.48	2.32

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PER BOOKS CLASS RATE OF RETURNS - FROM ITEM 45a								
	North Carolina Juris Amount	Residential	SGS, County, & Muni	Large General Service	Schedule NS	6VP	Street & Outdoor Lights	Traffic Lights
Adjusted NOI	\$76,357,144	\$41,436,958	\$17,228,797	\$7,982,494	\$5,683,186	\$2,581,376	\$1,425,229	\$19,105
Rate Base	\$1,191,741,713	\$634,110,593	\$220,540,542	\$137,060,457	\$131,556,266	\$53,045,779	\$15,309,970	\$118,107
ROR	6.4072%	6.5347%	7.8121%	5.8241%	4.3200%	4.8663%	9.3092%	16.1759%
Index		1.02	1.22	0.91	0.67	0.76	1.45	2.52

PER BOOKS CLASS RATE OF RETURNS WITH ANNUALIZED REVENUE - FROM ITEM 45b								
	North Carolina Juris Amount	Residential	SGS, County, & Muni	Large General Service	Schedule NS	6VP	Street & Outdoor Lights	Traffic Lights
Adjusted NOI	\$78,610,836	\$43,002,693	\$17,260,944	\$8,269,442	\$5,685,484	\$2,832,759	\$1,541,240	\$18,273
Rate Base	\$1,191,741,713	\$634,110,593	\$220,540,542	\$137,060,457	\$131,556,266	\$53,045,779	\$15,309,970	\$118,107
ROR	6.5963%	6.7816%	7.8267%	6.0334%	4.3217%	5.3402%	10.0669%	15.4715%
Index		1.03	1.19	0.91	0.66	0.81	1.53	2.35

CLASS RATE OF RETURNS AFTER ALL RATEMAKING ADJUSTMENTS BEFORE REVENUE INCREASE - FROM ITEM 45c, COL 3								
	North Carolina Juris Amount	Residential	SGS, County, & Muni	Large General Service	Schedule NS	6VP	Street & Outdoor Lights	Traffic Lights
Adjusted NOI	\$76,145,262	\$37,263,875	\$16,743,888	\$10,252,308	\$6,682,923	\$3,634,313	\$1,549,649	\$18,307
Rate Base	\$1,144,568,870	\$615,632,224	\$211,763,031	\$129,702,236	\$121,422,317	\$49,997,207	\$15,937,830	\$114,025
ROR	6.6527%	6.0529%	7.9069%	7.9045%	5.5039%	7.2690%	9.7231%	16.0551%
Index		0.91	1.19	1.19	0.83	1.09	1.46	2.41

CLASS RATE OF RETURNS AFTER ALL RATEMAKING ADJUSTMENTS AND AFTER REVENUE INCREASE - FROM ITEM 45c, COLS. 4 & 5								
	North Carolina Juris Amount	Residential	SGS, County, & Muni	Large General Service	Schedule NS	6VP	Street & Outdoor Lights	Traffic Lights
Revenue Increase	\$8,583,000	\$6,648,522	\$769,676	\$337,391	\$483,083	\$144,958	\$198,326	\$1,045
Adjusted NOI	\$82,505,531	\$42,188,759	\$17,314,808	\$10,502,890	\$7,041,538	\$3,741,949	\$1,696,506	\$19,081
Rate Base	\$1,145,615,602	\$616,099,609	\$211,960,555	\$129,846,839	\$121,597,666	\$50,054,668	\$15,942,183	\$114,082
ROR	7.2019%	6.8477%	8.1689%	8.0887%	5.7908%	7.4757%	10.6416%	16.7253%
Index		0.95	1.13	1.12	0.80	1.04	1.48	2.32

**Table 1 - Results of Fully Adjusted Cost of Service and Cost Per Unit for Each Class
Company Stipulation Filing Compared to Basic Customer Method**

Based on Fully Adjusted Cost of Service, Column 3								
	NC Classes Total	Residential	SGS, Co & Muni	LGS	Schedule NS	6VP	St. & Outdoor Lights	Traffic Lights
Adj. NOI - Company Filing	\$ 76,145,262	\$ 36,733,981	\$ 17,096,453	\$ 10,925,342	\$ 6,682,923	\$ 3,891,396	\$ 803,554	\$ 11,614
Adj. NOI - Basic Customer Method	\$ 76,145,262	\$ 37,263,875	\$ 16,743,888	\$ 10,252,308	\$ 6,682,923	\$ 3,634,313	\$ 1,549,649	\$ 18,307
Change (Basic Cust. - Company)	\$ 0	\$ 529,894	\$ (352,565)	\$ (673,034)	\$ 0	\$ (257,083)	\$ 746,095	\$ 6,693
Rate Base - Company Filing	\$ 1,144,568,870	\$ 620,179,141	\$ 208,806,445	\$ 124,113,361	\$ 121,423,519	\$ 48,043,076	\$ 21,837,654	\$ 165,674
Rate Base - Basic Customer Method	\$ 1,144,568,870	\$ 615,632,224	\$ 211,763,031	\$ 129,702,236	\$ 121,422,317	\$ 49,997,207	\$ 15,937,830	\$ 114,025
Change (Basic Cust. - Company)	\$ (0)	\$ (4,546,917)	\$ 2,956,586	\$ 5,588,875	\$ (1,202)	\$ 1,954,130	\$ (5,899,824)	\$ (51,649)
ROR - Company Filing	6.6527%	5.9231%	8.1877%	8.8027%	5.5038%	8.0998%	3.6797%	7.0100%
ROR - Basic Customer Method	6.6527%	6.0529%	7.9069%	7.9045%	5.5039%	7.2690%	9.7231%	16.0551%
Change (Basic Cust. - Company)	0.0000%	0.1298%	-0.2808%	-0.8982%	0.0001%	-0.8308%	6.0434%	9.0451%
ROR Index - Company Filing	1.00	0.89	1.23	1.32	0.83	1.22	0.55	1.05
ROR Index - Basic Customer Method	1.00	0.91	1.19	1.19	0.83	1.09	1.46	2.41
Change (Basic Cust. - Company)	-	0.02	(0.04)	(0.14)	0.00	(0.12)	0.91	1.36
Based on Customer, Demand, and Energy Unit Costs, Part D								
	Residential	SGS, Co & Muni	LGS	Schedule NS	6VP	St. & Outdoor Lights	Traffic Lights	
Customer Units	per Month	per Month	per Month	per Month	per Month	per Month	per Month	
Customer Unit Cost - Company Filing	\$ 15.95	\$ 23.08	\$ 184.77	\$ 1,229.64	\$ 447.14	\$ 12.57	\$ 12.92	
Customer Unit Cost - Basic Cust. Method	\$ 6.65	\$ 13.13	\$ 170.40	\$ 1,229.64	\$ 428.63	\$ 11.09	\$ 6.94	
Change (Basic Cust. - Company)	\$ (9.30)	\$ (9.95)	\$ (14.37)	\$ -	\$ (18.51)	\$ (1.48)	\$ (5.98)	
Percent Change (Change / Company Filing)	-58.3072%	-43.1109%	-7.7772%	0.0000%	-4.1396%	-11.7741%	-46.2848%	
Customer Units	per kWh	per kWh	per kW	per kW	per kW	per kWh	per kWh	
Distribution Demand Unit Cost - Company Filing	\$ 0.017295	\$ 0.009703	\$ 1.933775	\$ -	\$ 1.423427	\$ 0.006744	\$ 0.003646	
Distribution Demand Unit Cost - Basic Cust. Method	\$ 0.024152	\$ 0.013152	\$ 2.638692	\$ -	\$ 1.970459	\$ 0.014973	\$ 0.008174	
Change (Basic Cust. - Company)	\$ 0.006857	\$ 0.003449	\$ 0.704917	\$ -	\$ 0.547032	\$ 0.008229	\$ 0.004528	
Percent Change (Change / Company Filing)	39.6473%	35.5457%	36.4529%	0.0000%	38.4306%	122.0196%	124.1909%	

Response to Commission Question #2 Regarding Special Rates and/or Billing and Payment Plans for Qualifying Low Income Customers

The Company has an obligation to provide customers with reliable electric service at just and reasonable rates established in regulatory proceedings before the Commission. Such service should be provided to all classes of customers, and in terms of the residential class, regardless of income level. In the pursuit of this mission, the Company strongly supports the principle of providing programs which ensure that those low-income households and customers in our service territory are able to have access to reliable and affordable energy. In the document titled, Dominion Energy North Carolina: Assistance Available to Low Income Customers in North Carolina, filed on Monday, September 23 in this docket, the Company has provided a summary of assistance currently being provided to low income customers and customers needing assistance with paying their bills. These programs include Company-sponsored and administered programs and government assistance. The document also includes a description of the Company's low income DSM program in North Carolina that has been available in some form since 2011.

The Company does not currently offer and has not proposed in this proceeding a residential rate schedule or rider that has been designed specifically to assist low income customers. This is true for both our North Carolina and Virginia service territories. Low income customers take service under our current rate schedules that are applicable to the residential class.

Design of a Special Rate, Rider or Discount to Assist Low Income Customers

With regard to the design of a special rate, rider or discount, a first approach often undertaken by a utility would be to consider whether a rate or discount could be designed based upon cost. You can consider this standard utility practice and it would be undertaken within a utility's general

rate case. The Company's residential customers in North Carolina that would qualify as low income would have to first be identified. Then, a cost of service would have to be developed such that the costs to serve low income customers could be distinguished from the costs to serve other residential customers. This would require load research, demand and usage information distinguished between these two groups of residential customers over the course of a test period. At this point in time, DENC does not have the capability to prepare such a cost of service study. And, I am not sure that would be the best approach or yield results that would show there is a distinguishable cost difference nor consider all of the important financial, economic and social factors that should be evaluated in establishing special rates for low income customers.

When determining the applicability and establishment of rates, in addition to cost, I believe it is appropriate to consider such non-cost factors. With regard to residential customers and establishing a low income rate or discount, determining the level of income that establishes qualification for a special rate, is an important non-cost factor. Others may include, but not be limited to the economic conditions and vitality of the service territory and the communities served, the manner in which low income customers use electricity and the quantity of such use, fairness in the treatment of low income customers by the Company in its service territory compared to other utility service providers, such as water and gas, within the same geographical service territory, and perhaps across the entire state. There seem to be many non-cost factors that would have to be considered and assessed including financial, economic and social factors in establishing this important regulatory policy. And, I am not sure a utility general rate case is the best forum to evaluate these non-cost factors. Therefore, I do not recommend this approach.

This leads me to consider that a second approach may be more reasonable. The Company would favor any consideration of special rates, riders or discounts by the Commission be undertaken in the form of a separate generic proceeding to evaluate the benefits, costs, and goals of providing low-income energy assistance to residential customers. This would achieve several desired outcomes. Principally, it would allow the Company and other utilities designated by the Commission to participate in a single-issue forum which would give this important topic the attention and focus it deserves instead of being decided in a utility-specific general rate case. Similarly, it would allow the Company to engage in an interactive dialogue with both governmental partners, peer utilities, and other relevant stakeholders to encourage a free flow of ideas and critical assessment that would help make such an undertaking as fair and valuable to all affected parties as possible. Finally, by considering the issue of low-income assistance in the form of special programs or rates in a generic proceeding, the Commission would be provided with a final report that included the findings and analysis of a much larger group of participants than could be achieved in a normal ratemaking proceeding. This form of generic investigative, limited-issue proceeding has been utilized before by the North Carolina Utilities Commission in other matters such as the recent proceeding evaluating the continued use of the minimum system distribution cost of service methodology.

The form of how such a proceeding to determine best practices in developing a program or rate or set of rates to assist low-income households and customers in the Company's service territory notwithstanding, the Company views the framework of implementation to be a significant opportunity to ensure that any administration of such a program is fair, equitable, and efficient. Specifically, the Company would favor that any program or rate to provide energy assistance to low-income customers and households which may be ordered by the Commission be subject to

rigorous eligibility and inclusion criteria that would prevent any manipulation of its intended purpose. As such, the Company would suggest that eligibility determinations for any such program or rate be made by the North Carolina Department of Social Services, or a similar agency of the North Carolina state or local government with competent jurisdiction. The North Carolina Department of Social Services currently administers the Low Income Energy Assistance (LIEAP) program for qualifying individuals based on their determination of eligibility. While the LIEAP program is quite distinct from the topic at hand as it is a federally-funded assistance program, the Company views the implementation framework currently in place with LIEAP as an excellent example of what could be adopted as a best practice for public utilities to enroll customers in a low-income assistance program or rate.

As a general rule, the Company would strongly resist any requirement that it determine eligibility criteria for who would be and who would not be a “low-income customer” for the purposes of the program. The Company would also be hesitant, even if given such criteria by the Commission or another agency, to be responsible for making eligibility determinations for our customers based on income levels, household size, etcetera for a several reasons. First, the Company would have strong reservations about inquiring of our customers or those applying for service about their income level as a condition of service, which this would essentially necessitate. Second, the Company would be placed in a very difficult position of how to appropriately store and secure large amounts of extremely sensitive private information related to employment, income, and household size, among others, which is not within the scope of the information normally collected from customers to provide them reasonable and affordable service. Finally, the Company does not have the experience and expertise in making social services and income assistance determinations possessed by the Department of Social Services or

other local assistance agencies. Taken together, these factors strongly suggest to the Company that the actual determination of low-income status and eligibility for any future low-income energy assistance program or rate, be made by the Department of Social Services or a similar agency of competent jurisdiction, and the customers be enrolled based on a list developed thereby.

The Company reiterates that it is strongly committed to advocating for the provision of reliable, affordable energy to all of our customers, irrespective of income level and would welcome an opportunity to participate in any efforts by the Commission to facilitate the important task of establishing special rates, billing and payment plans for qualifying low income customers.

McGuireWoods LLP
434 Fayetteville Street
Suite 2600
PO Box 27507 (27611)
Raleigh, NC 27601
Phone: 919.755.6600
Fax: 919.755.6699
www.mcguirewoods.com
Mary Lynne Grigg
Direct: 919.755.6573

McGUIREWOODS

mgrigg@mcguirewoods.com

September 23, 2019

VIA ELECTRONIC FILING

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

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

Dear Ms. Campbell:

Enclosed for filing in the above-referenced docket on behalf of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina, is Late-Filed Exhibit No. 2.

The Late-Filed Exhibit No. 2 responds to Cost Allocation and Rate Design Question No. 2 pursuant to the Commission's September 16, 2019 Order Providing Notice of Commission Questions in the above-captioned matter.

Thank you for your assistance with this matter. Feel free to contact me should you have any questions.

Very truly yours,

/s/Mary Lynne Grigg

MLG:mth

Enclosure

2. Provide a witness knowledgeable concerning the Company's exploration, evaluation, and consideration of special rates and/or billing and payment plans for qualifying low income customers and the supporting rationale for any decisions concerning whether to propose or offer any such rates or billing plans.

Dominion Energy North Carolina

Assistance Available to Low Income Customers in North Carolina

Dominion Energy North Carolina Billing, Payment & Credit: DENC will assist in arranging short-term extensions and payment plans to customers in need of assistance with their utility bills. Consistent with NC Commission rules, the Company will work with such customers to arrange a six month payment plan upon request, unless the customer specifically requests a shorter time.

Dominion Energy North Carolina Assistance: DENC offers help to customers in need of assistance with their utility bills in several ways:

- The DENC Credit Department has within its department a dedicated staff specializing in Energy Assistance (EA). The team works with assistance agencies (i.e. governmental and non-profits agencies) providing front-line support, guidance for special cases, training and outreach as well as operational support of the programs as they apply to DENC.
- ***Moratorium on Disconnects*** (Nov 1 – March 31) – In compliance with the North Carolina Utilities Commission Order of November 14, 1979, Amending Rules R12-10 & R12-11. The Company works through the NC Department of Social Services who certify eligible senior and disabled customers for assistance under the Emergency Crisis Assistance Program or other programs. This program prevents these customers, once certified, from being turned off during the designated time period. Customers who have been disconnected are issued a reconnect.
- ***Outbound calling*** – Customers who are identified to be disconnected for non-payment will receive an outbound call advising to contact North Carolina 2-1-1 for available energy assistance options. NC 2-1-1 is an information and referral service provided by United Way of North Carolina.
- ***Outreach*** – The DENC EA team conducts outreach events in NC to educate customers about available bill payment assistance along with easy low cost/no cost conservation measures.

- **EnergyShare** (Oct 1 – May 31) - Dominion Energy North Carolina's energy assistance program of last resort available to anyone who faces financial hardship during the heating season. The program provides a one-time payment of last resort for those who have exhausted other forms of assistance or who do not qualify for such help. *EnergyShare* pays for any type of heating bill – oil, wood, kerosene, natural gas or electricity.
- **Project Fan/Heat Relief** (June 1 – Sept 30) - Since 1990, as a part of *EnergyShare*, DENC has supported the North Carolina Division of Aging and Adult Services program for seniors, called Project Fan/Heat Relief. DENC donates funds to help provide fans in our service area in the northeastern portion of North Carolina. For information on how to apply, contact the North Carolina Department of Human Services – Division of Aging.
- Customers Served By *EnergyShare*:

EnergyShare paid to all customers regardless of utility:

	Bill Payment Dollars Spent	Families Assisted	Fan Care Recipients	Total
2016	\$211,942	735	331	1,066
2017	\$657,388	1974	288	2,262
2018	\$893,896	2501	291	2,792

EnergyShare Paid to Dominion Energy customers:

	Bill Payment Dollars Spent	Families Assisted
2016	\$142,121	401
2017	\$433,476	1,128
2018	\$586,569	1,488

Government Assistance: The North Carolina Department of Social Services offers several ways to assist customers with their utility bills:

- **Low Income Energy Assistance Program (LIEAP):** The LIEAP program provides a one-time vendor payment to help eligible households pay their heating bills. Households including a person aged 60 or older or an individual receiving disability benefits and services through the NC Division of Aging and Adult Services are eligible to sign up for assistance from Dec. 1 – 31. All other households may apply from Jan. 1 – March 31 or until funds are exhausted.
 - Households that meet the following criteria may be eligible:
 - Have at least one U.S. citizen or non-citizen who meets the eligibility criteria.
 - Meet an income test.
 - Have reserves at or below \$2,250.
 - Be responsible for its heating costs.

- **Crisis Intervention Program (CIP):** The Crisis Intervention Program is a federally funded program that assists individuals and families who are experiencing a heating or cooling related crisis. A household is considered to be in a crisis if it is currently experiencing or is in danger of experiencing a life threatening or health related emergency and sufficient, timely and appropriate assistance is not available from any other source.

Life threatening is defined as a household which has no heating or cooling source or has a disconnect notice for their primary heating or cooling service and the health or well-being of a household member would be in danger if the heating or cooling crisis was not alleviated. Each household should be evaluated on a case by case basis to determine if there is a heating or cooling crisis. Applications are taken beginning July 1, 2019 – June 30, 2020 or until the CIP allocation is exhausted, whichever comes first.

- Households that meet the following criteria may be eligible:
 - Have at least one U.S. citizen or non-citizen who meets the eligibility criteria
 - Meet the income test
 - Have an energy related crisis
 - Have a utility statement that shows how much is owed to alleviate the crisis
- **North Carolina Weatherization Assistance:** Helps low income North Carolinians save energy, reduce their utility bills, and stay safe in their homes. Its mission is to keep North Carolina citizens warm in the winter, cool in the summer, and safe all year long while educating the public about energy efficiency and household safety. The program's focus is on the elderly, the disabled, families with children, high energy users, and the energy burdened. The Division of Energy, Mineral & Land Resources in the N.C. Department of Environmental Quality administers the Weatherization Assistance Program with annual funding from the U.S. Department of Energy.

Summary of Dominion Energy North Carolina Customers Receiving Assistance:

- Shown below is the total number of DENC customers receiving assistance, from any of the sources mentioned above, by calendar year.

	Number of Customers	Number of Payments	Total Dollars
2016	3,850	5,850	\$1.66M
2017	3,625	5,270	\$1.40M
2018	4,380	7,360	\$2.05M

Dominion Energy North Carolina How Dominion Energy North Carolina Determines Low Income

Dominion Energy does not set any low-income definitions for any program. The NC Department of Health and Human Services programs assisting with utility assistance set low-income levels based on 130% of Federal Poverty as noted in the chart below. (chart copied from Division of Social Services website)

Household Size	Maximum Monthly Countable Income	Household Size	Maximum Monthly Countable Income
1	\$1,315	14	\$7,399
2	\$1,783	15	\$7,867
3	\$2,251	16	\$8,335
4	\$2,719	17	\$8,803
5	\$3,187	18	\$9,271
6	\$3,655	19	\$9,739
7	\$4,123	20	\$10,207
8	\$4,591	21	\$10,675
9	\$5,059	22	\$11,143
10	\$5,527	23	\$11,611
11	\$5,995	24	\$12,079
12	\$6,463	25	\$12,547
13	\$6,931	26	\$13,015

Dominion Energy North Carolina
Low income DSM Program in North Carolina

- There has been a NC Low Income DSM program available since 2011. The current program, *Residential Income and Age Qualifying Home Improvement (Schedule RIAQHIP)*, was extended last year to continue through year 2021. Shown below are the participants served to date and the approved program spend amounts.

Program	Participants	Program Spend
DSM I North Carolina Low-Income Program 2011-2015	1,256	\$1,594,425.00
DSM IV (Current) North Carolina Low-Income Program 2016-2018	288	\$658,413.00
Total	1,544	\$2,252,838.00

- The program provides an in-home energy assessment and select energy –savings products at no cost to the customer.
- Here is the list of measures that are available in our current NC low-income regulated program (IAQHI) and will be installed with the homeowner's permission by an approved local weatherization service provider:
 - Installation of ENERGY STAR qualified LED light bulbs (screw base)
 - replaces up to six incandescent lamps (60W or 40W)
 - Energy and water saving showerhead
 - replaces up to two existing non low-flow shower heads
 - Pipe Wrap insulation for hot water pipes
 - High efficiency faucet aerators
 - replaces up to two existing no low-flow faucets
 - Attic Insulation
- The Income and Age-Qualifying Home Improvement program is available to qualified customers in our North Carolina service territory. The program conforms to the North Carolina State Energy Office qualification guidelines which are currently set at 200% of the Federal poverty level. Age qualifying residential customers must be 60 years of age or older and have income at or below 250% of the federal poverty level. The program is

available to qualified individuals living in single-family homes, multifamily homes, and mobile homes.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Late-Filed Exhibit No. 2, as filed in Docket No. E-22 Sub 562 and E-22 Sub 566, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 23rd day of September, 2019.

/s/Mary Lynne Grigg

Mary Lynne Grigg

McGuireWoods LLP

434 Fayetteville Street, Suite 2600

Raleigh, NC 27601

Telephone: (919) 755-6573

mgrigg@mcguirewoods.com

*Attorney for Virginia Electric and Power
Company, d/b/a Dominion Energy North
Carolina*

Company Late-Filed Exhibit 6
I/A

McGuireWoods LLP
434 Fayetteville Street
Suite 2600
PO Box 27507 (27611)
Raleigh, NC 27601
Phone: 919.755.6600
Fax: 919.755.6699
www.mcguirewoods.com
Mary Lynne Grigg
Direct: 919.755.6573

McGUIREWOODS

mgrigg@mcguirewoods.com

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Sep 26 2019

September 23, 2019

VIA ELECTRONIC FILING

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

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

Dear Ms. Campbell:

Enclosed for filing in the above-referenced docket on behalf of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina, is Late-Filed Exhibit No. 6.

The Late-Filed Exhibit No. 6 responds to Waste Coal Ash Question No. 5 pursuant to the Commission's September 16, 2019 Order Providing Notice of Commission Questions in the above-captioned matter.

Thank you for your assistance with this matter. Feel free to contact me should you have any questions.

Very truly yours,

/s/Mary Lynne Grigg

MLG:mth

Enclosure

Waste Coal Ash Question No. 5:

Provide a late-filed exhibit that provides a full accounting of all costs of the Chesapeake Energy Center (CEC) regulatory asset and the Yorktown regulatory asset and a witness that is able to testify regarding the costs that are included in the CEC and Yorktown regulatory assets. Are any of the same CCR costs included in the CEC and Yorktown regulatory assets and in the July 1, 2016 through June 30, 2019 CCR deferral?

Response:

See Attachment A for details on the CEC closure cost regulatory asset requested in this proceeding. See Attachment B for details on the Yorktown Power Station units 1 and 2 impairment regulatory asset requested in this proceeding. Neither the CEC nor the Yorktown regulatory assets include any CCR asset retirement obligation costs requested for deferral in this proceeding.

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Response to Order Providing Notice of Commission Questions

Attachment A – Chesapeake Energy Center (CEC) Regulatory Asset

<u>Page No(s).</u>	<u>Contents</u>
1 – 4	NCUC Form E-1, Supplemental Item 10, pp. 168-171 - Adjustment NC-32 (CEC Regulatory Asset)
5	Details for Closure Cost Summary in Adjustment NC-32, page 3 of 4

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Twelve Months Ended December 31, 2018
Amortize Chesapeake Energy Center Closure Cost Regulatory Asset
t Page 1 of 4
(Thousands of Dollars)

Line No.	Description	Amount
1	Total Projected Chesapeake Energy Center (CEC) Closure Costs July 1, 2016 - June 30, 2019 [Page 3, Col. 5, Line 4]	\$ 11,949
2	NC Retail Factor 1 [Page 4]	4.9507%
3	CEC Closure Cost Regulatory Asset - NC Retail [Line 1 x Line 2]	\$ 592
4	Amortization Period (Years)	3
5	Annual Amortization - NC Retail [Line 3 / Line 4]	\$ 197
6	Test Year Closure Costs Charged to O&M - System [Page 3, Col. 3, Line 4]	\$ 3,677
7	NC Retail Factor 1 [Page 4]	4.9507%
8	Test Year Closure Costs Charged to O&M - NC Retail [Line 6 x Line 7]	\$ 182
9	NC Retail Adjustment [Line 5 - Line 8]	\$ 15
10	Adjustment No.	NC-32

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Dominion Energy North Carolina
Amortize Chesapeake Energy Center Closure Cost Regulatory Asset
Page 2 of 4

Purpose CEC was retired from service in December 2014. The Company began incurring decommissioning costs and other costs in connection with the closure in 2013 continuing through the Update Period in this case. In DENC's 2016 rate case (Docket No. E-22, Sub 532), the Commission approved recovery of closure costs incurred through the update period in that proceeding (June 30, 2016). This adjustment defers the total costs from July 1, 2016 through the update period in this case (June 30, 2019) to be amortized over a three-year period.

Methodology The Company identified the total decommissioning and other closure costs for CEC from July 1, 2016 through June 30, 2019. Factor 1 is applied to the total to calculate the NC Retail regulatory asset. The regulatory asset is divided by the amortization period (3 years) in order to quantify the annual amount of amortization to be included in cost of service. This annual level of amortization is compared to the amount of the site closure costs charged to O&M during the test period in order to calculate the adjustment.

Dominion Energy North Carolina

Amortize Chesapeake Energy Center Closure Cost Regulatory Asset

(\$000)

Page 3 of 4

Line		(1)	(2)	(3)	(4)	(5)
		7/1/2016-			2019 Forecast	
		12/31/2016			1/1/2019-	
No.	Description	Actual	2017 Actual	2018 Actual	6/30/2019	Total
1	Decommissioning Costs					
2	Site Costs					
3	Shoreline Erosion Project					
4	Total CEC Closure Costs	\$ 3,248	\$ 3,323	\$ 3,677	\$ 1,701	\$ 11,949

Source: Power Generation Finance Group

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Dominion Energy North Carolina
Amortize Chesapeake Energy Center Closure Cost Regulatory Asset
Page 4 of 4

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DOMINION ENERGY NORTH CAROLINA						SCHEDULE 15
SUMMER WINTER PEAK & AVERAGE STUDY - EOP - PERIOD ENDED DECEMBER 31, 2018						
DOCKET NO. E-22, SUB 562						
SCHEDULE 15 - ALLOCATORS						
Line #	System	Va Juris	Va Non-Juris	FERC	N C Juris	Allocation Basis
7	DT:[Factor 1 Production Level (excl. North Anna)]	100.0000%	81.2469%	12.1072%	1.6952%	4.9507%

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Commission Waste Coal Ash Question No. 5
Chesapeake Energy Center (CEC) Closure Cost Regulatory Asset (Adjustment NC-32)
Details for Closure Cost Summary on NCUC Form E-1 Item 10, page 170

			(1)	(2)	(3)	(4)	(5)	(6)
Line No.	WBS Element	WBS Description	7/1/2016-12/31/2016 Actual	2017 Actual	2018 Actual	1/1/2019-12/31/2019 Actual	Total	Description
1	59992.1.1	Decom - Engineering						Includes civil engineering and RMS (regulatory materials survey).
2	59992.1.2	Decom - Project Management						Project management including oversight, safety, and environmental.
3	59992.1.4	Decom - Environmental						Miscellaneous environmental
4	59992.1.5	Decom - Demo/Restoration/Misc						Demolition contractor expenses
5		Total Decommissioning Costs						
6	69992.1.1	Site - Miscellaneous Site						Utilities and other miscellaneous
7	69992.1.2	Site - Environmental						Miscellaneous environmental
8	69992.1.2.1	Site - Environmental - Landfill & Grass						Landfill erosion maintenance and grass cutting expenses
9	69992.1.2.3	Site - Environmental - GW Monitoring						Groundwater monitoring
10	69992.1.2.4	Site - Environmental - VPDES						Virginia DEQ water regulation/sampling cost
11	69992.1.3	Site - Permitting/Fees						Various permitting expenses
12	69992.1.4	Site - LNAPL - Oil Remediation						Oil remediation expenses
13	69992.1.7.1	Site - Dredging Feasibility Study						Dredging feasibility study
14	69992.1.8	Site - Division of Property						Property subdivision
15	89991.1	Court Ordered Sampling						Court ordered environmental assessment
16		Total Site Costs						
17	69993.1.2	Shoreline Mgt - Areas 2&3						Project management, construction, and surveying costs
18	69993.1.3	Shoreline Mgt - Area 4						Engineering, project management, construction, and surveying costs
19	69993.1.4	Shoreline Mgt - Area 5						Engineering, construction, and surveying costs
20		Total Shoreline Erosion Project						
21		Total CEC Closure Costs	\$ 3,247,665	\$ 3,322,815	\$ 3,677,082	\$ 1,701,025	\$ 11,948,587	

**Dominion Energy North Carolina
Docket No. E-22, Sub 562
Response to Order Providing Notice of Commission Questions**

Attachment B – Yorktown Power Station Units 1 and 2 Impairment Regulatory Asset

<u>Page No(s).</u>	<u>Contents</u>
1 – 5	NCUC Form E-1, Supplemental Item 10, pp. 256-260 - Adjustment NC-40 (Yorktown Impairment Regulatory Asset)
6 – 11	Yorktown Accounting Adjustments from 2016 Rate Case (Docket No. E-22, Sub 532) to Reestablish Rate Base and Depreciation Expense for Units 1 & 2
12 – 13	Chesapeake, Yorktown, and North Branch Write-off Summary – December 31, 2011

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Twelve Months Ended December 31, 2018
Yorktown Impairment Regulatory Asset Amortization
(Thousands of Dollars)
Page 1 of 5

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Sep 26 2019

Line No.	Description	Notes	Amount
1	Yorktown Power Station Units 1 & 2 Net Book Value as of 3/31/2019	[Page 3, Col. 3, Line 19]	\$ 36,089
2	NC Retail Factor 1	[Page 5]	<u>4.9507%</u>
3	Yorktown Net Book Value - NC Retail	[Line 1 x Line 2]	\$ 1,787
4	Annuity Factor	[Page 4, Line 6]	<u>7.1804</u>
5	Annual Amortization - NC Retail	[Line 3 / Line 4]	<u>\$ 249</u>
6	Adjustment No.		NC-40

Dominion Energy North Carolina
Yorktown Impairment Regulatory Asset Amortization
Page 2 of 5

Purpose This adjustment calculates a regulatory asset and annual amortization for impairment losses associated with Yorktown Power Station Units 1 & 2. In 2011, the Company recognized impairments of North Branch, Chesapeake Energy Center, and Yorktown Units 1 & 2 for financial reporting purposes. The Company requested to defer the costs associated with the impairments as a regulatory asset in the 2012 Base Rate Case (Docket No. E-22, Sub 479). The Commission deferred contemplation of the appropriate ratemaking treatment for Yorktown until the units were physically retired from service. The Company retired the units from service in March 2019. The Company is now requesting to defer the impairment loss as of 3/31/2019 as a regulatory asset to be recovered over a ten year period on a levelized basis.

Methodology In order to calculate the impairment loss for ratemaking purposes in this case, the Company determined the net book value as of 3/31/2019 assuming the facility had not been impaired for financial reporting purposes in 2011. This balance was derived starting with the balance as of 6/30/2016 calculated in Accounting Adjustment NC-36 in the Company's 2016 base rate case (Docket E-22, Sub 532) adjusted for additional depreciation expense during the interim years. The NC Retail Factor 1 (page 5) is then applied to the system level loss in order to calculate the NC Retail impairment loss. An annuity factor (page 4) is applied to the NC Retail loss to calculate the annual amortization to be included in cost of service.

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Yorktown Impairment Regulatory Asset Amortization
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Calculation of System Level Net Plant in Service Balance at Retirement

Line No.	Description	(1) 6/30/2016 Balance [Note 1]	(2) 7/1/2016 - 3/31/2019 Activity [Note 2]	(3) 3/31/2019 Balance (1) + (2)
1	Yorktown Common to Units 1 & 2			
2	Plant-In-Service	61,833		61,833
3	Accumulated Depreciation	(36,466)	(3,945)	(40,411)
4	Net Book Value	<u>25,367</u>		<u>21,422</u>
5				
6	Yorktown Unit 1			
7	Plant-In-Service	63,725		63,725
8	Accumulated Depreciation	(56,369)	(7,746)	(64,115)
9	Net Book Value	<u>7,356</u>		<u>(389)</u>
10				
11	Yorktown Unit 2			
12	Plant-In-Service	107,610		107,610
13	Accumulated Depreciation	(82,078)	(10,476)	(92,553)
14	Net Book Value	<u>25,532</u>		<u>15,057</u>
15				
16	Total Yorktown Units 1 & 2 and Associated Common			
17	Plant-In-Service	233,169		233,169
18	Accumulated Depreciation	(174,913)	(22,167)	(197,080)
19	Net Book Value	<u>58,256</u>		<u>36,089</u>
20				
21				
22	<u>Depreciation Rates - 2006 Depreciation Study</u>			
23	Yorktown Common	2.32%		
24	Yorktown Unit 1	4.42%		
25	Yorktown Unit 2	3.54%		

[Note 1]: Balances from Adjustments NC-63 and NC-71 from Docket E-22, Sub 532. This represents the Yorktown Units 1 & 2 and associated common expense for regulatory accounting purposes. These assets were impaired in 2011 for financial reporting purposes.

[Note 2]: Represents depreciation expense from 7/1/2016 - 3/31/2019 (2 years, 11 months). Gross plant in service balance times the respective depreciation rates times (2 + (9/12))

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Dominion Energy North Carolina
Yorktown Impairment Regulatory Asset Amortization
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Annuity Factor

Line

No.	Description	Notes	Amount
1	Recovery Period (Years)		10
2	Payment per Period		1
3	After-Tax-Rate	[Note 1]	<u>7.2987%</u>
4	Present Value of \$1 Over 10 Years with 1 Payment per Year		6.9276
5	1 Plus (Interest Rate Divided by Two)		<u>1.0365</u>
6	Annuity Factor	[Line 4 x Line 5]	<u><u>7.1804</u></u>

[Note 1]: After-tax cost of capital proposed by the Company. See Form E-1 Item 10 Appendix for support

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Dominion Energy North Carolina
Yorktown Impairment Regulatory Asset Amortization
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DOMINION ENERGY NORTH CAROLINA						SCHEDULE 15
SUMMER WINTER PEAK & AVERAGE STUDY - EOP - PERIOD ENDED DECEMBER 31, 2018						
DOCKET NO. E-22, SUB 562						
SCHEDULE 15 - ALLOCATORS						
Line #	System	Va Juris	Va Non-Juris	FERC	N C Juris	Allocation Basis
7	DT:(Factor 1 Production Level (excl. North Anna))	100.0000%	81.2469%	12.1072%	1.6952%	4.9507%

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Dominion North Carolina Power
Docket No. E-22, Sub 532
Twelve Months Ended December 31, 2015
Reestablish Depreciation Expense Associated with Yorktown Impairment
(Thousands of Dollars)
Page 1 of 6

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Line No.	Description	Amount
1	Yorktown Power Station Units 1 & 2 and Associated Common Depreciation Expense 1/1/2016-6/30/2016 - System	[Note 1] \$ 4,030
2		
3	Annualize 1/1/2016-6/30/2016 Depreciation Expense (6 Months x 2)	<u>2</u>
4		
5	Reestablish Depreciation Expense Associated with Yorktown Impairment - System (Line 1 x 3)	\$ 8,061
6		
7	NC Retail Factor 1	[Note 2] <u>5.1166%</u>
8		
9	Projected Yorktown Impairment Depreciation Expense - NC Retail	<u>\$ 412</u>
10		
11	Adjustment No.	NC-33

Reference: [Note 1]: Page 3, Col. 13, Line 18. This represents the Yorktown Units 1 & 2 and associated common expense for regulatory accounting purposes. These assets were impaired in 2011 for financial reporting purposes.

[Note 2]: See page 6 for supporting documentation.

Dominion North Carolina Power
Docket No. E-22, Sub 532
Twelve Months Ended December 31, 2015
Reestablish Rate Base Associated with Yorktown Power Station Impairment
Page 2 of 6
(Thousands of Dollars)

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Line No.	Description	System Amount	NC Retail Factor 1	NC Retail Amount	Adjustment No.
1	Projected Yorktown Units 1 & 2 and Associated Common Rate Base as of 6/30/2016:				
2					
3	Plant-In-Service	[Note 1] \$ 233,169	5.1166%	\$ 11,930	NC-63
4					
5	Accumulated Depreciation	[Note 1] \$ 174,913	5.1166%	\$ 8,950	NC-71
6					
7	Net Utility Plant-In-Service	\$ 58,256		\$ 2,981	
8					
9	Accumulated Deferred Income Taxes (ADIT)	[Note 2] \$ 13,500	5.1166%	\$ 691	NC-81
10					
11	Total Net Rate Base	\$ 44,755		\$ 2,290	

References [Note 1]: See Page 3 for supporting calculations. This represents the Yorktown Units 1 & 2 and associated common balances for regulatory accounting purposes. These assets were impaired in 2011 for financial reporting purposes.
[Note 2]: See Page 5, Line 21 for ADIT balance.

Dominion North Carolina Power
Docket No. E-22, Sub 532
Twelve Months Ended December 31, 2015
Reestablish Rate Base Associated with Yorktown Power Station Impairment
Page 3 of 6
(Thousands of Dollars)

Line No.	Description	(1) 12/31/2011 Balance	(2) 12/31/2011 CWIP Closed to Plant	(3) 2012 Activity	(4) 12/31/2012 Balance	(5) 2013 Activity	(6) 12/31/2013 Balance	(7) 2014 Activity	(8) 12/31/2014 Balance	(9) 2015 Activity	(10) 12/31/2015 Balance	(13) 1/1/2016- 6/30/2016 Activity	(14) 6/30/2016 Balance
1	Yorktown Common to Units 1 & 2												
2	Plant-In-Service	60,948		197	61,145	39	61,184	660	61,845	(11)	61,833	0	61,833
3	Accumulated Depreciation	(30,052)		(1,416)	(31,468)	(1,419)	(32,887)	(1,427)	(34,315)	(1,435)	(35,749)	(717)	(36,466)
4	Net Book Value	<u>30,896</u>			<u>29,677</u>		<u>28,297</u>		<u>27,530</u>		<u>26,084</u>		<u>25,367</u>
5													
6	Yorktown Unit 1												
7	Plant-In-Service	63,725		0	63,725	0	63,725	0	63,725	0	63,725	0	63,725
8	Accumulated Depreciation	(43,694)		(2,817)	(46,511)	(2,817)	(49,327)	(2,817)	(52,144)	(2,817)	(54,961)	(1,408)	(56,369)
9	Net Book Value	<u>20,031</u>			<u>17,215</u>		<u>14,398</u>		<u>11,581</u>		<u>8,765</u>		<u>7,356</u>
10													
11	Yorktown Unit 2												
12	Plant-In-Service	107,441	169	0	107,610	0	107,610	0	107,610	0	107,610	0	107,610
13	Accumulated Depreciation	(64,938)		(3,806)	(68,745)	(3,809)	(72,554)	(3,809)	(76,363)	(3,809)	(80,173)	(1,905)	(82,078)
14	Net Book Value	<u>42,503</u>			<u>38,865</u>		<u>35,056</u>		<u>31,246</u>		<u>27,437</u>		<u>25,532</u>
15													
16	Total Yorktown Units 1 & 2 and Associated Common												
17	Plant-In-Service	232,115	169	197	232,480	39	232,520	660	233,180	(11)	233,169	0	233,169
18	Accumulated Depreciation	(138,684)		(8,039)	(146,724)	(8,045)	(154,769)	(8,053)	(162,822)	(8,061)	(170,883)	(4,030)	(174,913)
19	Net Book Value	<u>93,430</u>			<u>85,757</u>		<u>77,751</u>		<u>70,358</u>		<u>62,286</u>		<u>58,256</u>
20													
21													
22	Depreciation Rates - 2006 Depreciation Study												
23	Yorktown Common	2.32%											
24	Yorktown Unit 1	4.42%											
25	Yorktown Unit 2	3.54%											

Dominion North Carolina Power
Reestablish Yorktown Power Station Rate Base & Depreciation Expense
Page 4 of 6

- Purpose** The Company proposes a series of adjustments to reestablish the depreciation expense and rate base associated with the Yorktown Impairment in cost of service. This is necessary since the assets have been impaired for financial reporting purposes and therefore are not included in the Company's cost of service per books. The adjustments calculate the projected balances of plant in service, accumulated depreciation, and ADIT as of June 30, 2016. These balances are derived based on the net plant balances as of December 2011 prior to impairment adjusted for additional capital projects and depreciation expense during the interim period of time. The depreciation expense is calculated by applying the composite depreciation rates for each unit to the average plant in service balance during the year. The depreciation expense adjustment is derived by annualizing the projected depreciation expense during the six months ending June 30, 2016.
- Methodology** The adjustments calculate the balances of plant in service, accumulated depreciation, and ADIT as of June 30, 2016. These balances are derived based on the net plant balances as of December 2011 prior to impairment, adjusted for additional capital projects and depreciation expense during the interim period of time. The depreciation expense is calculated by applying the composite depreciation rates for each unit to the average plant in service balance during the year. The depreciation expense adjustment is derived by annualizing depreciation expense during the six months ending June 30, 2016.

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Dominion North Carolina Power
Reestablish Rate Base Associated with Yorktown Power Station Impairment
Page 5 of 6

Estimate Yorktown ADIT
For the Period Dec 2014-Jun 2016

Line	Year	Month	Liberalized	ADSIT	Fed Effect of State	ADIT
1	2014	Dec	(14,379,130)	(2,480,770)	868,270	(15,991,630)
2						
3	2015	Jan	(14,231,366)	(2,453,488)	858,721	(15,826,132)
4	2015	Feb	(14,083,601)	(2,426,205)	849,172	(15,660,634)
5	2015	Mar	(13,935,837)	(2,398,923)	839,623	(15,495,137)
6	2015	Apr	(13,788,073)	(2,371,640)	830,074	(15,329,639)
7	2015	May	(13,640,308)	(2,344,358)	820,525	(15,164,141)
8	2015	Jun	(13,492,544)	(2,317,075)	810,976	(14,998,643)
9	2015	Jul	(13,344,780)	(2,289,793)	801,427	(14,833,145)
10	2015	Aug	(13,197,015)	(2,262,510)	791,879	(14,667,646)
11	2015	Sep	(13,049,251)	(2,235,228)	782,330	(14,502,149)
12	2015	Oct	(12,901,487)	(2,207,945)	772,781	(14,336,651)
13	2015	Nov	(12,753,722)	(2,180,663)	763,232	(14,171,153)
14	2015	Dec	(12,605,958)	(2,153,380)	753,683	(14,005,655)
15						
16	2016	Jan	(12,530,150)	(2,140,430)	749,151	(13,921,429)
17	2016	Feb	(12,454,341)	(2,127,481)	744,618	(13,837,204)
18	2016	Mar	(12,378,533)	(2,114,531)	740,086	(13,752,978)
19	2016	Apr	(12,302,725)	(2,101,581)	735,553	(13,668,753)
20	2016	May	(12,226,916)	(2,088,632)	731,021	(13,584,527)
21	2016	Jun	(12,151,108)	(2,075,682)	726,489	(13,500,301)

Dominion North Carolina Power
Reestablish Yorktown Power Station Rate Base & Depreciation Expense
Page 6 of 6

DOMINION NORTH CAROLINA POWER							SCHEDULE 15
SUMMER/WINTER PEAK AND AVERAGE - BOOKS - TWELVE MONTHS ENDED DECEMBER 31, 2015							
DOCKET NO. E-22, SUB 532							
SCHEDULE 15 - ALLOCATORS							
Line #	2015 Cost of Service (EOP) WORKING	System	Va Juris	Va Non-Juris	FERC	N C Juris	Allocation Basis
1	DJ:[Allocation Factor Table]						
2	DK:[]						
3	DL:[Externally Developed Allocation Factors]						
4	DM:[]						
5	DN:[Demand Related]						
6	DO:[]						
7	DP:[Factor 1 Production Level (excl. North Anna)]	100.0000%	80.4473%	11.5121%	2.9240%	5.1166%	
8	DQ:[Factor 1A 100% VA Juris]	100.0000%	100.0000%	0.0000%	0.0000%	0.0000%	
9	DR:[Factor 1B 100% VA Non-Juris]	100.0000%	0.0000%	100.0000%	0.0000%	0.0000%	
10	DS:[Factor 1C 100% FERC]	100.0000%	0.0000%	0.0000%	100.0000%	0.0000%	
11	DT:[Factor 1D 100% NC Juris]	100.0000%	0.0000%	0.0000%	0.0000%	100.0000%	
12	DU:[Factor 1RR (Factor 1 w/o FERC and NC)]	100.0000%	87.4942%	12.5058%	0.0000%	0.0000%	
13	DV:[Factor 1 NUC Factor 1 w/o COU/MUNI or FERC]	100.0000%	87.5504%	6.8851%	0.0000%	5.5645%	
14	DW:[Factor 2 Power Supply Transmission level]	100.0000%	69.9865%	10.0005%	15.5638%	4.4492%	
15	DX:[Factor 2AFC FTR 2 w/VA Jur, Comm of VA, NASA, MS]	100.0000%	92.7123%	7.2877%	0.0000%	0.0000%	
16	DY:[Factor 2A 100% VA Juris]	100.0000%	100.0000%	0.0000%	0.0000%	0.0000%	
17	DZ:[Factor 2B 100% VA Non-Juris]	100.0000%	0.0000%	100.0000%	0.0000%	0.0000%	
18	EA:[Factor 2C 100% FERC]	100.0000%	0.0000%	0.0000%	100.0000%	0.0000%	
19	EB:[Factor 2D 100% NC Juris]	100.0000%	0.0000%	0.0000%	0.0000%	100.0000%	
20	EC:[Factor 2E w/o VA]	100.0000%	0.0000%	32.8007%	52.2278%	14.9715%	

Virginia Power
Chesapeake, Yorktown and North Branch Write-Off Summary
December 31, 2011

Cost Center	Description FERC Account	CWIP 107	Land 101	Plant in Service 101	Accum. Deprec. 108	Plant in Service NBV
100256	Chesapeake Common	1,422,458	1,812,136	100,099,670	(48,459,762)	51,639,909
103624	Chesapeake Unit 1	448,823		89,197,261	(76,376,056)	12,821,205
103625	Chesapeake Unit 2	-		82,122,086	(68,797,438)	13,324,648
103626	Chesapeake Unit 3	391,232		82,198,774	(53,172,040)	29,026,734
103627	Chesapeake Unit 4	8,251		110,741,083	(63,319,326)	47,421,757
Total Chesapeake		<u>2,270,764</u>	<u>1,812,136</u>	<u>464,358,875</u>	<u>(310,124,622)</u>	<u>154,234,253</u>
100344	Yorktown Unit Common	1,019,851	2,494,674	141,232,154	(73,287,812)	67,944,342
103621	Yorktown Unit 1	-		63,725,384	(43,694,008)	20,031,376
103622	Yorktown Unit 2	168,808		107,441,111	(64,938,251)	42,502,860
103623	Yorktown Unit 3	1,575,593		192,160,185	(147,062,613)	45,097,572
Total Yorktown		<u>2,764,252</u>	<u>2,494,674</u>	<u>504,558,834</u>	<u>(328,982,684)</u>	<u>175,576,150</u>
103032	North Branch	-	1,181,648	42,340,428	(12,833,027)	29,507,401
Total North Branch		<u>-</u>	<u>1,181,648</u>	<u>42,340,428</u>	<u>(12,833,027)</u>	<u>29,507,401</u>
Yorktown Unit Common write-off		<u>359,391</u>		<u>60,948,046</u>	<u>(30,052,115)</u>	<u>30,895,931</u>
Total		<u>2,798,963</u>		<u>738,813,844</u>	<u>(461,642,023)</u>	<u>277,171,821</u>

Virginia Power
Yorktown Unit Common Write-off Calculation
December 31, 2011

FERC	GRP Asset	Common Acq. Value (Units 1, 2 & 3)	Common NBV @ 12/31/11 (Units 1, 2 & 3)	% Year End Value	Common Acq. Value Specific to Units 1 & 2	Common Est. NBV Specific to Units 1 & 2
3110	AUC				\$72,524	\$72,524
3120	AUC				\$11,790	\$11,790
3150	AUC				\$275,077	\$275,077
	Total CWIP				\$359,391	\$359,391
3110		\$56,636,446	\$20,131,987	35.5%	\$4,214,520	\$1,498,093
3120		\$53,296,027	\$28,366,784	53.2%	\$43,848,480	\$23,338,332
3140		\$3,884,194	\$1,981,332	51.0%	\$3,220,725	\$1,642,896
3150		\$12,085,242	\$5,362,203	44.4%	\$9,144,837	\$4,057,550
3160		\$5,333,492	\$3,686,446	69.1%	\$519,484	\$359,061
	TOTAL PIS	\$131,235,401	\$59,528,752		\$60,948,046	\$30,895,931

	FERC #	
Common - CWIP	107	359,391
Common - Plant in Service	101	60,948,046
Accumulated Depreciation	108	(30,052,115)
Net Book Value Pre W/O		<u>31,255,322</u>

Estimated Future Depreciation (1/1/2012 - 11/30/2013) 3,156,105

Estimated COMMON W/O 28,099,218

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Late-Filed Exhibit No. 6, as filed in Docket No. E-22 Sub 562 and E-22 Sub 566, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 23rd day of September, 2019.

/s/Mary Lynne Grigg

Mary Lynne Grigg

McGuireWoods LLP

434 Fayetteville Street, Suite 2600

Raleigh, NC 27601

Telephone: (919) 755-6573

mgrigg@mcguirewoods.com

*Attorney for Virginia Electric and Power
Company, d/b/a Dominion Energy North
Carolina*

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Response to Order Providing Notice of Commission Questions

Waste Coal Ash Question No. 1:

Provide a witness who can testify, with respect to each of the Company's presently or formerly operating (either now decommissioned or in cold start status) coal-fired generating units, whether or not for purposes of depreciation of such units DENC historically included in terminal net salvage values any costs for permanent closure (i.e., as cost of removal) for associated (i) on-site or off-site coal waste impoundments, dry stacks or piles, landfills, (ii) removal and off-site disposal of ash wastes at third-party sites, or (iii) costs related to beneficial reuse. (Hereafter, each of (i), (ii), and (iii) shall be referred to as "waste ash facilities.") If the Company has not historically included such costs in terminal net salvage values, the witness should be prepared to testify concerning the rationale for the Company's position and should be prepared to offer as late-filed exhibits any internal documents and any third-party studies or analyses discussing, explaining or supporting such rationale. If the Company has historically included such costs in terminal net salvage values, then for each such generating unit, the witness should be prepared to provide the following information:

- (a) the date DENC began including the costs of removal of waste ash facilities in its calculation of terminal net salvage values;
- (b) the amount of costs so included and the aggregate amounts collected through depreciation rates on account of such costs of removal; and
- (c) the amounts expended for permanent closure of waste ash facilities that have been offset against or are available for offset against accumulated depreciation as disclosed in item (b).

Response:

Terminal net salvage values represent costs associated with the permanent decommissioning and dismantlement of the entire plant or generating unit including ash pond closure activities, net of salvage if any. When the Company has a legal obligation to perform such decommissioning, dismantlement or disposal activities associated with these assets, the Company records an asset retirement obligation liability ("ARO") on its books, based on cost studies and estimates. Closure activities captured by AROs are not included in the cost of removal/net salvage values included in depreciation rates. The Company began recognizing CCR-related AROs and associated expenses at issue in this proceeding for financial reporting purposes beginning in 2015. In preparing its cost of service and revenue requirement, the Company removes 'per books' AROs and expenses and capture actual cash expenditures for recovery.

In cases where a legal obligation does not exist regarding a stations decommissioning and an ARO is not recognized, the Company has not yet included such final decommissioning costs, if any, in its net salvage values. This is appropriate as the Company has not yet identified the nature and timing of such activities and therefore the projected costs have not been reasonably known and measurable. This treatment is assessed by the Company's accountants, depreciation consultant and generation management as part of preparing each depreciation study.

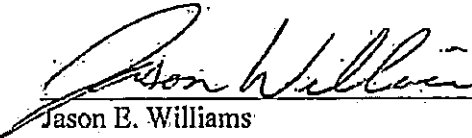
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KTM

I/A

Dominion Energy North Carolina
2019 NC Base Case – Docket No. E-22, Sub 562
Public Staff
Data Request No. 113

The following response to Question No. 1 of Public Staff Data Request No. 113, dated July 2, 2019 has been prepared under my supervision.



Jason B. Williams
Director, Learning Development & Communications
Dominion Energy Services, Inc.

Question No. 1:

Please provide all capital, multiyear, and/or lifecycle cost-benefit analyses performed to evaluate alternatives at the time and immediately leading up to the decisions to excavate and consolidate CCR materials at Brema and Possum Point. Please include any closure plans and schedules supporting the analyses. The analyses should include, but not be limited to, the following options:

- a. Possum Point - *Ash ponds meeting the definition of "inactive" were recommended to close within three years or otherwise be subject to long-term monitoring and other costly provisions of the CCR Rule. DENC's ash ponds at Possum Point qualified as "inactive" under the CCR Rule. Accordingly, DENC proceeded expeditiously to close the inactive ponds at Possum Point by consolidating Ponds A, B, C, and E into Pond D - the largest pond at this site, which is also the furthest from waterways and the only pond at Possum Point with a liner. (Williams p 13)*
- b. Brema - *The EAP and WAP at Brema qualify as "inactive" ash ponds under the CCR Rule. As such, DENC proceeded expeditiously to close the inactive ponds at Brema by consolidating the EAP and WAP into the NAP - the largest pond and the pond located furthest from waterways. Since April 20, 2015, ash from the East and West Ponds was excavated and consolidated in the North Pond. (Williams p 14)*
- c. Groundwater monitoring per CFR 257.91
- d. Water treatment
- e. Closure in place
- f. Temporary cap-in-place

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MDM-1 Detailed Backup Exhibit		***** CONFIDENTIAL AMOUNTS REDACTED*****			
Environmental ARO Projects (July 2016 - June 2019)					
		All amounts in \$1000's			
Project	Actuals Jul-Dec 2016	Actuals Jan-Dec 2017	Actuals Jan-Dec 2018	Forecast* Jan-Jun 2019	Total Forecast Jul 2016-Jun 2019
BREMO CCR PROJECT					
BreMO North Pond Closure					
Indirects/Project Mgmt					
Engineering Activities					
Construction Activities					
Water Management Activities (Includes Analytical Sampling)					
Subtotal-North Pond Closure					
BreMO East Pond Closure					
Indirects/Project Mgmt					
Engineering Activities					
Construction Activities					
Water Management Activities (Includes Analytical Sampling)					
Subtotal-East Pond Closure					
BreMO West Pond Closure					
Indirects/Project Mgmt					
Engineering Activities					
Construction Activities					
Water Management Activities (Includes Analytical Sampling)					
Subtotal-West Pond Closure					
Total BreMO CCR					

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MDM-1 Detailed Backup Exhibit		***** CONFIDENTIAL AMOUNTS REDACTED *****			
Environmental ARO Projects (July 2016 - June 2019)					
		All amounts in \$1000's			
Project	Actuals Jul-Dec 2016	Actuals Jan-Dec 2017	Actuals Jan-Dec 2018	Forecast* Jan-Jun 2019	Total Forecast Jul 2016-Jun 2019
POSSUM CCR PROJECT					
Possum A, B, C Ponds Closure					
Indirects/Project Mgmt					
Engineering Activities					
Construction Activities					
Water Management Activities (Includes Analytical Sampling)					
Subtotal-A, B, C Ponds Closure					
Possum D Pond Closure					
Indirects/Project Mgmt					
Engineering Activities					
Construction Activities					
Water Management Activities (Includes Analytical Sampling)					
Subtotal-D Pond Closure					
Possum E Pond Closure					
Indirects/Project Mgmt					
Engineering Activities					
Construction Activities					
Water Management Activities (Includes Analytical Sampling)					
Subtotal-E Pond Closure					
Total Possum Point CCR					

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MDM-1 Detailed Backup Exhibit		***** CONFIDENTIAL AMOUNTS IREDACTED *****			
Environmental ARO Projects (July 2016 - June 2019)					
		All amounts in \$1000's			
Project	Actuals Jul-Dec 2016	Actuals Jan-Dec 2017	Actuals Jan-Dec 2018	Forecast* Jan-Jun 2019	Total Forecast Jul 2016-Jun 2019
CHESAPEAKE CCR PROJECT					
Chesapeake Ash Landfill Closure					
Indirects/Project Mgmt					
Engineering Activities					
Construction Activities					
Water Management Activities (Includes Analytical Sampling)					
Subtotal-Ash Landfill Closure					
Corrective Action Plan					
Total Chesapeake CCR					
CHESTERFIELD CCR PROJECT					
Chesterfield Upper Ash Pond Closure					
Indirects/Project Mgmt					
Engineering Activities					
Construction Activities					
Water Management Activities (Includes Analytical Sampling)					
Subtotal-Upper Ash Pond Closure					
Chesterfield Lower Ash Pond Closure					
Indirects/Project Mgmt					
Engineering Activities					
Construction Activities					
Water Management Activities (Includes Analytical Sampling)					
Subtotal-Lower Ash Pond Closure					
Total Chesterfield CCR					

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MDM-1 Detailed Backup Exhibit			***** CONFIDENTIAL AMOUNTS REDACTED*****		
Environmental ARO Projects (July 2016 - June 2019)					
				All amounts in \$1000's	
Project	Actuals Jul-Dec 2016	Actuals Jan-Dec 2017	Actuals Jan-Dec 2018	Forecast* Jan-Jun 2019	Total Forecast Jul 2016-Jun 2019
OTHER CCR PROJECTS					
Mount Storm Projects					
Pyrite Pond Closure					
Low Volume Waste Ponds A&B Closure					
Low Volume Waste Ponds C&D Closure (excluding backfill)					
Total Mount Storm CCR					
Yorktown					
Ash Landfill Closure					
Clover (at Ownership)					
Flue Gas Desulfurization (FGD) Sludge Ponds (2) Closure					
Total Other CCR Projects					
GRAND TOTAL CCR PROJECTS	\$ 87,787	\$ 130,626	\$ 116,262	\$ 55,766	\$ 390,441
*Based on January 2019 forecast model.					

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Late-Filed Exhibit No. 5, as filed in Docket No. E-22 Sub 562 and E-22 Sub 566, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 23rd day of September, 2019.

/s/Mary Lynne Grigg

Mary Lynne Grigg
McGuireWoods LLP
434 Fayetteville Street, Suite 2600
Raleigh, NC 27601
Telephone: (919) 755-6573
mgrigg@mcguirewoods.com

*Attorney for Virginia Electric and Power
Company, d/b/a Dominion Energy North
Carolina*

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I/A

VIRGINIA ELECTRIC AND POWER COMPANY

Cost of Capital and Capital Structure

Actual June 30, 2019 Balances with Proposed ROE

Description	EOP Q2 2019 Q2 2019				
	Q2 2019 Amount	Q2 2019 Percent	Annualized Cost Rate	Weighted Cost	
Total Long-Term Debt	\$11,192,889,951	46.351%	4.442%	2.059%	(381,786,848.25)
Total Debt	11,192,889,951	46.351%	4.442%	2.059%	
Common Equity:					
Common Stock & Other Paid-in Capital	6,850,277,118	28.368%			
Retained Earnings	6,104,778,627	25.281%			
Total Common Equity	12,955,055,745	53.649%	10.750%	5.767%	(100,450,942.60)
Total Capitalization	<u>\$24,147,945,696</u>	<u>100.000%</u>		<u>7.826%</u>	

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VIRGINIA ELECTRIC AND POWER COMPANY**Cost of Capital and Capital Structure****Actual June 30, 2019 Balances with Proposed ROE**

<u>Description</u>	EOP Q2 2019 Q2 2019			
	Q2 2019 Amount	Q2 2019 Percent	Annualized Cost Rate	Weighted Cost
Total Long-Term Debt	\$11,192,889,951	46.351%	4.442%	2.059%
Total Debt	11,192,889,951	46.351%	4.442%	2.059%
Common Equity:				
Common Stock & Other Paid-in Capital	6,850,277,118	28.368%		
Retained Earnings	6,104,778,627	25.281%		
Total Common Equity	12,955,055,745	53.649%	10.750%	5.767%
Total Capitalization	<u>\$24,147,945,696</u>	<u>100.000%</u>		<u>7.826%</u>

NC

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VIRGINIA ELECTRIC AND POWER COMPANY
Cost of Capital and Capital Structure
Projected December 31, 2019 Balances with Proposed ROE

Description	2019 Amount	2019 Percent	EOP 2019 Annualized Cost Rate	2019 Weighted Cost
Total Long-Term Debt	\$12,278,273,571	46.911%	4.467%	2.095%
Total Debt	12,278,273,571	46.911%	4.467%	2.095%
Common Equity:				
Common Stock & Other Paid-in Capital	6,850,277,118	26.172%		
Retained Earnings	7,045,096,738	26.917%		
Total Common Equity	13,895,373,856	53.089%	10.750%	5.707%
Total Capitalization	\$26,173,647,427	100.000%		7.802%

Company Exhibit PMM-1
Schedule 1
Page 1 of 1

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
RATE OF RETURN STATEMENT - ADJUSTED
TWELVE MONTHS ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Line No.	(Col. 1) Total Company	(Col. 2) Non-Jurisdictional	(Col. 3) North Carolina Jurisdictional Cost of Service (1) - (2)	(Col. 4) Accounting Adjustments	(Col. 5) North Carolina Jurisdictional Cost of Service After Adjustments (3) + (4)	(Col. 6) Additional Revenue Required for a 10.75% ROE	(Col. 7) North Carolina Jurisdictional Amounts After Proposed Increase (5) + (6)
1 OPERATING REVENUE							
2 Base Non-Fuel Rate Revenues	\$ 5,226,387	\$ 4,958,367	\$ 268,020	\$ (12,379)	\$ 255,641	\$ 26,696	\$ 282,337
3 Base Fuel Rate Revenues	2,173,013	2,087,055	85,958	5,931	91,889		91,889
4 Late Payment Fees	21,282	20,149	1,133	51	1,184	86	1,270
5 Other Operating Revenues	213,517	206,897	6,620	(1,383)	5,237	176	5,413
6 TOTAL OPERATING REVENUE	\$ 7,634,199	\$ 7,272,468	\$ 361,731	\$ (7,780)	\$ 353,950	\$ 26,958	\$ 380,908
7 OPERATING REVENUE DEDUCTIONS							
8 Fuel Expenses	1,929,730	1,844,320	85,410	6,350	91,760		91,760
9 Other Operation & Maintenance Expense	2,157,992	2,044,377	113,615	(12,612)	101,004	\$ 146	101,149
10 Depreciation & Amortization	1,151,458	1,031,389	60,069	6,460	66,529		66,529
11 Federal Income Taxes	190,992	183,338	7,654	(844)	6,810	5,301	12,112
12 State Income Taxes	94,725	91,153	3,572	(278)	3,294	1,569	4,863
13 Taxes Other Than Income Taxes	286,176	271,594	14,583	231	14,814		14,814
14 (Gain)/Loss on Disposition of Property	110	(128)	-238	(13)	225		225
15 TOTAL OPERATING REVENUE DEDUCTIONS	\$ 5,811,183	\$ 5,526,041	\$ 285,142	\$ (705)	\$ 284,436	\$ 7,016	\$ 291,452
16 OPERATING INCOME	\$ 1,823,016	\$ 1,746,427	\$ 76,589	\$ (7,075)	\$ 69,514	\$ 19,942	\$ 89,456
17 PLUS: Allowance for Funds Used During Construction	60,040	59,804	236	(236)	-		-
18 LESS: Charitable Donations	6,783	6,453	330	(330)	-		-
19 Interest Expense On Customer Deposits	1,894	1,822	72	-	72		72
20 Other Interest Expense/Income	1,492	1,416	76	-	76		76
21 ADJUSTED OPERATING INCOME	\$ 1,872,887	\$ 1,796,540	\$ 76,347	\$ (6,981)	\$ 69,366	\$ 19,942	\$ 89,308
22 PLUS: Other Income/(Expenses)	(51,800)	(51,800)	-	-	-		-
23 LESS: Interest Expense on Debt	(1) 539,438	514,501	24,938	(1,053)	23,885	99	23,984
24 INCOME AVAILABLE FOR COMMON EQUITY	\$ 1,281,648	\$ 1,230,239	\$ 51,409	\$ (5,928)	\$ 45,481	\$ 19,843	\$ 65,325
25 Allowance for Working Capital	(672,862)	(674,114)	1,252	61,018	62,271	4,736	67,006
26 PLUS: Net Utility Plant	29,693,072	28,202,048	1,491,024	(127,392)	1,363,632		1,363,632
27 LESS: Other Rate Base Deductions	5,833,814	5,533,541	300,273	(16,050)	284,223		284,223
28 TOTAL RATE BASE	\$ 23,186,396	\$ 21,994,393	\$ 1,192,003	\$ (50,323)	\$ 1,141,680	\$ 4,736	\$ 1,146,416
29 Total Capital	\$ 23,186,396	\$ 21,994,393	\$ 1,192,003	\$ (50,323)	\$ 1,141,680		\$ 1,146,416
30 Common Equity Capital	\$ 12,290,211	\$ 11,658,376	\$ 631,835	\$ (26,674)	\$ 605,160		\$ 607,671
31 % Rate of Return Earned on Rate Base			6.41%		6.08%		7.79%
32 % Rate Of Return Earned On Common Equity			8.14%		7.52%		10.75%
33 % Rate of Return Requested					10.75%		10.75%

Notes:

(1) NC Jurisdictional Interest Expense = NC Jurisdictional Year End Rate Base * Debt Weighted Cost of Capital Percentage
\$24,938 = \$ 1,192,003 * 2.092%

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
RATE BASE STATEMENT - ADJUSTED
TWELVE MONTHS ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Company Exhibit PMM-1
Schedule 2
Page 1 of 1

Line No.	(Col. 1) Total Company	(Col. 2) Non-Jurisdictional	(Col. 3) North Carolina Jurisdictional Cost of Service (1)-(2)	(Col. 4) Accounting Adjustments	(Col. 5) North Carolina Jurisdictional Cost of Service After Adjustments (3)+(4)
1	<u>ALLOWANCE FOR WORKING CAPITAL</u>				
2	\$ 837,705	\$ 795,915	\$ 41,790	\$ -	\$ 41,790
3	Investor Funds Advanced 283,839	270,384	13,455	1,083	14,539
4	Total Additions 378,280	322,885	55,395	(23,321)	32,073
5	Total Deductions (2,172,686)	(2,063,299)	(109,388)	83,256	(26,131)
6	<u>TOTAL ALLOWANCE FOR WORKING CAPITAL</u> \$ (672,862)	\$ (674,114)	\$ 1,252	\$ 61,018	\$ 62,271
7	<u>NET UTILITY PLANT</u>				
8	\$ 43,152,337	\$ 40,992,259	\$ 2,160,078	\$ 25,920	\$ 2,185,998
9	Acquisition Adjustments 52,041	51,649	392	(392)	-
10	Construction Work in Progress 1,885,116	1,765,238	119,877	(119,877)	-
11	Less: Accumulated Provision for Depreciation & Amortization 15,353,210	14,563,908	789,302	33,064	822,366
12	Provision for Acquisition Adjustments 43,212	43,191	21	(21)	-
13					
14	<u>TOTAL NET UTILITY PLANT</u> \$ 29,693,072	\$ 28,202,048	\$ 1,491,024	\$ (127,392)	\$ 1,363,632
15	<u>OTHER RATE BASE DEDUCTIONS</u>				
16	\$ 121,280	\$ 116,665	\$ 4,615	\$ -	\$ 4,615
17	Accumulated Deferred Income Taxes 5,712,534	5,416,876	295,658	(16,050)	279,608
18	Other Cost Free Capital -	-	-	-	-
19	<u>TOTAL OTHER RATE BASE DEDUCTIONS</u> \$ 5,833,814	\$ 5,533,541	\$ 300,273	\$ (16,050)	\$ 284,223
20	<u>TOTAL RATE BASE</u> \$ 23,186,396	\$ 21,994,393	\$ 1,192,003	\$ (50,323)	\$ 1,141,680

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
DETAIL OF ADJUSTMENTS
REFLECTED IN COLUMN 4 OF SCHEDULES 1 AND 2
(Thousands of Dollars)

Company Exhibit PMM-1
Schedule 3
Page 1 of 4

Adjustment Number	Description	Amount
OPERATING REVENUE		
<u>Base Non-Fuel Rate Revenues</u>		
NC-1	Annualize Revenue for Usage, Weather, and Customer Growth as of June 30, 2019	(7,438)
NC-2	Eliminate DSM and REPS Rider Revenues	(4,941)
	Total Adjustments to Non-Fuel Rate Revenues	(12,379)
<u>Base Fuel Rate Revenues</u>		
NC-3	Annualize Fuel Revenues & Expenses at Current Rates	5,931
	Total Adjustments to Base Fuel Rate Revenues	5,931
<u>Late Payment Fees</u>		
NC-4	Annualize Revenue for Usage, Weather, and Customer Growth as of June 30, 2019	51
	Total Adjustments to Late Payment Fees	51
<u>Other Operating Revenues</u>		
NC-5	Adjust Ancillary Services Margins	(986)
NC-6	Annualize Revenue for Usage, Weather, and Customer Growth as of June 30, 2019	(36)
NC-7	Annualize Fuel Revenues & Expenses at Current Rates	(361)
	Total Adjustments to Other Operating Revenues	(1,383)
	TOTAL ADJUSTMENTS TO OPERATING REVENUE	(7,780)
OPERATING REVENUE DEDUCTIONS		
<u>Fuel Expenses</u>		
NC-8	Annualize Fuel Revenues & Expenses at Current Rates	6,350
<u>Other Operation & Maintenance Expense</u>		
NC-9	Eliminate DSM and REPS Rider Costs	(4,378)
NC-10	Eliminate the Effects of ASC 410-20 -- Asset Retirement Obligations	(3,782)
NC-11	Update Purchased Power Capacity	(3,122)
NC-12	Update Purchased Power Energy	(12,779)
NC-13	Normalize Fossil & Hydro Outage Expense	1,210
NC-14	Levelize Nuclear Refueling and Maintenance Outage Expense	64
NC-15	Eliminate Yorktown Net Operating Expense	198
NC-16	Annualize Greenville County CC O&M	575
NC-17	Annualize Salary and Wages as of June 30, 2019 - Salaried Payroll	511
NC-18	Annualize Salary and Wages as of June 30, 2019 - Hourly Payroll	29
NC-19	Annualize Salary and Wages as of June 30, 2019 - Services Company	168
NC-20	Adjust Employee Benefits Costs to June 30, 2019	510
NC-21	Normalize Employee Severance Program Costs	1,030
NC-22	Normalize Annual Incentive Plan Costs	(270)

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NC-23	Adjust Executive Compensation	(413)
NC-24	DES Office Building	1,352
NC-25	Normalize Storm Expense	(2,209)
NC-26	Transmission Rate Design Settlement	105
NC-27	Eliminate Promotional Advertising Expenses	(108)
NC-28	Adjust Uncollectible Expense	282
NC-29	Reclassify Certain Non-Operating Expenses	(63)
NC-30	Adjust Certain Operating & Maintenance Expenses for Inflation	706
NC-31	Adjust North Carolina Regulatory Fee for Annualization of Fuel Revenue	8
NC-32	Amortize Chesapeake Energy Center Closure Cost Regulatory Asset	29
NC-33	Amortize Coal Combustion Residual Expenditures Regulatory Asset	7,547
NC-34	Adjust Existing Regulatory Assets	188
	Total Adjustments to Other Operation & Maintenance Expenses	(12,612)
	<u>Depreciation & Amortization</u>	
NC-35	Eliminate the Effects of ASC 410-20 -- Asset Retirement Obligations	(1,760)
NC-36	Eliminate Acquisition Adjustments	(9)
NC-37	Annualize Depreciation Expense	7,323
NC-38	Eliminate Incremental Costs for Certain Underground Transmission Projects	(276)
NC-39	Eliminate AC Cycling Program Costs	(64)
NC-40	Amortize Yorktown Impairment Regulatory Asset	248
NC-41	Amortize Greensville County CC Deferral	1,616
NC-42	Adjust Existing Regulatory Assets	(619)
	Total Adjustments to Depreciation & Amortization	6,460
	<u>Federal Income Tax Expense</u>	
NC-43	Interest Synchronization Adjustment - Federal	590
NC-44	Federal Income Tax Effect of Adjustments	(1,620)
NC-45	Eliminate the Effect of FIN 48	37
NC-46	Eliminate Incremental Costs for Certain Underground Transmission Projects	3
NC-47	Eliminate AC Cycling Program Costs	7
NC-48	Amortize Non Plant, Unprotected EDIT	138
NC-49	Adjust NC State Income for Lower Rate	1
	Total Adjustments to Federal Income Tax Expense	(844)
	<u>State Income Tax Expense</u>	
NC-50	Interest Synchronization Adjustment - State	175
NC-51	State Income Tax Effect of Adjustments	(480)
NC-52	Eliminate the Effect of FIN 48	31
NC-53	Adjust NC State Income Tax for Lower Rate	(3)
	Total Adjustments to State Income Tax Expense	(278)

<u>Taxes Other Than Income Taxes</u>		
NC-54	Annualize Property Taxes Based on Plant in Service as of June 30, 2019	198
NC-55	Adjust Payroll Tax for Incremental Payroll	33
	Total Adjustments to Taxes Other than Income Taxes	231
<u>Gain/Loss on Disposition of Property</u>		
NC-56	Eliminate the Effects of ASC 410-20 -- Asset Retirement Obligations	(13)
	Total Adjustments to Gain/Loss on Disposition of Property	(13)
	TOTAL ADJUSTMENTS TO OPERATING REVENUE DEDUCTIONS	(705)
	TOTAL ADJUSTMENTS TO OPERATING INCOME	(7,075)
<u>Allowance for Funds Used During Construction</u>		
NC-57	Eliminate AFUDC Income	(236)
<u>Charitable Donations</u>		
NC-58	Eliminate Charitable Contributions	(330)
	TOTAL ADJUSTMENTS TO ADJUSTED OPERATING INCOME	(6,981)
<u>Interest Expense</u>		
NC-59	Reflect Interest Expense Based on Proposed Capital Structure, Debt Costs, and Adjusted Rate Base	(1,053)
	TOTAL ADJUSTMENTS TO INCOME AVAILABLE FOR COMMON EQUITY	(5,928)
ALLOWANCE FOR WORKING CAPITAL		
<u>Investor Funds Advanced</u>		
NC-60	Cash Working Capital Effect of Lead/Lag Study and Accounting Adjustments	1,083
	Total Adjustments to Investor Funds Advanced	1,083
<u>Total Additions</u>		
NC-61	Adjust Existing Regulatory Assets	(36,998)
NC-62	Adjust Rate Base for New Regulatory Assets	18,325
NC-63	Eliminate Nuclear Outage Deferral Balance & Joint Owner Receivables	(4,649)
	Total Adjustments to Total Additions	(23,321)
<u>Total Deductions</u>		
NC-64	Eliminate the Effects of ASC 410-20 -- Asset Retirement Obligations	71,162
NC-65	Eliminate CWP Accounts Payable and Accrued Payroll	12,040
NC-66	Adjust Existing Regulatory Assets	55
	Total Adjustments to Total Deductions	83,256
	TOTAL ADJUSTMENTS TO ALLOWANCE FOR WORKING CAPITAL	61,018
NET UTILITY PLANT		
<u>Utility Plant in Service</u>		
NC-67	Eliminate the Effects of ASC 410-20 -- Asset Retirement Obligations	(6,654)
NC-68	Update Plant in Service to June 30, 2019	39,590
NC-69	Eliminate Incremental Costs for Certain Underground Transmission Projects	(6,126)
NC-70	Eliminate AC Cycling Program Costs	(890)
	Total Adjustments to Utility Plant in Service	25,920

<u>Acquisition Adjustments</u>		
NC-71	Eliminate Acquisition Adjustments	(392)
	Total Adjustments to Acquisition Adjustments	(392)
<u>Construction Work In Progress</u>		
NC-72	Eliminate CWIP Balance	(119,877)
	Total Adjustments to Construction Work In Progress	(119,877)
<u>Accumulated Provision for Depreciation & Amortization</u>		
NC-73	Eliminate the Effects of ASC 410-20 -- Asset Retirement Obligations	(1,028)
NC-74	Update Accumulated Provision for Depreciation and Amortization to June 30, 2019	28,264
NC-75	Annualize Depreciation Expense	7,323
NC-76	Eliminate Incremental Costs for Certain Underground Transmission Projects	(1,151)
NC-77	Eliminate AC Cycling Program Costs	(344)
	Total Adjustments to Accumulated Provision for Depreciation & Amortization	33,064
<u>Accumulated Provision for Acquisition Adjustments</u>		
NC-78	Eliminate Acquisition Adjustments	(21)
	Total Adjustments to Accumulated Provision for Acquisition Adjustments	(21)
	TOTAL ADJUSTMENTS TO NET UTILITY PLANT	(127,392)
OTHER RATE BASE DEDUCTIONS		
<u>Accumulated Deferred Income Taxes</u>		
NC-79	Eliminate the Effects of ASC 410-20 -- Asset Retirement Obligations	20,380
NC-80	Eliminate Acquisition Adjustments	0
NC-81	Update Accumulated Deferred Income Taxes to June 30, 2019	298
NC-82	Annualize Depreciation Expense	(1,876)
NC-83	Eliminate AC Cycling Program Costs	409
NC-84	Eliminate ADIT Related to TCJA Regulatory Liabilities	2,522
NC-85	Eliminate Deferred Fuel ADIT	(4,711)
NC-86	Eliminate Nuclear Outage Deferral Balance	(941)
NC-87	Eliminate Other Nuclear Decommissioning ADIT	(23,978)
NC-88	Transmission Rate Design Settlement	2,069
NC-89	Eliminate Incremental Costs for Certain Underground Transmission Projects	(1,308)
NC-90	Adjust Existing Regulatory Assets	(9,432)
NC-91	Adjust Rate Base for New Regulatory Assets	4,695
NC-92	Eliminate ADIT Related to State Rider EDIT	(4,177)
	Total Adjustments to Accumulated Deferred Income Taxes	(16,050)
	TOTAL ADJUSTMENTS TO OTHER RATE BASE DEDUCTIONS	(16,050)
	TOTAL ADJUSTMENTS TO RATE BASE	(50,323)

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
LEAD/LAG CASH WORKING CAPITAL CALCULATION - ADJUSTED
TWELVE MONTHS ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Company Exhibit PMM-1
Schedule 4
Page 1 of 1

Line No.	Item	(Col. 1) NC Retail Per Books Amounts	(Col. 2) Accounting Adjustments	(Col. 3) Amounts After Adjustments	(Col. 4) Average Daily Amounts	(Col. 5) (Lead) / Lag Days	(Col. 6) Working Capital (Provided)/ Required
1	Operating Revenue						
2	Rate Revenues	\$ 353,978	\$ (6,448)	\$ 347,530	\$ 952	43.36	\$ 41,285
3	Sales for Resale	1,126	-	1,126	3	38.91	120
4	Other Operating Revenue	6,626	(1,332)	5,294	15	20.15	292
5	Total Operating Revenue	<u>\$ 361,731</u>	<u>\$ (7,780)</u>	<u>\$ 353,950</u>			<u>\$ 41,697</u>
6	Operation & Maintenance Expense						
7	Account 501 - Fuel	\$ 24,682	\$ (3,703)	\$ 20,979	57	(33.21)	\$ (1,909)
8	Account 518 - Nuclear Fuel	8,487	(1,273)	7,214	20	(3.21)	(63)
9	Account 547 - Other Fuel	55,934	(8,391)	47,544	130	(33.21)	(4,326)
10	Account 555 - Purchased Power	49,912	(7,487)	42,425	116	(28.21)	(3,279)
11	Account 557 - Deferred Fuel	(27,204)	27,204	-	-	-	-
12	Payroll Expense	34,033	437	34,470	94	(26.90)	(2,540)
13	Benefits and Pension Expense	8,617	510	9,127	25	(30.41)	(760)
14	OPEB Expense	(1,853)	-	(1,853)	(5)	(17.14)	87
15	Uncollectible Expense	1,109	282	1,390	4	(254.94)	(971)
16	Stores Expense	9,244	-	9,244	25	(44.33)	(1,123)
17	Accrued Vacation Expense	87	-	87	0	-	-
18	Worker's Compensation Expense	73	-	73	0	-	-
19	Prepaid Insurance Amortization Expense	412	-	412	1	-	-
20	Director's Deferred Compensation Expense	0	-	0	0	-	-
21	Miscellaneous Prepaid Expense	503	-	503	1	-	-
22	Other O&M Expense	34,991	(13,840)	21,151	58	(43.09)	(2,497)
23	Total Operation & Maintenance Expense	<u>\$ 199,026</u>	<u>\$ (6,262)</u>	<u>\$ 192,764</u>			<u>\$ (17,381)</u>
24	Depreciation & Amortization Expense	\$ 60,069	\$ 6,460	\$ 66,529	182	-	\$ -
25	Income Tax Expense						
26	Current Federal & State Income Taxes	\$ (2,572)	\$ (1,260)	\$ (3,832)	(10)	87.90	\$ (923)
27	Deferred Federal & State Income Taxes	13,872	138	14,010	38	-	-
28	Deferred ITC	(74)	-	(74)	(0)	-	-
29	Total Income Tax Expense	<u>\$ 11,226</u>	<u>\$ (1,122)</u>	<u>\$ 10,105</u>			<u>\$ (923)</u>
30	Taxes Other Than Income Taxes						
31	North Carolina Franchise Tax	\$ 486	\$ -	\$ 486	1	(523.00)	\$ (686)
32	Property Tax Expense	10,642	198	10,840	30	(111.96)	(3,325)
33	West Virginia B&O Tax Expense	1,045	-	1,045	3	(39.21)	(112)
34	Payroll Taxes	2,308	33	2,341	6	(27.26)	(175)
35	Other Taxes	102	-	102	0	(31.06)	(9)
36	Total Taxes Other than Income	<u>\$ 14,583</u>	<u>\$ 231</u>	<u>\$ 14,814</u>			<u>\$ (4,317)</u>
37	Gain/Loss on Disposition of Property	\$ 238	\$ (13)	\$ 225	1	-	\$ -
38	Total Operating Revenue Deductions	<u>\$ 285,142</u>	<u>\$ (705)</u>	<u>\$ 284,436</u>			<u>\$ (22,621)</u>
39	AFUDC	\$ 236	\$ (236)	-	-	-	\$ -
40	Charitable Donations	330	(330)	-	-	-	-
41	Interest on Customer Deposits	72	-	72	0	(182.50)	(36)
42	Interest of Tax Deficiencies	76	-	76	0	-	-
43	Interest Expense on Debt	24,938	(1,053)	23,885	65	(90.93)	(5,950)
44	Income Available for Common Equity	<u>51,409</u>	<u>(5,928)</u>	<u>45,481</u>	<u>125</u>	<u>-</u>	<u>-</u>
45	Total Requirement	<u>\$ 361,731</u>	<u>\$ (7,780)</u>	<u>\$ 353,950</u>			<u>\$ (28,607)</u>
46	Cash Working Capital from Operations (Line 5 + Line 45)						\$ 13,090
47	Plus: Customer Utility Taxes						1,449
48	TOTAL CASH WORKING CAPITAL						<u>\$ 14,539</u>

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DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
LEAD/LAG CASH WORKING CAPITAL CALCULATION - ADDITIONAL REVENUE REQUIREMENT
TWELVE MONTHS ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Company Exhibit PMM-1
Schedule 5
Page 1 of 1

Line No.	Item	(Col. 1)	(Col. 2)	Iteration 1			Iteration 2			Iteration 3			After Increase	
		NC Retail Amounts Adjustments	Net (Lead) / Lag Days	Increase	With Increase	CWC Change	Increase	With Increase	CWC Change	Increase	With Increase	CWC Change	Cumulative Increase	After Increase
1	Operating Revenue													
2	Rate Revenues	\$ 347,530	43.36	\$ 26,199	\$ 373,729	\$ 3,112	\$ 490	\$ 374,220	\$ 58	\$ 7	\$ 374,226	\$ 1	\$ 26,696	\$ 374,226
3	Sales for Resale	1,126	38.91	-	1,126	-	-	1,126	-	-	1,126	-	-	1,126
4	Other Operating Revenue	5,294	20.15	260	5,554	14	2	5,556	0	0	5,556	0	262	5,556
5	Total Operating Revenue	\$ 353,950		\$ 26,459	\$ 380,410	\$ 3,127	\$ 492	\$ 380,902	\$ 58	\$ 7	\$ 380,908	\$ 1	\$ 26,958	\$ 380,908
6	Operation & Maintenance Expense													
7	Account 501 - Fuel	\$ 20,979	(33.21)	\$ -	\$ 20,979	\$ -	\$ -	\$ 20,979	\$ -	\$ -	\$ 20,979	\$ -	\$ -	\$ 20,979
8	Account 518 - Nuclear Fuel	7,214	(3.21)	-	7,214	-	-	7,214	-	-	7,214	-	-	7,214
9	Account 547 - Other Fuel	47,544	(33.21)	-	47,544	-	-	47,544	-	-	47,544	-	-	47,544
10	Account 555 - Purchased Power	42,425	(28.21)	-	42,425	-	-	42,425	-	-	42,425	-	-	42,425
11	Account 557 - Deferred Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Payroll Expense	34,470	(26.80)	-	34,470	-	-	34,470	-	-	34,470	-	-	34,470
13	Benefits and Pension Expense	9,127	(30.41)	-	9,127	-	-	9,127	-	-	9,127	-	-	9,127
14	OPEB Expense	(1,853)	(17.14)	-	(1,853)	-	-	(1,853)	-	-	(1,853)	-	-	(1,853)
15	Uncollectible Expense	1,390	(254.94)	108	1,498	(74)	2	1,498	(1)	0	1,498	(0)	108	1,498
16	Stores Expense	9,244	(44.33)	-	9,244	-	-	9,244	-	-	9,244	-	-	9,244
17	Accrued Vacation Expense	87	-	-	87	-	-	87	-	-	87	-	-	87
18	Worker's Compensation Expense	73	-	-	73	-	-	73	-	-	73	-	-	73
19	Prepaid Insurance Amortization Expense	412	-	-	412	-	-	412	-	-	412	-	-	412
20	Director's Deferred Compensation Expense	0	-	-	0	-	-	0	-	-	0	-	-	0
21	Miscellaneous Prepaid Expense	503	-	-	503	-	-	503	-	-	503	-	-	503
22	Other O&M Expense	21,151	(43.09)	37	21,188	(4)	1	21,188	(0)	0	21,188	(0)	38	21,188
23	Total Operation & Maintenance Expense	\$ 192,764		\$ 143	\$ 192,907	\$ (78)	\$ 3	\$ 192,910	\$ (1)	\$ 0	\$ 192,910	\$ (0)	\$ 146	\$ 192,910
24	Depreciation & Amortization Expense	\$ 66,529	-	\$ -	\$ 66,529	\$ -	\$ -	\$ 66,529	\$ -	\$ -	\$ 66,529	\$ -	\$ -	\$ 66,529
25	Income Tax Expense													
26	Current Federal & State Income Tax	\$ (3,832)	87.90	\$ 6,743	\$ 2,911	\$ 1,824	\$ 125	\$ 3,037	\$ 30	\$ 2	\$ 3,038	0	6,870	3,038
27	Deferred Federal & State Income Tax	14,010	-	-	14,010	-	-	14,010	-	-	14,010	-	-	14,010
28	Deferred ITC	(74)	-	-	(74)	-	-	(74)	-	-	(74)	-	-	(74)
29	Total Income Tax Expense	\$ 10,105		\$ 6,743	\$ 16,848	\$ 1,824	\$ 125	\$ 16,973	\$ 30	\$ 2	\$ 16,975	\$ 0	\$ 6,870	\$ 16,975
30	Taxes Other Than Income Tax													
31	North Carolina Franchise Tax	486	(523.00)	-	486	-	-	486	-	-	486	-	-	486
32	Property Tax Expense	10,840	(111.96)	-	10,840	-	-	10,840	-	-	10,840	-	-	10,840
33	West Virginia B&O Tax Expense	1,045	(39.21)	-	1,045	-	-	1,045	-	-	1,045	-	-	1,045
34	Payroll Taxes	2,341	(27.26)	-	2,341	-	-	2,341	-	-	2,341	-	-	2,341
35	Other Taxes	102	(31.06)	-	102	-	-	102	-	-	102	-	-	102
36	Total Taxes Other than Income	\$ 14,814		\$ -	\$ 14,814	\$ -	\$ -	\$ 14,814	\$ -	\$ -	\$ 14,814	\$ -	\$ -	\$ 14,814
37	Gain/Loss on Disposition of Property	\$ 225	-	\$ -	\$ 225	\$ -	\$ -	\$ 225	\$ -	\$ -	\$ 225	\$ -	\$ -	\$ 225
38	Total Operating Revenue Deduction	\$ 284,436		\$ 6,886	\$ 291,322	\$ 1,546	\$ 128	\$ 291,450	\$ 29	\$ 2	\$ 291,452	\$ 0	\$ 7,016	\$ 291,452
39	AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Charitable Donations	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Interest on Customer Deposits	72	(182.50)	-	72	-	-	72	-	-	72	-	-	72
42	Other Expense/Income	76	-	-	76	-	-	76	-	-	76	-	-	76
43	Interest Expense on Debt	23,885	(90.93)	-	23,885	-	98	23,982	(24)	1	23,984	(0)	99	23,984
44	Income Available for Common Equity	45,481	-	19,574	65,055	-	266	65,321	0	4	65,325	0	19,843	65,325
45	Total Requirement	\$ 353,950		\$ 26,459	\$ 380,410	\$ 1,546	\$ 492	\$ 380,902	\$ 4	\$ 7	\$ 380,908	\$ 0	\$ 26,958	\$ 380,908
46	Cumulative change in working capital					\$ 4,872			4,735			4,736		4,736
47	Common equity capital under present rate	1,141,680				1,141,680			1,141,680			1,141,680		1,141,680
48	Common equity capital after rate increase					1,146,352			1,146,415			1,146,416		1,146,416
49	Overall rate of return	6.076%				7.758%			7.790%			7.790%		7.790%
50	Target rate of return	7.790%				7.790%			7.790%			7.790%		7.790%

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Excess Deferred Federal Income Tax (EDIT)
Balances as of December 31, 2017
(Thousands of Dollars)

I/A

Line No.	Summary by Type of EDIT	(Col.1)	(Col.2)	(Col.3)
		Total System [Pg. 3, Col. 1, Lines 85 - 88]	Non- Jurisdictional (1) - (3)	North Carolina Jurisdiction [Pg. 3, Col. 4, Lines 85 - 88]
1	Plant - Protected	\$ 2,120,205	\$ 2,020,207	\$ 99,997
2	Plant - Unprotected	\$ (75,589)	\$ (73,812)	\$ (1,777)
3	Non-Plant and Unprotected	\$ (64,998)	\$ (60,846)	\$ (4,152)
4	Total	<u>\$ 1,979,618</u>	<u>\$ 1,885,549</u>	<u>\$ 94,069</u>

DomInion Energy North Carolina
Docket No. E-22, Sub 562
Excess Deferred Federal Income Tax (EDIT)
Balances as of December 31, 2017

Line		(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
No.	Description	Type	System	Allocation Factor/Ratio	N C Juris Balance
			[Note 1]	[Form E-1, Item 45a, Sch. 15]	[1] x [2]
1	BOOK DEP.- AMORT DESIGN DOC Total	Plant - Protected	\$ (22,737) FACTOR1	4.9507%	\$ (1,126)
2	BOOK DEP.- AMORT LEASE IMPROV Total	Plant - Protected	\$ (2,130,596) TOTAL_GEN_PLANT	6.1619%	\$ (131,286)
3	BOOK DEP.-AMORT PLANT ACO ADJ. Total	Plant - Protected	\$ (6,019,121) TOTAL_DIST_PLANT	5.0557%	\$ (304,308)
4	BOOK DEPR (008) Total	Plant - Protected	\$ (1,784,936,632) Total A/D Excl. Nuclear Fuel	5.1526%	\$ (91,970,418)
5	BOOK DEPREC-NA MERIT PROGRAM Total	Plant - Protected	\$ (790) FACTOR61	4.9507%	\$ (39)
6	BOOK DEPR-UNRECOVERED PLT NORTH ANNA Total	Plant - Protected	\$ 131,487 FACTOR61	4.9507%	\$ 6,510
7	BOOK DEPR-UNRECOVERED PLT SURRY Total	Plant - Protected	\$ 67,779 FACTOR1	4.9507%	\$ 3,356
8	CAP EXPENSE 481A - PROD OTHER (750) Total	Plant - Protected	\$ (21,787,558) FACTOR1	4.9507%	\$ (1,078,637)
9	CAP EXPENSE 481A (570) Total	Plant - Protected	\$ 1,814,079 TOTAL_DIST_PLANT	5.0557%	\$ 91,714
10	CAPITALIZED INTEREST - 481A ADJUST Total	Plant - Protected	\$ (1,969,369) FACTOR1	4.9507%	\$ (97,498)
11	CAPITALIZED INTEREST - DEPREC 481A Total	Plant - Protected	\$ 711,266 FACTOR1RR	0.0000%	\$ -
12	CAPITALIZED INTEREST OPER IN SERVICE Total	Plant - Protected	\$ (95,645,334) TOTAL_PLANT	5.0487%	\$ (4,828,871)
13	CAPITALIZED INTEREST OPERATING CWIP Total	Plant - Protected	\$ (23,827,400) TOTAL_PLANT	5.0487%	\$ (1,202,980)
14	CAPITALIZED RESTORATION 481A Total	Plant - Protected	\$ (14,072,878) TOTAL_DIST_PLANT	5.0557%	\$ (711,480)
15	CASUALTY LOSS AMORT Total	Plant - Protected	\$ (18,441,639) TOTAL_DIST_PLANT	5.0557%	\$ (932,350)
16	CASUALTY LOSSES (132) Total	Plant - Protected	\$ 42,150,507 TOTAL_DIST_PLANT	5.0557%	\$ 2,130,995
17	COMPUTER SOFTWARE-BOOK AMORT Total	Plant - Protected	\$ (12,297,827) PLANT_ACCT_303	4.8495%	\$ (596,384)
18	COMPUTER SOFTWARE-CWIP Total	Plant - Protected	\$ 3,019,459 PLANT_ACCT_303	4.8495%	\$ 146,429
19	COMPUTER SOFTWARE-TAX AMORT Total	Plant - Protected	\$ 17,626,164 PLANT_ACCT_303	4.8495%	\$ 854,782
20	CWIP ABANDONMENT NON CURRENT-NA3 Total	Plant - Protected	\$ (35,053,476) FACTORWR	0.0000%	\$ -
21	CWIP ABANDONMENT NON CURRENT-WIND Total	Plant - Protected	\$ (474,392) FACTORWR	0.0000%	\$ -
22	DEPR LATERAL PIPELINE RECORDED TO FUEL EXP Total	Plant - Protected	\$ (315,484) Total A/D Excl. Nuclear Fuel	5.1526%	\$ (16,256)
23	DOE SETTLEMENT VEPCO Total	Plant - Protected	\$ 2,570,246 FACTOR3	5.0924%	\$ 130,887
24	DOE SETTLEMENT-INVENT BASIS REDUCTION VEPCO Total	Plant - Protected	\$ (162,959) FACTOR3	5.0924%	\$ (8,299)
25	G/L INTERCO SALES -BOOK/TAX Total	Plant - Protected	\$ 470,316 TOTAL_PLANT	5.0487%	\$ 23,745
26	NUCLEAR FUEL-COMMERCIAL BURN Total	Plant - Protected	\$ (51,356,925) FACTOR3	5.0924%	\$ (2,615,300)
27	SALES TAX RECOVERY CWIP Total	Plant - Protected	\$ (1,985,608) FACTOR1A	0.0000%	\$ -
28	SALES TAX RECOVERY IN SERVICE (537) Total	Plant - Protected	\$ (7,627,909) FACTOR1A	0.0000%	\$ -
29	TAX AMORT -PRODUCTION Total	Plant - Protected	\$ 109,156,156 PLANT_ACCT_303	4.8495%	\$ 5,293,535
30	TAX AMORT -PRODUCTION NA Total	Plant - Protected	\$ 1,388,980 PLANT_ACCT_303	4.8495%	\$ 67,359
31	TAX DEPR -DISTRIBUTION Total	Plant - Protected	\$ 952,121,542 TOTAL_DIST_PLANT	5.0557%	\$ 48,136,227
32	TAX DEPR-BONUS DEPR-CSW Total	Plant - Protected	\$ 7,150,245 PLANT_ACCT_303	4.8495%	\$ 346,752
33	TAX DEPR-BONUS DEPR-DISTRIBUTION Total	Plant - Protected	\$ 406,134,497 TOTAL_DIST_PLANT	5.0557%	\$ 20,532,864
34	TAX DEPR-BONUS DEPR-GENERAL Total	Plant - Protected	\$ 19,101,452 TOTAL_GEN_PLANT	6.1619%	\$ 1,177,016
35	TAX DEPR-BONUS DEPR-PRODUCTION Total	Plant - Protected	\$ 512,987,238 FACTOR1	4.9507%	\$ 25,396,459
36	TAX DEPR-BONUS DEPR-PRODUCTION BATH Total	Plant - Protected	\$ 4,733,507 FACTOR1	4.9507%	\$ 234,342
37	TAX DEPR-BONUS DEPR-PRODUCTION NA Total	Plant - Protected	\$ 17,542,086 FACTOR61	4.9507%	\$ 868,456
38	TAX DEPR-BONUS DEPR-TRANSMISSION Total	Plant - Protected	\$ 422,537,715 TOTAL_TRAN_PLANT	4.2684%	\$ 18,035,710
39	TAX DEPR-FUEL Total	Plant - Protected	\$ 24,888,897 FACTOR3	5.0924%	\$ 1,267,442
40	TAX DEPR-FUEL NA Total	Plant - Protected	\$ 24,280,134 FACTOR63	5.0924%	\$ 1,236,442
41	TAX DEPR-GENERAL Total	Plant - Protected	\$ 57,892,378 TOTAL_GEN_PLANT	6.1619%	\$ 3,567,282
42	TAX DEPR-PEPCO ACO ADJ Total	Plant - Protected	\$ 4,846,093 FACTOR29	0.0000%	\$ -
43	TAX DEPR-PRODUCTION Total	Plant - Protected	\$ 869,437,793 FACTOR1	4.9507%	\$ 43,043,257
44	TAX DEPR-PRODUCTION BATH Total	Plant - Protected	\$ 94,360,768 FACTOR1	4.9507%	\$ 4,671,519
45	TAX DEPR-PRODUCTION NA Total	Plant - Protected	\$ 289,811,163 FACTOR61	4.9507%	\$ 14,347,681
46	TAX DEPR-TRANSMISSION Total	Plant - Protected	\$ 358,596,765 TOTAL_TRAN_PLANT	4.2684%	\$ 15,306,438
47	TAX AMORT -GENERAL Total	Plant - Protected	\$ 13,946 PLANT_ACCT_303	4.8495%	\$ 676
48	FEDERAL EFFECT OF STATE TAX	Plant - Protected	\$ (47,209,504) DSIT_OPERATING	5.1377%	\$ (2,425,467)
49	TOTAL AFC DEF TAX	Plant - Un Protected	\$ 17,279,032 Total AFC Def Tax	13.1534%	\$ 2,272,788
50	BOOK AMORT-CAPITAL LEASES (207) Total	Plant - Un Protected	\$ 452,821 TOTAL_GEN_PLANT	6.1619%	\$ 27,902
51	BOOK CAPITALIZED INTEREST CWIP Total	Plant - Un Protected	\$ 80,071 TOTAL_PLANT	5.0487%	\$ 4,043
52	COST OF REMOVAL-DISTRIBUTION Total	Plant - Un Protected	\$ (12,672,381) TOTAL_DIST_PLANT	5.0557%	\$ (640,675)
53	COST OF REMOVAL-GENERAL Total	Plant - Un Protected	\$ 900,951 TOTAL_GEN_PLANT	6.1619%	\$ 55,516
54	COST OF REMOVAL-PRODUCTION Total	Plant - Un Protected	\$ (22,554,554) FACTOR1	4.9507%	\$ (1,116,608)
55	COST OF REMOVAL-PRODUCTION NA Total	Plant - Un Protected	\$ 4,925,012 FACTOR61	4.9507%	\$ 243,823
56	COST OF REMOVAL-TRANSMISSION Total	Plant - Un Protected	\$ (11,468,370) TOTAL_TRAN_PLANT	4.2684%	\$ (489,519)
57	FAS 143 ASSET OBLIGATION-DISTRIBUTION Total	Plant - Un Protected	\$ (440,953) TOTAL_DIST_PLANT	5.0557%	\$ (22,293)
58	FAS 143 ASSET OBLIGATION-GENERAL Total	Plant - Un Protected	\$ (21,683) TOTAL_GEN_PLANT	6.1619%	\$ (1,336)
59	FAS 143 ASSET OBLIGATION-NA Total	Plant - Un Protected	\$ (177,071) FACTOR61	4.9507%	\$ (8,766)
60	FAS 143 ASSET OBLIGATION-OTHER Total	Plant - Un Protected	\$ (41,795,627) FACTOR1	4.9507%	\$ (2,069,176)
61	FAS 143 ASSET OBLIGATION-TRANSMISSION Total	Plant - Un Protected	\$ 13,131 TOTAL_TRAN_PLANT	4.2684%	\$ 561
62	REG LIAB PLANT CONTRA VASLSTX VEPCO Total	Plant - Un Protected	\$ (9,455,760) Factor 9A - 100% VA	0.0000%	\$ -
63	WEST VA PROPERTY TAX VEPCO Total	Plant - Un Protected	\$ (653,209) TOTAL_PLANT	5.0487%	\$ (32,979)
64	BAD DEBTS VEPCO Total	Unprotected	\$ (3,131,297) REVENUE_RETAIL	4.8779%	\$ (152,741)
65	DEFERRED REVENUE CURRENT VEPCO Total	Unprotected	\$ (345,802) PLANT_ACCT_364	8.7448%	\$ (30,240)
66	FUEL DEFERRED	Unprotected	\$ (3,106,481) VARIOUS		\$ (1,054,204)

[Note 1]: System EDIT balances provided by the Tax Department

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Sep 26 2019

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Excess Deferred Federal Income Tax (EDIT)
Balances as of December 31, 2017

Line		(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
No.	Description	Type	System	Allocation Factor/Ratio	N C Juris Balance
			[Note 1]	[Form E-1, Item 45a, Sch. 15]	(1) x (2)
67	FUEL HANDLING COSTS VEPCO Total	Unprotected	\$ 82,421	FACTOR3	5.0924% \$ 4,197
68	HEADWATER BENEFITS VEPCO Total	Unprotected	\$ (391,949)	FACTOR1	4.9507% \$ (19,404)
69	LONG TERM DISABILITY RESERVE VEPCO Total	Unprotected	\$ (3,209,004)	TOTAL_SAL_WAGES	4.9843% \$ (159,945)
70	NOL NC VEPCO Total	Unprotected	\$ (3,854)	RATE_REVENUE	4.7847% \$ (184)
71	OBSOLETE INVENTORY RESERVE VEPCO Total	Unprotected	\$ (760,596)	FACTOR1	4.9507% \$ (37,655)
72	OPEB VEPCO Total	Unprotected	\$ 29,092,458	TOTAL_SAL_WAGES	4.9843% \$ 1,450,042
73	PREMIUM, DEBT, DISCOUNT&EXP VEPCO Total	Unprotected	\$ (385,101)	TOTAL_PLANT	5.0487% \$ (19,443)
74	REACQUIRED DEBT GAIN(LOSS) VEPCO Total	Unprotected	\$ (410,020)	TOTAL_NET_PLANT	5.0872% \$ (20,859)
75	REG LIAB VA OTHER CURRENT VEPCO Total	Unprotected	\$ 54,986	FACTOR1A	0.0000% \$ -
76	RETENTION BONUS Total	Unprotected	\$ (663,035)	TOTAL_SAL_WAGES	4.9843% \$ (33,047)
77	RETIREMENT - (FASB 87) VEPCO Total	Unprotected	\$ (70,753,491)	TOTAL_SAL_WAGES	4.9843% \$ (3,526,535)
78	SEPARATION/ERT VEPCO Total	Unprotected	\$ (1,528,294)	TOTAL_SAL_WAGES	4.9843% \$ (76,174)
79	SUCCESS SHARE PLAN VEPCO Total	Unprotected	\$ (7,395,431)	TOTAL_SAL_WAGES	4.9843% \$ (368,607)
80	SUPPLEMENTAL-SUPPLEMENTAL RETIRE VEPCO Total	Unprotected	\$ (20,658)	TOTAL_SAL_WAGES	4.9843% \$ (1,030)
81	VACATION ACCRUAL VEPCO Total	Unprotected	\$ (1,227,786)	TOTAL_SAL_WAGES	4.9843% \$ (61,196)
82	WORKERS COMPENSATION - FAS 112 Total	Unprotected	\$ (894,687)	TOTAL_SAL_WAGES	4.9843% \$ (44,593)
83	Total		\$ 1,979,618,312		\$ 94,068,838
84	<u>Summary by Type</u>				
85	Plant - Protected		2,120,204,520		99,997,176
86	Plant - Un Protected		(75,588,590)		(1,776,720)
87	Unprotected		(64,997,618)		(4,151,618)
88	Total		1,979,618,312		94,068,838

[Note 1]: System EDIT balances provided by the Tax Department

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Dominion Energy North Carolina

Docket No. E-22, Sub 562

North Carolina Jurisdictional Excess Deferred Federal Income Tax (EDIT) Amortization

For the Test Year Ended December 31, 2018

(Thousands of Dollars)

Line No.	Description	Notes	Amount
1	Total Plant-Related EDIT Amortization	[Page 2, Col. 4, Line 36]	\$ 2,832
2	<u>Non-Plant & Unprotected EDIT</u>		
3	Balance as of December 31, 2017	[Schedule 1, Page 1, Col. 3, Line 3]	\$ (4,152)
4	30-Year Amortization Period		<u>30</u>
5	Total Non-Plant & Unprotected EDIT Amortization	[Line 3 x Line 4]	\$ <u>(138)</u>
6	Total EDIT Amortization	[Line 1 + Line 5]	\$ <u><u>2,693</u></u>

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Total Plant-Related Excess Deferred Federal Income Tax (EDIT) Amortization
For the Test Year Ended December 31, 2018

Line	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
No.	Description	System	Allocation Factor/Ratio	N C Juris
		[Note 1]	[Form E-1, Item 45a, Sch. 15]	Amortization
				(1) x (3)
1	Comp Software			
2	AFUDC Debt	\$ 4,537	FACTOR82	42.3074% \$ 1,919
3	Liberalized	\$ 2,698,632	PLANT_ACCT_303	4.8495% \$ 130,870
4				
5	Dist Acq Adj			
6	Liberalized	\$ (29,828)	FACTOR29	0.0000% \$ -
7				
8	Distribution			
9	AFUDC Debt	\$ 6,446	FACTOR87	39.7337% \$ 2,561
10	Liberalized	\$ 16,110,198	TOTAL_DIST_PLANT	5.0557% \$ 814,480
11				
12	General			
13	AFUDC Debt	\$ 5,730	FACTOR89	37.4087% \$ 2,144
14	Liberalized	\$ 3,310,560	TOTAL_GEN_PLANT	6.1619% \$ 203,994
15				
16	North Anna			
17	AFUDC Debt	\$ 8,577	FACTOR83	42.3074% \$ 3,629
18	Liberalized	\$ 2,614,875	FACTOR61	4.9507% \$ 129,455
19				
20	Nuc Fuel NA			
21	AFUDC Debt	\$ 5,056	FACTOR86	28.6240% \$ 1,447
22	Liberalized	\$ (602,817)	FACTOR63	5.0924% \$ (30,698)
23				
24	Nuc Fuel Surry			
25	AFUDC Debt	\$ 1,600	FACTOR85	28.6240% \$ 458
26	Liberalized	\$ 507,941	FACTOR3	5.0924% \$ 25,866
27				
28	Other Prod			
29	AFUDC Debt	\$ 158,412	FACTOR82	42.3074% \$ 67,020
30	Liberalized	\$ 26,255,628	FACTOR1	4.9507% \$ 1,299,837
31				
32	Transmission			
33	AFUDC Debt	\$ 265,607	FACTOR2	4.2024% \$ 11,162
34	Liberalized	\$ 3,929,704	TOTAL_TRAN_PLANT	4.2684% \$ 167,737
35				
36	TOTAL	\$ 55,250,859		\$ 2,831,882

[Note 1]: System EDIT amortization provided by the Tax Department

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Dominion Energy North Carolina
Docket No. E-22, Sub 562
Rider EDIT Total Revenue Credit
(Thousands of Dollars)

Line No.	Description	Notes	Amount
1	Total Annual Federal EDIT Amortization - NC Retail	[Schedule 2, Line 6]	\$ 2,693
2	Times 1 Year, 10 Months	[1 + (10/12)]	<u>1.83</u>
3	Total Amortization Prior to Rate Effective Date - NC Retail	[Line 1 x Line 2]	\$ 4,938
4	Retention Factor	[Note 1]	<u>73.97573%</u>
5	Total NC Retail Federal EDIT Regulatory Liability to be Amortized	[Line 3 / Line 4]	\$ 6,675
6	Annuity Factor	[Page 2, Line 6]	<u>0.9662</u>
7	Rider EDIT Total Revenue Credit	[Line 5 / Line 6]	<u><u>\$ 6,909</u></u>

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Rider EDIT Total Revenue Credit
Annuity Factor

Line No.	Description	Notes	Amount
1	Number of years		1
2	Payment per period		1
3	After-tax rate of return	[Note 1]	7.2539%
4	Present value of 1 dollar over number of years with 1 payment per year		0.9324
5	1 plus (interest rate divided by two)		1.0363
6	Annuity factor	[Line 4 x Line 5]	<u>0.9662</u>

[Note 1]: Company proposed cost of capital; see Form E-1 Item 10 Appendix

I/A

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
RATE OF RETURN STATEMENT - ADJUSTED
TWELVE MONTHS ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Line No.	(Col. 1) Total Company	(Col. 2) Non-Jurisdictional	(Col. 3) North Carolina Jurisdictional Cost of Service (1) - (2)	(Col. 4) Accounting Adjustments	(Col. 5) North Carolina Jurisdictional Cost of Service After Adjustments (3) + (4)	(Col. 6) Additional Revenue Required for a 10.75% ROE	(Col. 7) North Carolina Jurisdictional Amounts After Proposed Increase (5) + (6)
1 OPERATING REVENUE							
2 Base Non-Fuel Rate Revenues	\$ 5,226,387	\$ 4,958,367	\$ 268,020	\$ (11,279)	\$ 256,741	\$ 24,624	\$ 281,365
3 Base Fuel Rate Revenues	2,173,013	2,087,055	85,958	5,887	91,845		91,845
4 Late Payment Fees	21,282	20,149	1,133	54	1,187	80	1,267
5 Other Operating Revenues	213,517	207,583	5,935	(878)	5,057	176	5,233
6 TOTAL OPERATING REVENUE	\$ 7,634,199	\$ 7,273,153	\$ 361,045	\$ (6,216)	\$ 354,830	\$ 24,879	\$ 379,709
7 OPERATING REVENUE DEDUCTIONS							
8 Fuel Expenses	1,929,730	1,844,320	85,410	6,315	91,725		91,725
9 Other Operation & Maintenance Expense	2,157,992	2,044,379	113,613	(12,939)	100,674	131	100,805
10 Depreciation & Amortization	1,151,458	1,091,392	60,066	4,521	64,586		64,586
11 Federal Income Taxes	190,992	183,989	7,003	869	7,873	4,875	12,748
12 State Income Taxes	94,725	91,193	3,532	(8)	3,525	1,443	4,967
13 Taxes Other Than Income Taxes	286,176	271,594	14,582	(263)	14,319		14,319
14 (Gain)/Loss on Disposition of Property	110	(128)	238	(13)	225		225
15 TOTAL OPERATING REVENUE DEDUCTIONS	\$ 5,811,183	\$ 5,526,738	\$ 284,445	\$ (1,518)	\$ 282,927	\$ 6,449	\$ 289,376
16 OPERATING INCOME	\$ 1,823,016	\$ 1,746,416	\$ 76,600	\$ (4,698)	\$ 71,902	\$ 18,430	\$ 90,333
17 PLUS: Allowance for Funds Used During Construction	60,040	59,805	235	(235)	-		-
18 LESS: Charitable Donations	6,783	6,453	330	(330)	-		-
19 Interest Expense On Customer Deposits	1,894	1,822	72	-	72		72
20 Other Interest Expense/Income	1,492	1,416	76	-	76		76
21 ADJUSTED OPERATING INCOME	\$ 1,872,887	\$ 1,796,530	\$ 76,357	\$ (4,603)	\$ 71,754	\$ 18,430	\$ 90,185
22 PLUS: Other Income/(Expenses)	(51,800)	(51,800)	0	0	0		-
23 LESS: Interest Expense on Debt	(1) 539,438	514,899	24,539	(902)	23,638	90	23,728
24 INCOME AVAILABLE FOR COMMON EQUITY	\$ 1,281,648	\$ 1,229,831	\$ 51,818	\$ (3,701)	\$ 48,117	\$ 18,340	\$ 66,457
25 Allowance for Working Capital	(672,852)	(674,090)	1,228	64,997	66,226	4,369	70,595
26 PLUS: Net Utility Plant	29,693,072	28,202,174	1,490,899	(126,161)	1,364,737		1,364,737
27 LESS: Other Rate Base Deductions	5,833,814	5,533,429	300,385	(17,375)	283,010		283,010
28 TOTAL RATE BASE	\$ 23,186,396	\$ 21,994,654	\$ 1,191,742	\$ (43,789)	\$ 1,147,953	\$ 4,369	\$ 1,152,322
29 Total Capital	\$ 23,186,396	\$ 21,994,654	\$ 1,191,742	\$ (43,789)	\$ 1,147,953		\$ 1,152,322
30 Common Equity Capital	\$ 12,439,197	\$ 11,799,843	\$ 639,354	\$ (23,492)	\$ 615,861		\$ 618,206
31 % Rate of Return Earned on Rate Base			6.41%		6.25%		7.83%
32 % Rate Of Return Earned On Common Equity			8.11%		7.81%		10.75%
33 % Rate of Return Requested					10.75%		10.75%

Notes:

(1) NC Jurisdictional Interest Expense = NC Jurisdictional Year End Rate Base * Debt Weighted Cost of Capital Percentage
\$24,539 = \$ 1,191,742 * 2.059%

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
RATE BASE STATEMENT - ADJUSTED
TWELVE MONTHS ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Supplemental Company Exhibit PMM-1
Schedule 2
Page 1 of 1

Line No.	(Col. 1) Total Company	(Col. 2) Non-Jurisdictional	(Col. 3) North Carolina Jurisdictional Cost of Service (1)-(2)	(Col. 4) Accounting Adjustments	(Col. 5) North Carolina Jurisdictional Cost of Service After Adjustments (3)+(4)
1 <u>ALLOWANCE FOR WORKING CAPITAL</u>					
2 Materials & Supplies	\$ 837,705	\$ 795,916	\$ 41,790	\$ (1,034)	\$ 40,755
3 Investor Funds Advanced	283,839	270,409	13,430	1,021	14,451
4 Total Additions	378,280	322,886	55,394	(18,245)	37,149
5 Total Deductions	(2,172,686)	(2,063,301)	(109,385)	83,256	(26,130)
6 <u>TOTAL ALLOWANCE FOR WORKING CAPITAL</u>	\$ (672,862)	\$ (674,090)	\$ 1,228	\$ 64,997	\$ 66,226
7 <u>NET UTILITY PLANT</u>					
8 Utility Plant in Service	\$ 43,152,337	\$ 40,992,400	\$ 2,159,936	\$ (17,767)	\$ 2,142,169
9 Acquisition Adjustments	52,041	51,649	392	(392)	-
10 Construction Work in Progress	1,885,116	1,765,247	119,869	(119,869)	-
11 Less: Accumulated Provision for Depreciation &					
12 Amortization	15,353,210	14,563,932	789,278	(11,845)	777,432
13 Provision for Acquisition Adjustments	43,212	43,191	21	(21)	-
14 <u>TOTAL NET UTILITY PLANT</u>	\$ 29,693,072	\$ 28,202,174	\$ 1,490,899	\$ (126,161)	\$ 1,364,737
15 <u>OTHER RATE BASE DEDUCTIONS</u>					
16 Customer Deposits	\$ 121,280	\$ 116,665	\$ 4,615	\$ -	\$ 4,615
17 Accumulated Deferred Income Taxes	5,712,534	5,416,764	295,770	(17,375)	278,395
18 Other Cost Free Capital	-	-	-	-	-
19 <u>TOTAL OTHER RATE BASE DEDUCTIONS</u>	\$ 5,833,814	\$ 5,533,429	\$ 300,385	\$ (17,375)	\$ 283,010
20 <u>TOTAL RATE BASE</u>	\$ 23,186,396	\$ 21,994,654	\$ 1,191,742	\$ (43,789)	\$ 1,147,953

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
DETAIL OF SUPPLEMENTAL ACCOUNTING ADJUSTMENTS
REFLECTED IN COLUMN 4 OF SCHEDULES 1 AND 2
(Thousands of Dollars)

Supplemental Company Exhibit PMM-1
Schedule 3
Page 1 of 5

Adjustment Number	Description	Supplemental	Direct	Change in Adjustment Amount
OPERATING REVENUE				
<u>Base Non-Fuel Rate Revenues</u>				
NC-1	Annualize Revenue for Usage, Weather, and Customer Growth as of June 30, 2019	(6,338)	(7,438)	1,100
NC-2	Eliminate DSM and REPS Rider Revenues	(4,941)	(4,941)	0
	Total Adjustments to Non-Fuel Rate Revenues	(11,279)	(12,379)	1,100
<u>Base Fuel Rate Revenues</u>				
NC-3	Annualize Fuel Revenues & Expenses at Current Rates	5,887	5,931	(44)
	Total Adjustments to Base Fuel Rate Revenues	5,887	5,931	(44)
<u>Late Payment Fees</u>				
NC-4	Annualize Revenue for Usage, Weather, and Customer Growth as of June 30, 2019	54	51	3
	Total Adjustments to Late Payment Fees	54	51	3
<u>Other Operating Revenues</u>				
NC-5	Adjust Ancillary Services Margins	(482)	(986)	505
NC-6	Annualize Revenue for Usage, Weather, and Customer Growth as of June 30, 2019	(35)	(36)	1
NC-7	Annualize Fuel Revenues & Expenses at Current Rates	(361)	(361)	0
	Total Adjustments to Other Operating Revenues	(878)	(1,383)	505
	TOTAL ADJUSTMENTS TO OPERATING REVENUE	(6,216)	(7,780)	1,564
OPERATING REVENUE DEDUCTIONS				
<u>Fuel Expenses</u>				
NC-8	Annualize Fuel Revenues & Expenses at Current Rates	6,315	6,350	(35)
<u>Other Operation & Maintenance Expense</u>				
NC-9	Eliminate DSM and REPS Rider Costs	(4,378)	(4,378)	0
NC-10	Eliminate the Effects of ASC 410-20 – Asset Retirement Obligations	(3,782)	(3,782)	0
NC-11	Update Purchased Power Capacity Expense	(6,220)	(3,122)	(3,098)
NC-12	Update Purchased Power Energy Expense	(12,165)	(12,779)	615
NC-13	Normalize Fossil & Hydro Outage Expense	1,210	1,210	0
NC-14	Levelize Nuclear Refueling and Maintenance Outage Expense	64	64	0
NC-15	Eliminate Yorktown Net Operating Expense	232	198	34
NC-16	Annualize Greenville County CC O&M	528	575	(47)
NC-17	Annualize Salary and Wages as of June 30, 2019 - Salaried Payroll	(730)	511	(1,241)
NC-18	Annualize Salary and Wages as of June 30, 2019 - Hourly Payroll	(229)	29	(258)
NC-19	Annualize Salary and Wages as of June 30, 2019 - Services Company	(482)	168	(650)
NC-20	Adjust Employee Benefits Costs to June 30, 2019	(293)	510	(803)
NC-21	Normalize Employee Severance Program Costs	1,440	1,030	410
NC-22	Normalize Annual Incentive Plan Costs	(898)	(270)	(627)
NC-23	Adjust Executive Compensation	(137)	(413)	275
NC-24	DES Office Building Adjustment	1,354	1,352	2
NC-25	Normalize Storm Expense	(2,209)	(2,209)	0

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NC-26	Transmission Rate Design Settlement	146	105	41
NC-27	Eliminate Promotional Advertising Expenses	(108)	(108)	0
NC-28	Adjust Uncollectible Expense	272	282	(10)
NC-29	Reclassify Certain Non-Operating Expenses	(63)	(63)	0
NC-30	Adjust Certain Operation & Maintenance Expenses for Inflation	851	706	145
NC-31	Adjust North Carolina Regulatory Fee for Annualization of Fuel Revenue	8	8	(1)
NC-32	Amortize Chesapeake Energy Center Closure Cost Regulatory Asset	15	29	(14)
NC-33	Amortize Coal Combustion Residual Expenditures Regulatory Asset	7,303	7,547	(244)
NC-34	Adjust Existing Regulatory Assets	188	188	0
SUPP-1	Eliminate Cold Reserve Plant O&M Expense	(619)	0	(619)
SUPP-2	Amortize NUG Contract Termination Expense Regulatory Asset	2,506	0	2,506
SUPP-3	Bremo Fixed Transportation Contract	166	0	166
SUPP-4	Amortize Retired Plant Inventory Regulatory Asset	434	0	434
SUPP-5	Amortize Mt. Storm Fuel Flexibility Project Impairment Regulatory Asset	1,029	0	1,029
SUPP-6	North Carolina Regulatory Fee	(37)	0	(37)
SUPP-7	VRP Employee Backfills	1,662	0	1,662
Total Adjustments to Other Operation & Maintenance Expenses		(12,939)	(12,612)	(328)
<u>Depreciation & Amortization</u>				
NC-35	Eliminate the Effects of ASC 410-20 – Asset Retirement Obligations	(1,760)	(1,760)	(0)
NC-36	Eliminate Acquisition Adjustments	(9)	(9)	0
NC-37	Annualize Depreciation Expense	3,173	7,323	(4,150)
NC-38	Eliminate Incremental Costs for Certain Underground Transmission Projects	(140)	(276)	136
NC-39	Eliminate AC Cycling Program Costs	(64)	(64)	0
NC-40	Amortize Yorktown Impairment Regulatory Asset	249	248	0
NC-41	Amortize Greenville County CC Deferral	1,677	1,616	61
NC-42	Adjust Existing Regulatory Assets	(617)	(619)	2
SUPP-8	Amortize Cold Reserve Plant Impairment Regulatory Asset	1,719	0	1,719
SUPP-9	Reestablish Possum Point Unit 5 Impairment	293	0	293
Total Adjustments to Depreciation & Amortization		4,521	6,460	(1,939)
<u>Federal Income Tax Expense</u>				
NC-43	Interest Synchronization Adjustment - Federal	638	590	48
NC-44	Federal Income Tax Effect of Adjustments	(759)	(1,620)	862
NC-45	Eliminate the Effect of FIN 48	37	37	(0)
NC-46	Eliminate Incremental Costs for Certain Underground Transmission Projects	3	3	0
NC-47	Eliminate AC Cycling Program Costs	7	7	(0)
NC-48	Amortize Non Plant, Unprotected EDIT	138	138	(0)
NC-49	Adjust NC State Income for Lower Rate	1	1	(0)
SUPP-10	Federal Income Tax Expense Correction	803	0	803
Total Adjustments to Federal Income Tax Expense		869	(844)	1,713

State Income Tax Expense				
NC-50	Interest Synchronization Adjustment - State	189	175	14
NC-51	State Income Tax Effect of Adjustments	(224)	(480)	256
NC-52	Eliminate the Effect of FIN 48	30	31	(0)
NC-53	Adjust NC State Income Tax for Lower Rate	(3)	(3)	0
Total Adjustments to State Income Tax Expense		(8)	(278)	270
Taxes Other Than Income Taxes				
NC-54	Annualize Property Taxes Based on Plant in Service as of June 30, 2019	(84)	198	(282)
NC-55	Adjust Payroll Tax for Incremental Payroll	(179)	33	(212)
Total Adjustments to Taxes Other than Income Taxes		(263)	231	(494)
Gain/Loss on Disposition of Property				
NC-56	Eliminate the Effects of ASC 410-20 -- Asset Retirement Obligations	(13)	(13)	0
Total Adjustments to Gain/Loss on Disposition of Property		(13)	(13)	0
TOTAL ADJUSTMENTS TO OPERATING REVENUE DEDUCTIONS		(1,518)	(705)	(813)
TOTAL ADJUSTMENTS TO OPERATING INCOME		(4,698)	(7,075)	2,377
Allowance for Funds Used During Construction				
NC-57	Eliminate AFUDC Income	(235)	(236)	1
Charitable Donations				
NC-58	Eliminate Charitable Contributions	(330)	(330)	0
TOTAL ADJUSTMENTS TO ADJUSTED OPERATING INCOME		(4,603)	(6,981)	2,378
Interest Expense				
NC-59	Reflect Interest Expense Based on Proposed Capital Structure, Debt Costs, and Adjusted Rate Base	(902)	(1,053)	151
TOTAL ADJUSTMENTS TO INCOME AVAILABLE FOR COMMON EQUITY		(3,701)	(5,928)	2,227
ALLOWANCE FOR WORKING CAPITAL				
Materials & Supplies				
SUPP-11	Eliminate Cold Reserve Plant M&S Inventory	(1,034)	0	(1,034)
Total Materials & Supplies		(1,034)	0	(1,034)
Investor Funds Advanced				
NC-60	Cash Working Capital Effect of Lead/Lag Study and Accounting Adjustments	1,021	1,083	(62)
Total Adjustments to Investor Funds Advanced		1,021	1,083	(62)
Total Additions				
NC-61	Adjust Existing Regulatory Assets	(36,998)	(36,998)	0
NC-62	Adjust Rate Base for New Regulatory Assets	23,401	18,325	5,076
NC-63	Eliminate Nuclear Outage Deferral Balance & Joint Owner Receivables	(4,649)	(4,649)	0
Total Adjustments to Total Additions		(18,245)	(23,321)	5,076
Total Deductions				
NC-64	Eliminate the Effects of ASC 410-20 -- Asset Retirement Obligations	71,162	71,162	(0)
NC-65	Eliminate CWIP Accounts Payable and Accrued Payroll	12,039	12,040	(1)
NC-66	Adjust Existing Regulatory Assets	55	55	0
Total Adjustments to Total Deductions		83,256	83,256	(1)
TOTAL ADJUSTMENTS TO ALLOWANCE FOR WORKING CAPITAL		64,997	61,018	3,979

NET UTILITY PLANT

<u>Utility Plant in Service</u>				
NC-67	Eliminate the Effects of ASC 410-20 -- Asset Retirement Obligations	(6,654)	(6,654)	(0)
NC-68	Update Plant in Service to June 30, 2019	(16,259)	39,590	(55,850)
NC-69	Eliminate Incremental Costs for Certain Underground Transmission Projects	(6,124)	(6,126)	2
NC-70	Eliminate AC Cycling Program Costs	(890)	(890)	0
SUPP-12	Reestablish Possum Point Unit 5 Impairment	12,160	0	12,160
	Total Adjustments to Utility Plant in Service	(17,767)	25,920	(43,687)
<u>Acquisition Adjustments</u>				
NC-71	Eliminate Acquisition Adjustments	(392)	(392)	0
	Total Adjustments to Acquisition Adjustments	(392)	(392)	0
<u>Construction Work In Progress</u>				
NC-72	Eliminate CWIP Balance	(119,869)	(119,877)	8
	Total Adjustments to Construction Work In Progress	(119,869)	(119,877)	8
<u>Accumulated Provision for Depreciation & Amortization</u>				
NC-73	Eliminate the Effects of ASC 410-20 -- Asset Retirement Obligations	(1,028)	(1,028)	(0)
NC-74	Update Accumulated Provision for Depreciation and Amortization to June 30, 2019	(21,748)	28,264	(50,012)
NC-75	Annualize Depreciation Expense	3,173	7,323	(4,150)
NC-76	Eliminate Incremental Costs for Certain Underground Transmission Projects	(1,221)	(1,151)	(70)
NC-77	Eliminate AC Cycling Program Costs	377	(344)	721
SUPP-13	Reestablish Possum Point Unit 5 Impairment	8,602	0	8,602
	Total Adjustments to Accumulated Provision for Depreciation & Amortization	(11,845)	33,064	(44,909)
<u>Accumulated Provision for Acquisition Adjustments</u>				
NC-78	Eliminate Acquisition Adjustments	(21)	(21)	0
	Total Adjustments to Accumulated Provision for Acquisition Adjustments	(21)	(21)	0
TOTAL ADJUSTMENTS TO NET UTILITY PLANT		(126,161)	(127,392)	1,231

OTHER RATE BASE DEDUCTIONS

	<u>Accumulated Deferred Income Taxes</u>			
NC-79	Eliminate the Effects of ASC 410-20 – Asset Retirement Obligations	20,381	20,380	1
NC-80	Eliminate Acquisition Adjustments	0	0	0
NC-81	Update Accumulated Deferred Income Taxes to June 30, 2019	(4,452)	298	(4,751)
NC-82	Annualize Depreciation Expense	(813)	(1,876)	1,063
NC-83	Eliminate AC Cycling Program Costs	612	409	203
NC-84	Eliminate ADIT Related to TCJA Regulatory Liabilities	2,530	2,522	9
NC-85	Eliminate Deferred Fuel ADIT	(4,711)	(4,711)	0
NC-86	Eliminate Nuclear Outage Deferral Balance	(941)	(941)	0
NC-87	Eliminate Other Nuclear Decommissioning ADIT	(23,978)	(23,978)	0
NC-88	Transmission Rate Design Settlement	2,068	2,069	(1)
NC-89	Eliminate Incremental Costs for Certain Underground Transmission Projects	(1,311)	(1,308)	(3)
NC-90	Adjust Existing Regulatory Assets	(9,432)	(9,432)	0
NC-91	Adjust Rate Base for New Regulatory Assets	5,996	4,695	1,301
NC-92	Eliminate ADIT Related to State Rider EDIT	(4,177)	(4,177)	0

SUPP-14 Reestablish Possum Point Unit 5 Impairment

Total Adjustments to Accumulated Deferred Income Taxes

TOTAL ADJUSTMENTS TO OTHER RATE BASE DEDUCTIONS

TOTAL ADJUSTMENTS TO RATE BASE

853	0	853
(17,375)	(16,050)	(1,325)
(17,375)	(16,050)	(1,325)
(43,789)	(50,323)	6,534

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
LEAD/LAG CASH WORKING CAPITAL CALCULATION - ADJUSTED
TWELVE MONTHS ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Line No.	Item	(Col. 1) NC Retail Per Books Amounts	(Col. 2) Accounting Adjustments	(Col. 3) Amounts After Adjustments	(Col. 4) Average Daily Amounts	(Col. 5) (Lead) / Lag Days	(Col. 6) Working Capital (Provided)/ Required
1	Operating Revenue						
2	Rate Revenues	\$ 353,978	\$ (5,393)	\$ 348,586	\$ 955	43.36	\$ 41,410
3	Sales for Resale	1,126	-	1,126	3	38.91	120
4	Other Operating Revenue	5,941	(823)	5,118	14	25.19	353
5	Total Operating Revenue	<u>\$ 361,045</u>	<u>\$ (6,216)</u>	<u>\$ 354,830</u>			<u>\$ 41,883</u>
6	Operation & Maintenance Expense						
7	Account 501 - Fuel	\$ 24,682	\$ (3,709)	\$ 20,973	57	(33.27)	\$ (1,912)
8	Account 518 - Nuclear Fuel	8,487	(1,275)	7,211	20	(3.21)	(63)
9	Account 547 - Other Fuel	55,934	(8,405)	47,530	130	(33.27)	(4,332)
10	Account 555 - Purchased Power	49,912	(25,884)	24,028	66	(28.21)	(1,857)
11	Account 557 - Deferred Fuel	(27,204)	27,204	-	-	-	-
12	Payroll Expense	34,032	(2,339)	31,693	87	(26.90)	(2,336)
13	Benefits and Pension Expense	8,485	(293)	8,191	22	(31.81)	(714)
14	OPEB Expense	(1,721)	-	(1,721)	(5)	(20.64)	97
15	Uncollectible Expense	1,109	272	1,380	4	(254.79)	(964)
16	Stores Expense	9,243	-	9,243	25	(43.92)	(1,112)
17	Accrued Vacation Expense	81	-	81	0	-	-
18	Worker's Compensation Expense	73	-	73	0	-	-
19	Prepaid Insurance Amortization Expense	412	-	412	1	-	-
20	Director's Deferred Compensation Expense	0	-	0	0	-	-
21	Miscellaneous Prepaid Expense	503	-	503	1	-	-
22	Other O&M Expense	34,997	7,805	42,802	117	(43.65)	(5,119)
23	Total Operation & Maintenance Expense	<u>\$ 199,024</u>	<u>\$ (6,624)</u>	<u>\$ 192,399</u>			<u>\$ (18,311)</u>
24	Depreciation & Amortization Expense	\$ 60,066	\$ 4,521	\$ 64,586	177	-	\$ -
25	Income Tax Expense						
26	Current Federal & State Income Taxes	\$ (2,846)	\$ 723	\$ (2,123)	(6)	87.90	\$ (511)
27	Deferred Federal & State Income Taxes	13,456	138	13,594	37	-	-
28	Deferred ITC	(74)	-	(74)	(0)	-	-
29	Total Income Tax Expense	<u>\$ 10,536</u>	<u>\$ 862</u>	<u>\$ 11,397</u>			<u>\$ (511)</u>
30	Taxes Other Than Income Taxes						
31	North Carolina Franchise Tax	\$ 486	\$ -	\$ 486	1	(523.00)	\$ (696)
32	Property Tax Expense	10,642	(84)	10,558	29	(111.96)	(3,238)
33	West Virginia B&O Tax Expense	1,045	-	1,045	3	(39.54)	(113)
34	Payroll Taxes	2,307	(179)	2,129	6	(27.26)	(159)
35	Other Taxes	102	-	102	0	(31.06)	(9)
36	Total Taxes Other than Income	<u>\$ 14,582</u>	<u>\$ (263)</u>	<u>\$ 14,319</u>			<u>\$ (4,215)</u>
37	Gain/Loss on Disposition of Property	\$ 238	\$ (13)	\$ 225	1	-	\$ -
38	Total Operating Revenue Deductions	<u>\$ 284,445</u>	<u>\$ (1,518)</u>	<u>\$ 282,927</u>			<u>\$ (23,038)</u>
39	AFUDC	\$ 235	\$ (235)	-	-	-	\$ -
40	Charitable Donations	330	(330)	-	-	-	-
41	Interest on Customer Deposits	72	-	72	0	(182.50)	(36)
42	Interest of Tax Deficiencies	76	-	76	0	-	-
43	Interest Expense on Debt	24,539	(902)	23,638	65	(90.93)	(5,889)
44	Income Available for Common Equity	<u>51,818</u>	<u>(3,701)</u>	<u>48,117</u>	132	-	-
45	Total Requirement	<u>\$ 361,045</u>	<u>\$ (6,216)</u>	<u>\$ 354,830</u>			<u>\$ (28,962)</u>
46	Cash Working Capital from Operations (Line 5 + Line 45)						\$ 12,921
47	Plus: Customer Utility Taxes						1,530
48	TOTAL CASH WORKING CAPITAL						<u>\$ 14,451</u>

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DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
LEAD/LAG CASH WORKING CAPITAL CALCULATION - ADDITIONAL REVENUE REQUIREMENT
TWELVE MONTHS ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Line No.	Item	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)	(Col. 9)	(Col. 10)	(Col. 11)	(Col. 12)	(Col. 13)
		NC Retail Amounts Adjustments	Net (Lead) / Lag Days	Iteration 1			Iteration 2			Iteration 3			After Increase	
				Increase	With Increase	CWC Change	Increase	With Increase	CWC Change	Increase	With Increase	CWC Change	Cumulative Increase	After Increase
1	Operating Revenue													
2	Rate Revenues	\$ 348,588	43.36	\$ 24,195	\$ 372,780	\$ 2,674	\$ 425	\$ 373,205	\$ 50	\$ 5	\$ 373,210	\$ 1	\$ 24,624	\$ 373,210
3	Sales for Resale	1,128	38.91	-	1,126	-	-	1,126	-	-	1,128	-	-	1,128
4	Other Operating Revenue	5,118	25.19	254	5,372	18	1	5,373	0	0	5,373	0	265	5,373
5	Total Operating Revenue	\$ 354,830		\$ 24,448	\$ 379,278	\$ 2,692	\$ 426	\$ 379,704	\$ 51	\$ 5	\$ 379,709	\$ 1	\$ 24,879	\$ 379,709
6	Operation & Maintenance Expense													
7	Account 501 - Fuel	\$ 20,973	(33.27)	\$ -	\$ 20,973	\$ -	\$ -	\$ 20,973	\$ -	\$ -	\$ 20,973	\$ -	\$ -	\$ 20,973
8	Account 518 - Nuclear Fuel	7,211	(3.21)	-	7,211	-	-	7,211	-	-	7,211	-	-	7,211
9	Account 547 - Other Fuel	47,530	(33.27)	-	47,530	-	-	47,530	-	-	47,530	-	-	47,530
10	Account 555 - Purchased Power	24,028	(28.21)	-	24,028	-	-	24,028	-	-	24,028	-	-	24,028
11	Account 557 - Deferred Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Payroll Expense	31,693	(26.90)	-	31,693	-	-	31,693	-	-	31,693	-	-	31,693
13	Benefits and Pension Expense	8,191	(31.81)	-	8,191	-	-	8,191	-	-	8,191	-	-	8,191
14	OPEB Expense	(1,721)	(20.64)	-	(1,721)	-	-	(1,721)	-	-	(1,721)	-	-	(1,721)
15	Uncollectible Expense	1,380	(254.79)	97	1,477	(88)	2	1,479	(1)	0	1,479	(0)	99	1,479
16	Stores Expense	9,243	(43.92)	-	9,243	-	-	9,243	-	-	9,243	-	-	9,243
17	Accrued Vacation Expense	81	-	-	81	-	-	81	-	-	81	-	-	81
18	Worker's Compensation Expense	73	-	-	73	-	-	73	-	-	73	-	-	73
19	Prepaid Insurance Amortization Expense	412	-	-	412	-	-	412	-	-	412	-	-	412
20	Director's Deferred Compensation Expense	0	-	-	0	-	-	0	-	-	0	-	-	0
21	Miscellaneous Prepaid Expense	503	-	-	503	-	-	503	-	-	503	-	-	503
22	Other O&M Expense	42,802	(43.65)	32	42,834	(4)	1	42,835	(0)	0	42,835	(0)	32	42,835
23	Total Operation & Maintenance Expense	\$ 192,399		\$ 129	\$ 192,528	\$ (71)	\$ 2	\$ 192,530	\$ (1)	\$ 0	\$ 192,530	\$ (0)	\$ 131	\$ 192,530
24	Depreciation & Amortization Expense	\$ 64,588	-	\$ -	\$ 64,588	\$ -	\$ -	\$ 64,588	\$ -	\$ -	\$ 64,588	\$ -	\$ -	\$ 64,588
25	Income Tax Expense													
26	Current Federal & State Income Taxes	\$ (2,123)	87.90	\$ 6,231	\$ 4,109	\$ 1,501	\$ 86	\$ 4,195	\$ 21	\$ 1	4,196	0	6,318	4,196
27	Deferred Federal & State Income Taxes	13,594	-	-	13,594	-	-	13,594	-	-	13,594	-	-	13,594
28	Deferred ITC	(74)	-	-	(74)	-	-	(74)	-	-	(74)	-	-	(74)
29	Total Income Tax Expense	\$ 11,397		\$ 6,231	\$ 17,629	\$ 1,501	\$ 86	\$ 17,715	\$ 21	\$ 1	\$ 17,716	\$ 0	\$ 6,318	\$ 17,716
30	Taxes Other Than Income Taxes													
31	North Carolina Franchise Tax	486	(523.00)	-	486	-	-	486	-	-	486	-	-	486
32	Property Tax Expense	10,558	(111.96)	-	10,558	-	-	10,558	-	-	10,558	-	-	10,558
33	West Virginia B&O Tax Expense	1,045	(39.54)	-	1,045	-	-	1,045	-	-	1,045	-	-	1,045
34	Payroll Taxes	2,129	(27.28)	-	2,129	-	-	2,129	-	-	2,129	-	-	2,129
35	Other Taxes	102	(31.06)	-	102	-	-	102	-	-	102	-	-	102
36	Total Taxes Other than Income	\$ 14,319		\$ -	\$ 14,319	\$ -	\$ -	\$ 14,319	\$ -	\$ -	\$ 14,319	\$ -	\$ -	\$ 14,319
37	Gain/Loss on Disposition of Property	\$ 225	-	\$ -	\$ 225	\$ -	\$ -	\$ 225	\$ -	\$ -	\$ 225	\$ -	\$ -	\$ 225
38	Total Operating Revenue Deductions	\$ 282,827		\$ 6,360	\$ 289,287	\$ 1,429	\$ 88	\$ 289,375	\$ 10	\$ 1	\$ 289,376	\$ 0	\$ 6,449	\$ 289,376
39	AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Charitable Donations	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Interest on Customer Deposits	72	(182.50)	-	72	-	-	72	-	-	72	-	-	72
42	Other Expense/Income	76	-	-	76	-	-	76	-	-	76	-	-	76
43	Interest Expense on Debt	23,638	(90.93)	-	23,638	-	89	23,727	(22)	1	23,728	(0)	90	23,728
44	Income Available for Common Equity	48,117	-	18,088	66,205	-	249	66,454	0	3	66,457	0	18,340	66,457
45	Total Requirement	\$ 354,830		\$ 24,448	\$ 379,278	\$ 1,429	\$ 426	\$ 379,704	\$ (3)	\$ 5	\$ 379,709	\$ (0)	\$ 24,879	\$ 379,709
46	Cumulative change in working capital					\$ 4,321		4,369			4,369			4,369
47	Common equity capital under present rates	1,147,953			1,147,953			1,147,953			1,147,953			1,147,953
48	Common equity capital after rate increase				1,152,274			1,152,321			1,152,322			1,152,322
49	Overall rate of return	6.251%				7.797%		7.826%			7.826%			7.826%
50	Target rate of return	7.826%				7.826%		7.826%			7.826%			7.826%

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
RECONCILIATION OF CHANGE IN REVENUE REQUIREMENT FROM
DIRECT CASE TO SUPPLEMENTAL FILING
(Thousands of Dollars)

		<u>Amount</u>
Revenue Requirement - Direct Case		\$ 26,958
Cap Structure - Projected vs. Actual 6/30/19		688
Correction to Revenue Requirement Gross-up Calculation		(36)
Revised Retention Factor		2
Correction to Cost of Service		(39)
<u>Adj. No.</u>	<u>Changes due to Update:</u>	
NC-1	Annualize Revenue for Usage, Weather, and Customer Growth as of June 30, 2019	(1,106)
NC-3	Annualize Fuel Revenues & Expenses at Current Rates	45
NC-4	Annualize Revenue for Usage, Weather, and Customer Growth as of June 30, 2019	(3)
NC-5	Adjust Ancillary Services Margins	(507)
NC-6	Annualize Revenue for Usage, Weather, and Customer Growth as of June 30, 2019	(1)
NC-8	Annualize Fuel Revenues & Expenses at Current Rates	(35)
NC-11	Update Purchased Power Capacity Expense	(3,114)
NC-12	Update Purchased Power Energy Expense	618
NC-15	Eliminate Yorktown Net Operating Expense	34
NC-16	Annualize Greenville County CC O&M	(47)
NC-17	Annualize Salary and Wages as of June 30, 2019 - Salaried Payroll	(1,247)
NC-18	Annualize Salary and Wages as of June 30, 2019 - Hourly Payroll	(259)
NC-19	Annualize Salary and Wages as of June 30, 2019 - Services Company	(653)
NC-20	Adjust Employee Benefits Costs to June 30, 2019	(808)
NC-21	Normalize Employee Severance Program Costs	412
NC-22	Normalize Annual Incentive Plan Costs	(630)
NC-23	Adjust Executive Compensation	277
NC-24	DES Office Building Adjustment	2
NC-26	Transmission Rate Design Settlement	41
NC-28	Adjust Uncollectible Expense	(10)
NC-30	Adjust Certain Operation & Maintenance Expenses for Inflation	146
NC-31	Adjust North Carolina Regulatory Fee for Annualization of Fuel Revenue	(1)
NC-32	Amortize Chesapeake Energy Center Closure Cost Regulatory Asset	(14)
NC-33	Amortize Coal Combustion Residual Expenditures Regulatory Asset	(245)
SUPP-1	Eliminate Cold Reserve Plant O&M Expense	(622)
SUPP-2	Amortize NUG Contract Termination Expense Regulatory Asset	2,520
SUPP-3	Bremo Fixed Transportation Contract	167
SUPP-4	Amortize Retired Plant Inventory Regulatory Asset	437
SUPP-5	Amortize Mt. Storm Fuel Flexibility Project Impairment	1,035
SUPP-6	North Carolina Regulatory Fee	(37)
SUPP-7	VRP Employee Backfills	1,671
NC-37	Annualize Depreciation Expense	(4,172)
NC-38	Eliminate Incremental Costs for Certain Underground Transmission Projects	137
NC-41	Amortize Greenville County CC Deferral	62
NC-42	Adjust Existing Regulatory Assets	2
SUPP-8	Amortize Cold Reserve Plant Impairment Regulatory Asset	1,728
SUPP-9	Reestablish Possum Point Unit 5 Impairment	295
SUPP-10	Federal Income Tax Expense Correction	1,086
NC-54	Annualize Property Taxes Based on Plant in Service as of June 30, 2019	(283)
NC-55	Adjust Payroll Tax for Incremental Payroll	(213)
NC-57	Eliminate AFUDC Income	1
SUPP-11	Eliminate Cold Reserve Plant M&S Inventory	(102)
NC-60	Cash Working Capital Effect of Lead/Lag Study and Accounting Adjustments	(6)
NC-62	Adjust Rate Base for New Regulatory Assets	501
NC-68	Update Plant in Service to June 30, 2019	(5,510)
SUPP-12	Reestablish Possum Point Unit 5 Impairment	1,200
NC-72	Eliminate CWIP Balance	1
NC-74	Update Accumulated Provision for Depreciation and Amortization to June 30, 2019	4,934
NC-75	Annualize Depreciation Expense	409
NC-76	Eliminate Incremental Costs for Certain Underground Transmission Projects	7
NC-77	Eliminate AC Cycling Program Costs	(71)
SUPP-13	Reestablish Possum Point Unit 5 Impairment	(849)
NC-81	Update Accumulated Deferred Income Taxes to June 30, 2019	469
NC-82	Annualize Depreciation Expense	(105)
NC-83	Eliminate AC Cycling Program Costs	(20)
NC-84	Eliminate ADIT Related to TCJA Regulatory Liabilities	(1)
NC-91	Adjust Rate Base for New Regulatory Assets	(128)
SUPP-14	Reestablish Possum Point Unit 5 Impairment	(84)
n/a	Allowance for Working Capital Update	(36)
n/a	Other	(5)
Total Changes in Revenue Requirement		<u>(2,694)</u>
Revenue Requirement - Supplemental Filing		\$ 24,879

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Dominion Energy North Carolina
Docket No. E-22, Sub 562
Listing of Revisions to Accounting Adjustments

Supplemental Company Exhibit PMM-1
APPENDIX A
Page 1 of 5

Adjustment NC-5: Adjust Ancillary Services Margins		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
• Page 1	"Methodology" revised to remove reference to jointly-owned facilities	Public Staff Set 78-2
• Page 2, Col. 3, Line 10	Corrected formula to sum lines 1-9 rather than lines 1-7	n/a
• Page 2	Corrected references in 3 and 4	n/a

Adjustment NC-11: Update Purchased Power Capacity Expense		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
• Page 3, Line 3	The average capacity rate was corrected due to an erroneous input for the 2016 PJM capacity rate	n/a
• Page 3, Lines 9-10	Removed "Other Capacity Expense" section with VMEA credit since VMEA's generation was not included in the net load position on line 2	n/a

Adjustment NC-12: Update Purchased Power Energy Expense		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
• Page 3, Line 1	Total system purchased energy expense was adjusted to reflect two large VA jurisdictional industrial customers that are no longer taking generation service from the company.	n/a

Adjustment NC-15: Eliminate Yorktown Power Station Units 1 and 2 Net Operating Expense		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
• Page 3, Col. 1, Line 8	This line was corrected to include overtime labor expense rather than straight time labor expense.	Public Staff Set 110-3(h)

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Listing of Revisions to Accounting Adjustments

Supplemental Company Exhibit PMM-1
APPENDIX A
Page 2 of 5

Adjustment NC-16: Annualize Greenville County CC O&M		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
• Page 1, Line 2	Test year operations and maintenance expense was adjusted to accurately consider labor-related items accounted for in separate adjustments.	n/a

Adjustment NC-21: Normalize Employee Severance Program Costs		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
• Page 1	Included test year major corporate-wide severance expenses	Public Staff Set 51-3
• Page 3, "Total" column, Line 5	Amount for the Organizational Design Initiative was revised to reflect all adjustments made to the initial accrual.	Public Staff Set 112-4

Adjustment NC-22: Normalize Annual Incentive Plan Costs		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
• Page 3	Updated the "Consolidated Net Expense" to reflect Company Code 7000 (Services Company) expense at a 100% Payout level. The original filing reflected an expense for the Services company in excess of 100%.	n/a

Adjustment NC-23: Elimination of Executive Compensation		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
• Page 3	The adjustment is now calculated based on the actual amount of executive compensation billed to DENC rather than information in the proxy statement.	Public Staff Set 53-3
• Pages 3 and 4	Removed Mark McGettrick from analysis due to his retirement effective date of January 1 st , 2019.	n/a
• Page 4	Data used does not include any capitalization so the Expense/Capitalization ratio was removed.	n/a

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Dominion Energy North Carolina
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Listing of Revisions to Accounting Adjustments

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Adjustment NC-24: DES Office Building Adjustment		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
<ul style="list-style-type: none"> Page 3, "Sublease/tenant Income" 	The total \$127,000 is divided by 12 and multiplied by the "No. of Months in 2019" to calculate the expected amount for 2019	n/a

Adjustment NC-28: Adjust Uncollectible Expense		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
<ul style="list-style-type: none"> Page 3 	The 2016 and 2017 Reserve adjustments were summed in the Utility retail customers charge off (net of recoveries) line in the original filing. The Reserve adjustments are reflected on the Reserve adjustments line in the update.	Public Staff Set 29-1

Adjustment NC-30: Adjust Certain Operation & Maintenance Expenses for Inflation		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
<ul style="list-style-type: none"> Page 1, Line 20 	The amount of this line in the original filing was reversed and the sign has been corrected in the update.	n/a

Adjustment NC-40: Amortize Yorktown Impairment Regulatory Asset		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
<ul style="list-style-type: none"> Page 3 	The second sentence in Footnote 2 was revised to state "(2 + (9/12))" rather than "(2 + (11/12))" to correctly describe the formula used in Column 2	n/a

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Listing of Revisions to Accounting Adjustments

Supplemental Company Exhibit PMM-1
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Adjustment NC-41: Amortize Greenville County CC Deferral		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
<ul style="list-style-type: none"> Page 3, Lines 11, 21, 33 and 39 	December 2018 Non-VA AFUDC amortization and depreciation was updated to reflect the correct composite rate.	n/a
<ul style="list-style-type: none"> Page 4, Lines 2 and 15 	December 2018 Incremental O&M Expense – System was corrected to remove depreciation and tax-related expenses that are accounted for elsewhere within the deferral calculation. Property Taxes of \$325K that were originally included in Line 2 “Incremental O&M Expense – System” in the direct filing were moved to Line 15 “Property Taxes” in the update.	n/a

Adjustment NC-56: Cash Working Capital Effect of Lead/Lag Study and Accounting Adjustments		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
<ul style="list-style-type: none"> Page 3, Line 4 Page 3, Lines 7 and 9 Page 3, Lines 13 and 14 Page 3, Line 15 Page 3, Line 16 Page 3, Line 22 Page 3, Line 33 Page 3, Line 47 	<p>Corrected the Other Operating Revenue Lag to reflect a formula error on RECs.</p> <p>Corrected the formula calculating the tower attachment revenue lag.</p> <p>Corrected the Oil expense lead in the Fossil Fuel Composite.</p> <p>Corrected the Benefits and Pension Expense Lead and the OPEB Expense Lead to reflect formula errors and the correction to the applicable accrual items revenue lag.</p> <p>Corrected the Uncollectibles Expense Lead to reflect a formula error.</p> <p>Changed the referenced retail revenue lead in the Stores Expense Lead calculation.</p> <p>Changed the referenced retail revenue lead in the O&M Expense Lead calculation and also reflected the changes to the applicable Benefits lead.</p> <p>Corrected payment dates in WV B&O expense lead.</p> <p>Corrected the Customer Utility Taxes to reflect a summing formula error.</p>	<p>Public Staff Set 58-15</p> <p>n/a</p> <p>Public Staff Set 72-4</p> <p>Public Staff Set 58-7, 79-1(b)&(c), 79-3(b), and 79-14</p> <p>Public Staff Set 80-1(c)</p> <p>n/a</p> <p>Public Staff Set 90-2</p> <p>Public Staff Set 132-3</p> <p>Public Staff Set 89-9</p>

Adjustment NC-62: Adjust Rate Base for New Regulatory Assets		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
<ul style="list-style-type: none"> Page 1 	The regulatory asset for Chesapeake Energy Center closure costs (Adjustment NC-32) has been included with this adjustment	n/a

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Listing of Revisions to Accounting Adjustments

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Page 5 of 5

Adjustment NC-84: Eliminate ADIT Related to TCJA Regulatory Liabilities		
Page No(s). / Line No(s).	Description of Revision(s)	Applicable Data Request(s)
• Page 3	Corrected the formula in the "Sum of State" column to include the "North Carolina-Statutory" column.	Public Staff Set 27-2

I/A

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Excess Deferred Federal Income Tax (EDIT)
Balances as of December 31, 2017
(Thousands of Dollars)

Line No.	Summary by Type of EDIT	(Col. 1)	(Col. 2)	(Col. 3)
		Total System [Pg. 3, Col. 1, Lines 85 - 88]	Non- Jurisdictional (1) - (3)	North Carolina Jurisdiction [Pg. 3, Col. 4, Lines 85 - 88]
1	Plant - Protected	\$ 2,120,205	\$ 2,019,595	\$ 100,610
2	Plant - Unprotected	\$ (75,589)	\$ (73,811)	\$ (1,777)
3	Non-Plant and Unprotected	\$ (64,998)	\$ (60,846)	\$ (4,152)
4	Total	<u>\$ 1,979,618</u>	<u>\$ 1,884,937</u>	<u>\$ 94,681</u>

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Excess Deferred Federal Income Tax (EDIT)
Balances as of December 31, 2017

Line			(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
No.	Description	Type	System	Allocation Factor/Ratio	N C Juris	N C Juris Balance
			[Note 1]	[Form E-1, Item 45a, Sch. 15]		(1) x (2)
1	BOOK DEP.- AMORT DESIGN DOC Total	Plant - Protected	\$ (22,737)	FACTOR1	4.9507%	\$ (1,126)
2	BOOK DEP.- AMORT LEASE IMPROV Total	Plant - Protected	\$ (2,130,596)	TOTAL_GEN_PLANT	6.1618%	\$ (131,283)
3	BOOK DEP.-AMORT PLANT ACO ADJ. Total	Plant - Protected	\$ (6,019,121)	TOTAL_DIST_PLANT	5.0557%	\$ (304,306)
4	BOOK DEPR (008) Total	Plant - Protected	\$ (1,784,936,632)	Total A/D Excl. Nuclear Fuel	5.1524%	\$ (91,967,334)
5	BOOK DEPREC-NA MERIT PROGRAM Total	Plant - Protected	\$ (790)	FACTOR61	4.9507%	\$ (39)
6	BOOK DEPR-UNRECOVERED PLT NORTH ANNA Total	Plant - Protected	\$ 131,487	FACTOR61	4.9507%	\$ 6,510
7	BOOK DEPR-UNRECOVERED PLT SURRY Total	Plant - Protected	\$ 67,779	FACTOR1	4.9507%	\$ 3,356
8	CAP EXPENSE 481A - PROD OTHER (750) Total	Plant - Protected	\$ (21,787,558)	FACTOR1	4.9507%	\$ (1,078,637)
9	CAP EXPENSE 481A (570) Total	Plant - Protected	\$ 1,814,079	TOTAL_DIST_PLANT	5.0557%	\$ 91,714
10	CAPITALIZED INTEREST - 481A ADJUST Total	Plant - Protected	\$ (1,969,369)	FACTOR1	4.9507%	\$ (97,498)
11	CAPITALIZED INTEREST - DEPREC 481A Total	Plant - Protected	\$ 711,266	FACTOR1RR	0.0000%	\$ -
12	CAPITALIZED INTEREST OPER IN SERVICE Total	Plant - Protected	\$ (95,645,334)	TOTAL_CWIP_XAFC&FUEL	4.5275%	\$ (4,330,383)
13	CAPITALIZED INTEREST OPERATING CWIP Total	Plant - Protected	\$ (23,827,400)	TOTAL_CWIP_XAFC&FUEL	4.5275%	\$ (1,078,796)
14	CAPITALIZED RESTORATION 481A Total	Plant - Protected	\$ (14,072,878)	TOTAL_DIST_PLANT	5.0557%	\$ (711,476)
15	CASUALTY LOSS AMORT Total	Plant - Protected	\$ (18,441,639)	TOTAL_DIST_PLANT	5.0557%	\$ (932,345)
16	CASUALTY LOSSES (132) Total	Plant - Protected	\$ 42,150,507	TOTAL_DIST_PLANT	5.0557%	\$ 2,130,982
17	COMPUTER SOFTWARE-BOOK AMORT Total	Plant - Protected	\$ (12,297,827)	PLANT_ACCT_303	4.8492%	\$ (596,350)
18	COMPUTER SOFTWARE-CWIP Total	Plant - Protected	\$ 3,019,459	PLANT_ACCT_303	4.8492%	\$ 146,421
19	COMPUTER SOFTWARE-TAX AMORT Total	Plant - Protected	\$ 17,626,164	PLANT_ACCT_303	4.8492%	\$ 854,734
20	CWIP ABANDONMENT NON CURRENT-NA3 Total	Plant - Protected	\$ (35,053,476)	FACTORWR	0.0000%	\$ -
21	CWIP ABANDONMENT NON CURRENT-WIND Total	Plant - Protected	\$ (474,392)	FACTORWR	0.0000%	\$ -
22	DEPR LATERAL PIPELINE RECORDED TO FUEL EXP Total	Plant - Protected	\$ (315,484)	Total A/D Excl. Nuclear Fuel	5.1524%	\$ (16,255)
23	DOE SETTLEMENT VEPCO Total	Plant - Protected	\$ 2,570,246	FACTOR3	5.0924%	\$ 130,887
24	DOE SETTLEMENT-INVENT BASIS REDUCTION VEPCO Total	Plant - Protected	\$ (162,959)	FACTOR3	5.0924%	\$ (8,299)
25	G/L INTERCO SALES -BOOK/TAX Total	Plant - Protected	\$ 470,316	TOTAL_PLANT	5.0484%	\$ 23,743
26	NUCLEAR FUEL-COMMERCIAL BURN Total	Plant - Protected	\$ (51,356,925)	FACTOR3	5.0924%	\$ (2,615,300)
27	SALES TAX RECOVERY CWIP Total	Plant - Protected	\$ (1,985,608)	FACTOR1A	0.0000%	\$ -
28	SALES TAX RECOVERY IN SERVICE (537) Total	Plant - Protected	\$ (7,627,909)	FACTOR1A	0.0000%	\$ -
29	TAX AMORT -PRODUCTION Total	Plant - Protected	\$ 109,156,156	PLANT_ACCT_303	4.8492%	\$ 5,293,235
30	TAX AMORT -PRODUCTION NA Total	Plant - Protected	\$ 1,388,980	PLANT_ACCT_303	4.8492%	\$ 67,355
31	TAX DEPR -DISTRIBUTION Total	Plant - Protected	\$ 952,121,542	TOTAL_DIST_PLANT	5.0557%	\$ 48,135,939
32	TAX DEPR-BONUS DEPR-CSW Total	Plant - Protected	\$ 7,150,245	PLANT_ACCT_303	4.8492%	\$ 346,732
33	TAX DEPR-BONUS DEPR-DISTRIBUTION Total	Plant - Protected	\$ 406,134,497	TOTAL_DIST_PLANT	5.0557%	\$ 20,532,741
34	TAX DEPR-BONUS DEPR-GENERAL Total	Plant - Protected	\$ 19,101,452	TOTAL_GEN_PLANT	6.1618%	\$ 1,176,994
35	TAX DEPR-BONUS DEPR-PRODUCTION Total	Plant - Protected	\$ 512,987,238	FACTOR1	4.9507%	\$ 25,396,459
36	TAX DEPR-BONUS DEPR-PRODUCTION BATH Total	Plant - Protected	\$ 4,733,507	FACTOR1	4.9507%	\$ 234,342
37	TAX DEPR-BONUS DEPR-PRODUCTION NA Total	Plant - Protected	\$ 17,542,086	FACTOR61	4.9507%	\$ 868,456
38	TAX DEPR-BONUS DEPR-TRANSMISSION Total	Plant - Protected	\$ 422,537,715	TOTAL_TRAN_PLANT	4.2670%	\$ 18,029,560
39	TAX DEPR-FUEL Total	Plant - Protected	\$ 24,888,897	FACTOR3	5.0924%	\$ 1,267,442
40	TAX DEPR-FUEL NA Total	Plant - Protected	\$ 24,280,134	FACTOR63	5.0924%	\$ 1,236,442
41	TAX DEPR-GENERAL Total	Plant - Protected	\$ 57,892,378	TOTAL_GEN_PLANT	6.1618%	\$ 3,567,215
42	TAX DEPR-PEPCO ACO ADJ Total	Plant - Protected	\$ 4,846,093	FACTOR29	0.0000%	\$ -
43	TAX DEPR-PRODUCTION Total	Plant - Protected	\$ 869,437,793	FACTOR1	4.9507%	\$ 43,043,257
44	TAX DEPR-PRODUCTION BATH Total	Plant - Protected	\$ 94,360,768	FACTOR1	4.9507%	\$ 4,671,519
45	TAX DEPR-PRODUCTION NA Total	Plant - Protected	\$ 289,811,163	FACTOR61	4.9507%	\$ 14,347,681
46	TAX DEPR-TRANSMISSION Total	Plant - Protected	\$ 358,596,765	TOTAL_TRAN_PLANT	4.2670%	\$ 15,301,218
47	TAX AMORT -GENERAL Total	Plant - Protected	\$ 13,946	PLANT_ACCT_303	4.8492%	\$ 676
48	FEDERAL EFFECT OF STATE TAX	Plant - Protected	\$ (47,209,504)	DSIT_OPERATING	5.1395%	\$ (2,426,387)
49	TOTAL AFC DEF TAX	Plant - Un Protected	\$ 17,279,032	Total AFC Def Tax	13.1525%	\$ 2,272,629
50	BOOK AMORT-CAPITAL LEASES (207) Total	Plant - Un Protected	\$ 452,821	TOTAL_GEN_PLANT	6.1618%	\$ 27,902
51	BOOK CAPITALIZED INTEREST CWIP Total	Plant - Un Protected	\$ 80,071	TOTAL_CWIP_XAFC&FUEL	4.5275%	\$ 3,625
52	COST OF REMOVAL-DISTRIBUTION Total	Plant - Un Protected	\$ (12,672,381)	TOTAL_DIST_PLANT	5.0557%	\$ (640,671)
53	COST OF REMOVAL-GENERAL Total	Plant - Un Protected	\$ 900,951	TOTAL_GEN_PLANT	6.1618%	\$ 55,515
54	COST OF REMOVAL-PRODUCTION Total	Plant - Un Protected	\$ (22,554,554)	FACTOR1	4.9507%	\$ (1,116,608)
55	COST OF REMOVAL-PRODUCTION NA Total	Plant - Un Protected	\$ 4,925,012	FACTOR61	4.9507%	\$ 243,823
56	COST OF REMOVAL-TRANSMISSION Total	Plant - Un Protected	\$ (11,468,370)	TOTAL_TRAN_PLANT	4.2670%	\$ (489,352)
57	FAS 143 ASSET OBLIGATION-DISTRIBUTION Total	Plant - Un Protected	\$ (440,953)	TOTAL_DIST_PLANT	5.0557%	\$ (22,293)
58	FAS 143 ASSET OBLIGATION-GENERAL Total	Plant - Un Protected	\$ (21,683)	TOTAL_GEN_PLANT	6.1618%	\$ (1,336)
59	FAS 143 ASSET OBLIGATION-NA Total	Plant - Un Protected	\$ (177,071)	FACTOR61	4.9507%	\$ (8,766)
60	FAS 143 ASSET OBLIGATION-OTHER Total	Plant - Un Protected	\$ (41,795,627)	FACTOR1	4.9507%	\$ (2,069,176)
61	FAS 143 ASSET OBLIGATION-TRANSMISSION Total	Plant - Un Protected	\$ 13,131	TOTAL_TRAN_PLANT	4.2670%	\$ 560
62	REG LIAB PLANT CONTRA VASLSTX VEPCO Total	Plant - Un Protected	\$ (9,455,760)	Factor 9A - 100% VA	0.0000%	\$ -
63	WEST VA PROPERTY TAX VEPCO Total	Plant - Un Protected	\$ (653,209)	TOTAL_PLANT	5.0484%	\$ (32,977)
64	BAD DEBTS VEPCO Total	Unprotected	\$ (3,131,297)	REVENUE_RETAIL	4.8779%	\$ (152,741)
65	DEFERRED REVENUE CURRENT VEPCO Total	Unprotected	\$ (345,802)	PLANT_ACCT_364	8.7448%	\$ (30,240)
66	FUEL DEFERRED	Unprotected	\$ (3,106,481)	VARIOUS		\$ (1,054,204)
67	FUEL HANDLING COSTS VEPCO Total	Unprotected	\$ 82,421	FACTOR3	5.0924%	\$ 4,197

[Note 1]: System EDIT balances provided by the Tax Department

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Dominion Energy North Carolina
Docket No. E-22, Sub 562
Excess Deferred Federal Income Tax (EDIT)
Balances as of December 31, 2017

Line			(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
No.	Description	Type	System	Allocation Factor/Ratio	N C Juris	N C Juris Balance
			[Note 1]	[Form E-1, Item 45a, Sch. 15]		(1) x (2)
68	HEADWATER BENEFITS VEPCO Total	Unprotected	\$ (391,949)	FACTOR1	4.9507%	\$ (19,404)
69	LONG TERM DISABILITY RESERVE VEPCO Total	Unprotected	\$ (3,209,004)	TOTAL_SAL_WAGES	4.9841%	\$ (159,940)
70	NOL NC VEPCO Total	Unprotected	\$ (3,854)	RATE_REVENUE	4.7847%	\$ (184)
71	OBSOLETE INVENTORY RESERVE VEPCO Total	Unprotected	\$ (760,596)	FACTOR1	4.9507%	\$ (37,655)
72	OPEB VEPCO Total	Unprotected	\$ 29,092,458	TOTAL_SAL_WAGES	4.9841%	\$ 1,450,001
73	PREMIUM, DEBT, DISCOUNT&EXP VEPCO Total	Unprotected	\$ (385,101)	TOTAL_PLANT	5.0484%	\$ (19,441)
74	REACQUIRED DEBT GAIN(LOSS) VEPCO Total	Unprotected	\$ (410,020)	TOTAL_NET_PLANT	5.0868%	\$ (20,857)
75	REG LIAB VA OTHER CURRENT VEPCO Total	Unprotected	\$ 54,986	FACTOR1A	0.0000%	\$ -
76	RETENTION BONUS Total	Unprotected	\$ (663,035)	TOTAL_SAL_WAGES	4.9841%	\$ (33,046)
77	RETIREMENT - (FASB 87) VEPCO Total	Unprotected	\$ (70,753,491)	TOTAL_SAL_WAGES	4.9841%	\$ (3,526,435)
78	SEPARATION/ERT VEPCO Total	Unprotected	\$ (1,528,294)	TOTAL_SAL_WAGES	4.9841%	\$ (76,172)
79	SUCCESS SHARE PLAN VEPCO Total	Unprotected	\$ (7,395,431)	TOTAL_SAL_WAGES	4.9841%	\$ (368,597)
80	SUPPLEMENTAL-SUPPLEMENTAL RETIRE VEPCO Total	Unprotected	\$ (20,658)	TOTAL_SAL_WAGES	4.9841%	\$ (1,030)
81	VACATION ACCRUAL VEPCO Total	Unprotected	\$ (1,227,786)	TOTAL_SAL_WAGES	4.9841%	\$ (61,194)
82	WORKERS COMPENSATION - FAS 112 Total	Unprotected	\$ (894,687)	TOTAL_SAL_WAGES	4.9841%	\$ (44,592)
83	Total		<u>\$ 1,979,618,312</u>			<u>\$ 94,681,137</u>
84	<u>Summary by Type</u>					
85	Plant - Protected		2,120,204,520			100,609,797
86	Plant - Un Protected		(75,588,590)			(1,777,125)
87	Unprotected		<u>(64,997,618)</u>			<u>(4,151,535)</u>
88	Total		<u>1,979,618,312</u>			<u>94,681,137</u>

[Note 1]: System EDIT balances provided by the Tax Department

Dominion Energy North Carolina
Docket No. E-22, Sub 562
North Carolina Jurisdictional Excess Deferred Federal Income Tax (EDIT) Amortization
For the Test Year Ended December 31, 2018
(Thousands of Dollars)

Line No.	Description	Notes	Amount
1	Total Plant-Related EDIT Amortization	[Page 2, Col. 4, Line 36]	\$ 2,832
2	<u>Non-Plant & Unprotected EDIT</u>		
3	Balance as of December 31, 2017	[Schedule 1, Page 1, Col. 3, Line 3]	\$ (4,152)
4	30-Year Amortization Period		<u>30</u>
5	Total Non-Plant & Unprotected EDIT Amortization	[Line 3 x Line 4]	<u>\$ (138)</u>
6	Total EDIT Amortization	[Line 1 + Line 5]	<u>\$ 2,693</u>

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Total Plant-Related Excess Deferred Federal Income Tax (EDIT) Amortization
For the Test Year Ended December 31, 2018

Line		(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
No.	Description	System	Allocation Factor/Ratio	N C Juris	Amortization
		[Note 1]	[Form E-1, Item 45a, Sch. 15]		(1) x (3)
1	Comp Software				
2	AFUDC Debt	\$ 4,537	FACTOR82	42.3074%	\$ 1,919
3	Liberalized	\$ 2,698,632	PLANT_ACCT_303	4.8492%	\$ 130,863
4					
5	Dist Acq Adj				
6	Liberalized	\$ (29,828)	FACTOR29	0.0000%	\$ -
7					
8	Distribution				
9	AFUDC Debt	\$ 6,446	FACTOR87	39.7337%	\$ 2,561
10	Liberalized	\$ 16,110,198	TOTAL_DIST_PLANT	5.0557%	\$ 814,475
11					
12	General				
13	AFUDC Debt	\$ 5,730	FACTOR89	37.4087%	\$ 2,144
14	Liberalized	\$ 3,310,560	TOTAL_GEN_PLANT	6.1618%	\$ 203,990
15					
16	North Anna				
17	AFUDC Debt	\$ 8,577	FACTOR83	42.3074%	\$ 3,629
18	Liberalized	\$ 2,614,875	FACTOR61	4.9507%	\$ 129,455
19					
20	Nuc Fuel NA				
21	AFUDC Debt	\$ 5,056	FACTOR86	28.6240%	\$ 1,447
22	Liberalized	\$ (602,817)	FACTOR63	5.0924%	\$ (30,698)
23					
24	Nuc Fuel Surry				
25	AFUDC Debt	\$ 1,600	FACTOR85	28.6240%	\$ 458
26	Liberalized	\$ 507,941	FACTOR3	5.0924%	\$ 25,866
27					
28	Other Prod				
29	AFUDC Debt	\$ 158,412	FACTOR82	42.3074%	\$ 67,020
30	Liberalized	\$ 26,255,628	FACTOR1	4.9507%	\$ 1,299,837
31					
32	Transmission				
33	AFUDC Debt	\$ 265,607	FACTOR2	4.2009%	\$ 11,158
34	Liberalized	\$ 3,929,704	TOTAL_TRAN_PLANT	4.2670%	\$ 167,679
35					
36	TOTAL	<u>\$ 55,250,859</u>			<u>\$ 2,831,805</u>

[Note 1]: System EDIT amortization provided by the Tax Department

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Rider EDIT Total Revenue Credit
(Thousands of Dollars)

Line No.	Description	Notes	Amount
1	Total Annual Federal EDIT Amortization - NC Retail	[Schedule 2, Line 6]	\$ 2,693
2	Times 1 Year, 10 Months	[1 + (10/12)]	<u>1.83</u>
3	Total Amortization Prior to Rate Effective Date - NC Retail	[Line 1 x Line 2]	\$ 4,938
4	Retention Factor	[Note 1]	<u>73.97573%</u>
5	Total NC Retail Federal EDIT Regulatory Liability to be Amortized	[Line 3 / Line 4]	\$ 6,675
6	Annuity Factor	[Page 2, Line 6]	<u>0.9660</u>
7	Rider EDIT Total Revenue Credit	[Line 5 / Line 6]	<u>\$ 6,910</u>

[Note 1]: See Form E-1 Item 10 Appendix

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Rider EDIT Total Revenue Credit
Annuity Factor

Line			
No.	Description	Notes	Amount
1	Number of years		1
2	Payment per period		1
3	After-tax rate of return	[Note 1]	7.2987%
4	Present value of 1 dollar over number of years with 1 payment per year		0.9320
5	1 plus (interest rate divided by two)		1.0365
6	Annuity factor	[Line 4 x Line 5]	<u>0.9660</u>

[Note 1]: Company proposed cost of capital; see Form E-1 Item 10 Appendix

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
RATE OF RETURN STATEMENT - ADJUSTED
TWELVE MONTHS ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Line No.	(Col. 1) Total Company	(Col. 2) Non-Jurisdictional	(Col. 3) North Carolina Jurisdictional Cost of Service (1) - (2)	(Col. 4) Accounting Adjustments	(Col. 5) North Carolina Jurisdictional Cost of Service After Adjustments (3) + (4)	(Col. 6) Additional Revenue Required for a 10.76% ROE	(Col. 7) North Carolina Jurisdictional Amounts After Proposed Increase (5) + (6)
1 OPERATING REVENUE							
2 Base Non-Fuel Rate Revenues	\$ 5,226,387	\$ 4,958,367	\$ 268,020	\$ (11,327)	\$ 256,693	\$ 23,948	\$ 280,641
3 Base Fuel Rate Revenues	2,173,013	2,087,055	85,958	5,872	91,830	(2,155)	89,675
4 Late Payment Fees	21,282	20,149	1,133	54	1,187	71	1,257
5 Other Operating Revenues	213,517	207,583	5,935	(678)	5,057	176	5,233
6 TOTAL OPERATING REVENUE	\$ 7,634,199	\$ 7,273,153	\$ 361,045	\$ (6,279)	\$ 354,767	\$ 22,039	\$ 376,806
7 OPERATING REVENUE DEDUCTIONS							
8 Fuel Expenses	1,929,730	1,844,320	85,410	4,148	89,558		89,558
9 Other Operation & Maintenance Expense	2,167,992	2,044,379	113,613	(13,652)	99,961	116	100,077
10 Depreciation & Amortization	1,161,468	1,091,392	60,066	4,621	64,586		64,586
11 Federal Income Taxes	160,992	183,989	7,003	1,425	8,428	4,319	12,747
12 State Income Taxes	94,725	91,193	3,532	158	3,688	1,278	4,966
13 Taxes Other Than Income Taxes	286,176	271,594	14,582	(263)	14,319		14,319
14 (Gain)/Loss on Disposition of Property	110	(128)	238	(13)	225		225
15 TOTAL OPERATING REVENUE DEDUCTIONS	\$ 5,811,183	\$ 5,526,738	\$ 284,445	\$ (3,679)	\$ 280,766	\$ 5,713	\$ 286,479
16 OPERATING INCOME	\$ 1,823,016	\$ 1,746,416	\$ 76,600	\$ (2,600)	\$ 74,000	\$ 16,327	\$ 90,327
17 PLUS: Allowance for Funds Used During Construction	60,040	59,805	235	(235)	-		-
18 LESS: Charitable Donations	8,783	8,453	330	(330)	-		-
19 Interest Expense On Customer Deposits	1,894	1,822	72	-	72		72
20 Other Interest Expense/Income	1,492	1,416	76	-	76		76
21 ADJUSTED OPERATING INCOME	\$ 1,872,887	\$ 1,796,530	\$ 76,357	\$ (2,505)	\$ 73,852	\$ 16,327	\$ 90,178
22 PLUS: Other Income/(Expenses)	(51,800)	(51,800)	0	0	0		-
23 LESS: Interest Expense on Debt	(1) 539,438	514,899	24,539	(693)	23,846	80	23,726
24 INCOME AVAILABLE FOR COMMON EQUITY	\$ 1,281,648	\$ 1,229,831	\$ 51,818	\$ (1,612)	\$ 50,206	\$ 16,247	\$ 66,453
25 Allowance for Working Capital	(672,862)	(674,090)	1,228	65,422	66,650	3,870	70,520
26 PLUS: Net Utility Plant	29,693,072	28,202,174	1,490,899	(126,161)	1,364,737		1,364,737
27 LESS: Other Rate Base Deductions	5,833,814	5,533,429	300,385	(17,375)	283,010		283,010
28 TOTAL RATE BASE	\$ 23,186,396	\$ 21,994,654	\$ 1,191,742	\$ (43,364)	\$ 1,148,377	\$ 3,870	\$ 1,152,247
29 Total Capital	\$ 23,186,396	\$ 21,994,654	\$ 1,191,742	\$ (43,364)	\$ 1,148,377		\$ 1,152,247
30 Common Equity Capital	\$ 12,439,197	\$ 11,769,843	\$ 639,354	\$ (23,264)	\$ 616,089		\$ 618,165
31 % Rate of Return Earned on Rate Base			6.41%		6.43%		7.83%
32 % Rate Of Return Earned On Common Equity			8.11%		8.15%		10.75%
33 % Rate of Return Requested					10.76%		10.76%

Notes:

(1) NC Jurisdictional Interest Expense = NC Jurisdictional Year End Rate Base * Debt Weighted Cost of Capital Percentage
\$24,539 = \$ 1,191,742 * 2.059%

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
DETAIL OF SUPPLEMENTAL ACCOUNTING ADJUSTMENTS
REFLECTED IN COLUMN 4 OF SCHEDULES 1 AND 2
(Thousands of Dollars)

Adjustment Number	Description	Second Supplemental	Supplemental	Change in Adjustment Amount
OPERATING REVENUE				
<u>Base Non-Fuel Rate Revenues</u>				
NC-1	Annualize Revenue for Usage, Weather, and Customer Growth as of June 30, 2019	(6,386)	(6,338)	(48)
NC-2	Eliminate DSM and REPS Rider Revenues	(4,941)	(4,941)	0
	Total Adjustments to Non-Fuel Rate Revenues	(11,327)	(11,279)	(48)
<u>Base Fuel Rate Revenues</u>				
NC-3	Annualize Fuel Revenues & Expenses at Current Rates	5,872	5,887	(15)
	Total Adjustments to Base Fuel Rate Revenues	5,872	5,887	(15)
<u>Late Payment Fees</u>				
NC-4	Annualize Revenue for Usage, Weather, and Customer Growth as of June 30, 2019	54	54	(0)
	Total Adjustments to Late Payment Fees	54	54	(0)
<u>Other Operating Revenues</u>				
NC-5	Adjust Ancillary Services Margins	(482)	(482)	0
NC-6	Annualize Revenue for Usage, Weather, and Customer Growth as of June 30, 2019	(35)	(35)	(0)
NC-7	Annualize Fuel Revenues & Expenses at Current Rates	(361)	(361)	0
	Total Adjustments to Other Operating Revenues	(878)	(878)	(0)
	TOTAL ADJUSTMENTS TO OPERATING REVENUE	(6,279)	(6,216)	(63)
OPERATING REVENUE DEDUCTIONS				
<u>Fuel Expenses</u>				
NC-8	Annualize Fuel Revenues & Expenses at Current Rates	6,300	6,315	(15)
2SUPP-1	Adjustment to Fuel Expense to Reflect Proposed Base Fuel Factor	(2,153)	0	(2,153)
	Total Adjustments to Fuel Expenses	4,148	6,315	(2,167)
<u>Other Operation & Maintenance Expense</u>				
NC-9	Eliminate DSM and REPS Rider Costs	(4,378)	(4,378)	0
NC-10	Eliminate the Effects of ASC 410-20 – Asset Retirement Obligations	(3,782)	(3,782)	0
NC-11	Update Purchased Power Capacity Expense	(6,220)	(6,220)	0
NC-12	Update Purchased Power Energy Expense	(12,165)	(12,165)	0
NC-13	Normalize Fossil & Hydro Outage Expense	1,210	1,210	0
NC-14	Levelize Nuclear Refueling and Maintenance Outage Expense	64	64	0
NC-15	Eliminate Yorktown Net Operating Expense	232	232	0
NC-16	Annualize Greenville County CC O&M	528	528	0
NC-17	Annualize Salary and Wages as of June 30, 2019 – Salaried Payroll	(730)	(730)	0
NC-18	Annualize Salary and Wages as of June 30, 2019 – Hourly Payroll	(229)	(229)	0
NC-19	Annualize Salary and Wages as of June 30, 2019 – Services Company	(482)	(482)	0
NC-20	Adjust Employee Benefits Costs to June 30, 2019	(293)	(293)	0
NC-21	Normalize Employee Severance Program Costs	1,440	1,440	0
NC-22	Normalize Annual Incentive Plan Costs	(898)	(898)	0

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
DETAIL OF SUPPLEMENTAL ACCOUNTING ADJUSTMENTS
REFLECTED IN COLUMN 4 OF SCHEDULES 1 AND 2
(Thousands of Dollars)

Adjustment Number	Description	Second Supplemental	Supplemental	Change in Adjustment Amount
NC-44	Federal Income Tax Effect of Adjustments	(201)	(759)	557
NC-45	Eliminate the Effect of FIN 48	37	37	(0)
NC-46	Eliminate Incremental Costs for Certain Underground Transmission Projects	3	3	0
NC-47	Eliminate AC Cycling Program Costs	7	7	0
NC-48	Amortize Non Plant, Unprotected EDIT	138	138	0
NC-49	Adjust NC State Income for Lower Rate	1	1	(0)
SUPP-10	Federal Income Tax Expense Correction	803	803	0
	Total Adjustments to Federal Income Tax Expense	1,425	869	555
	<u>State Income Tax Expense</u>			
NC-50	Interest Synchronization Adjustment - State	188	189	(1)
NC-51	State Income Tax Effect of Adjustments	(60)	(224)	164
NC-52	Eliminate the Effect of FIN 48	30	30	(0)
NC-53	Adjust NC State Income Tax for Lower Rate	(3)	(3)	0
	Total Adjustments to State Income Tax Expense	156	(8)	163
	<u>Taxes Other Than Income Taxes</u>			
NC-54	Annualize Property Taxes Based on Plant in Service as of June 30, 2019	(84)	(84)	0
NC-55	Adjust Payroll Tax for Incremental Payroll	(179)	(179)	0
	Total Adjustments to Taxes Other than Income Taxes	(263)	(263)	0
	<u>Gain/Loss on Disposition of Property</u>			
NC-56	Eliminate the Effects of ASC 410-20 - Asset Retirement Obligations	(13)	(13)	0
	Total Adjustments to Gain/Loss on Disposition of Property	(13)	(13)	0
	TOTAL ADJUSTMENTS TO OPERATING REVENUE DEDUCTIONS	(3,679)	(1,518)	(2,161)
	TOTAL ADJUSTMENTS TO OPERATING INCOME	(2,600)	(4,698)	2,098
	<u>Allowance for Funds Used During Construction</u>			
NC-57	Eliminate AFUDC Income	(235)	(235)	0
	<u>Charitable Donations</u>			
NC-58	Eliminate Charitable Contributions	(330)	(330)	0
	TOTAL ADJUSTMENTS TO ADJUSTED OPERATING INCOME	(2,505)	(4,603)	2,098
	<u>Interest Expense</u>			
NC-59	Reflect Interest Expense Based on Proposed Capital Structure, Debt Costs, and Adjusted Rate Base	(893)	(902)	9
	TOTAL ADJUSTMENTS TO INCOME AVAILABLE FOR COMMON EQUITY	(1,612)	(3,701)	2,089
	ALLOWANCE FOR WORKING CAPITAL			
	<u>Materials & Supplies</u>			
SUPP-11	Eliminate Cold Reserve Plant M&S Inventory	(1,034)	(1,034)	0
	Total Materials & Supplies	(1,034)	(1,034)	0

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
DETAIL OF SUPPLEMENTAL ACCOUNTING ADJUSTMENTS
REFLECTED IN COLUMN 4 OF SCHEDULES 1 AND 2
(Thousands of Dollars)

Adjustment Number	Description	Second Supplemental	Supplemental	Change in Adjustment Amount
<u>Accumulated Provision for Acquisition Adjustments</u>				
NC-78	Eliminate Acquisition Adjustments	(21)	(21)	0
	Total Adjustments to Accumulated Provision for Acquisition Adjustments	(21)	(21)	0
	TOTAL ADJUSTMENTS TO NET UTILITY PLANT	(126,161)	(126,161)	(0)
OTHER RATE BASE DEDUCTIONS				
<u>Accumulated Deferred Income Taxes</u>				
NC-79	Eliminate the Effects of ASC 410-20 — Asset Retirement Obligations	20,381	20,381	0
NC-80	Eliminate Acquisition Adjustments	0	0	0
NC-81	Update Accumulated Deferred Income Taxes to June 30, 2019	(4,452)	(4,452)	(0)
NC-82	Annualize Depreciation Expense	(813)	(813)	0
NC-83	Eliminate AC Cycling Program Costs	612	.612	0
NC-84	Eliminate ADIT Related to TCJA Regulatory Liabilities	2,530	2,530	0
NC-85	Eliminate Deferred Fuel ADIT	(4,711)	(4,711)	0
NC-86	Eliminate Nuclear Outage Deferral Balance	(941)	(941)	0
NC-87	Eliminate Other Nuclear Decommissioning ADIT	(23,978)	(23,978)	0
NC-88	Transmission Rate Design Settlement	2,068	2,068	0
NC-89	Eliminate Incremental Costs for Certain Underground Transmission Projects	(1,311)	(1,311)	0
NC-90	Adjust Existing Regulatory Assets	(9,432)	(9,432)	0
NC-91	Adjust Rate Base for New Regulatory Assets	5,996	5,996	0
NC-92	Eliminate ADIT Related to State Rider EDIT	(4,177)	(4,177)	0
SUPP-14	Reestablish Possum Point Unit 5 Impairment	853	853	0
	Total Adjustments to Accumulated Deferred Income Taxes	(17,375)	(17,375)	0
	TOTAL ADJUSTMENTS TO OTHER RATE BASE DEDUCTIONS	(17,375)	(17,375)	0
	TOTAL ADJUSTMENTS TO RATE BASE	(43,364)	(43,789)	425

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
LEAD/LAG CASH WORKING CAPITAL CALCULATION - ADDITIONAL REVENUE REQUIREMENT
TWELVE MONTHS ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Line No.	Item	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)	(Col. 9)	(Col. 10)	(Col. 11)	(Col. 12)	(Col. 13)
		NC Retail Amounts Adjustments	Net (Lead) / Lag Days	Iteration 1			Iteration 2			Iteration 3			After Increase	
				Increase	With Increase	CWC Change	Increase	With Increase	CWC Change	Increase	With Increase	CWC Change	Cumulative Increase	After Increase
1	Operating Revenue													
2	Rate Revenues	\$ 348,523	43.36	\$ 21,413	\$ 369,936	\$ 2,544	\$ 376	\$ 370,312	\$ 45	\$ 4	\$ 370,316	\$ 0	\$ 21,794	\$ 370,316
3	Sales for Resale	1,126	38.81	-	1,126	-	-	1,126	-	-	1,126	-	-	1,126
4	Other Operating Revenue	5,118	25.19	245	5,363	17	1	5,364	0	0	5,364	0	246	5,364
5	Total Operating Revenue	\$ 354,767		\$ 21,658	\$ 376,424	\$ 2,561	\$ 378	\$ 376,802	\$ 45	\$ 4	\$ 376,806	\$ 0	\$ 22,039	\$ 376,806
6	Operation & Maintenance Expense													
7	Account 501 - Fuel	\$ 20,588	(33.27)	\$ -	\$ 20,588	\$ -	\$ -	\$ 20,588	\$ -	\$ -	\$ 20,588	\$ -	\$ -	\$ 20,588
8	Account 518 - Nuclear Fuel	7,079	(3.21)	-	7,079	-	-	7,079	-	-	7,079	-	-	7,079
9	Account 547 - Other Fuel	48,658	(33.27)	-	48,658	-	-	48,658	-	-	48,658	-	-	48,658
10	Account 555 - Purchased Power	23,249	(28.21)	-	23,249	-	-	23,249	-	-	23,249	-	-	23,249
11	Account 557 - Deferred Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Payroll Expense	31,693	(26.90)	-	31,693	-	-	31,693	-	-	31,693	-	-	31,693
13	Benefits and Pension Expense	8,191	(31.81)	-	8,191	-	-	8,191	-	-	8,191	-	-	8,191
14	OPEB Expense	(1,721)	(20.64)	-	(1,721)	-	-	(1,721)	-	-	(1,721)	-	-	(1,721)
15	Uncollectible Expense	1,488	(254.78)	86	1,488	(80)	1	1,488	(1)	0	1,488	(0)	87	1,488
16	Stores Expense	9,243	(43.92)	-	9,243	-	-	9,243	-	-	9,243	-	-	9,243
17	Accrued Vacation Expense	81	-	-	81	-	-	81	-	-	81	-	-	81
18	Worker's Compensation Expense	73	-	-	73	-	-	73	-	-	73	-	-	73
19	Prepaid Insurance Amortization Expense	412	-	-	412	-	-	412	-	-	412	-	-	412
20	Director's Deferred Compensation Expense	0	-	-	0	-	-	0	-	-	0	-	-	0
21	Miscellaneous Prepaid Expense	503	-	-	503	-	-	503	-	-	503	-	-	503
22	Other O&M Expense	42,080	(43.65)	28	42,118	(3)	0	42,118	(0)	0	42,118	(0)	29	42,119
23	Total Operation & Maintenance Expense	\$ 189,519		\$ 114	\$ 189,633	\$ (83)	\$ 2	\$ 189,635	\$ (1)	\$ 0	\$ 189,635	\$ (0)	\$ 116	\$ 189,635
24	Depreciation & Amortization Expense	\$ 64,586	-	\$ -	\$ 64,586	\$ -	\$ -	\$ 64,586	\$ -	\$ -	\$ 64,586	\$ -	\$ -	\$ 64,586
25	Income Tax Expense													
26	Current Federal & State Income Taxes	\$ (1,404)	67.90	\$ 5,520	\$ 4,116	\$ 1,329	\$ 76	\$ 4,192	\$ 18	\$ 1	4,193	0	5,597	4,193
27	Deferred Federal & State Income Taxes	13,594	-	-	13,594	-	-	13,594	-	-	13,594	-	-	13,594
28	Deferred ITC	(74)	-	-	(74)	-	-	(74)	-	-	(74)	-	-	(74)
29	Total Income Tax Expense	\$ 12,116		\$ 5,520	\$ 17,638	\$ 1,329	\$ 76	\$ 17,712	\$ 18	\$ 1	\$ 17,713	\$ 0	\$ 5,597	\$ 17,713
30	Taxes Other Than Income Taxes													
31	North Carolina Franchise Tax	486	(523.00)	-	486	-	-	486	-	-	486	-	-	486
32	Property Tax Expense	10,558	(111.86)	-	10,558	-	-	10,558	-	-	10,558	-	-	10,558
33	West Virginia B&O Tax Expense	1,045	(38.54)	-	1,045	-	-	1,045	-	-	1,045	-	-	1,045
34	Payroll Taxes	2,129	(27.26)	-	2,129	-	-	2,129	-	-	2,129	-	-	2,129
35	Other Taxes	102	(31.08)	-	102	-	-	102	-	-	102	-	-	102
36	Total Taxes Other than Income	\$ 14,319		\$ -	\$ 14,319	\$ -	\$ -	\$ 14,319	\$ -	\$ -	\$ 14,319	\$ -	\$ -	\$ 14,319
37	Gain/Loss on Disposition of Property	\$ 225	-	\$ -	\$ 225	\$ -	\$ -	\$ 225	\$ -	\$ -	\$ 225	\$ -	\$ -	\$ 225
38	Total Operating Revenue Deductions	\$ 280,768		\$ 5,834	\$ 286,400	\$ 1,266	\$ 78	\$ 286,478	\$ 17	\$ 1	\$ 286,479	\$ 0	\$ 5,713	\$ 286,479
39	AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Charitable Donations	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Interest on Customer Deposits	72	(182.50)	-	72	-	-	72	-	-	72	-	-	72
42	Other Expense/Income	76	-	-	76	-	-	76	-	-	76	-	-	76
43	Interest Expense on Debt	23,646	(80.93)	-	23,646	-	79	23,725	(20)	1	23,726	(0)	80	23,726
44	Income Available for Common Equity	50,205	-	16,024	66,230	-	221	66,450	0	2	66,453	0	16,247	66,453
45	Total Requirement	\$ 354,787		\$ 21,658	\$ 376,424	\$ 1,266	\$ 378	\$ 376,802	\$ (2)	\$ 4	\$ 376,806	\$ (0)	\$ 22,039	\$ 376,806
46	Cumulative change in working capital					\$ 3,827		3,869			3,870			3,870
47	Common equity capital under present rates	1,148,377				1,148,377		1,148,377			1,148,377			1,148,377
48	Common equity capital after rate increase					1,152,204		1,152,246			1,152,247			1,152,247
49	Overall rate of return	6.431%				7.800%		7.826%			7.826%			7.826%
50	Target rate of return	7.829%				7.826%		7.826%			7.826%			7.826%

Schedule 7

Dominion Energy North Carolina
 Docket No. E-22, Sub 562
 For the Test Year Ended December 31, 2018
 Adjustment to Fuel Expense to Reflect Proposed Base Fuel Factor
 (Thousands of Dollars)
 Page 1 of 1

Line No.	Item	Amount
1	Annualized and normalized NC retail kWh sale	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 fuel expense under present rates	<u>\$ 91,711</u> ^{3/}
5	Adjustment to fuel expense to reflect proposed base fuel factor	<u><u>\$ (2,153)</u></u>
6	Adjustment No.	2SUPP-1

1/ Col. (a), Line 3 of Adjustment NC-1

2/ Company Witness Haynes Second Supplemental Exhibit

3/ Col. (c), Line 5 of Adjustment NC-1

I/A

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 582
RATE OF RETURN STATEMENT - ADJUSTED
TWELVE MONTHS ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Line No.	(Col. 1) Total Company	(Col. 2) Non-Jurisdictional	(Col. 3) North Carolina Jurisdictional Cost of Service (1) - (2)	(Col. 4) Accounting Adjustments	(Col. 5) North Carolina Jurisdictional Cost of Service After Adjustments (3) + (4)	(Col. 6) Additional Revenue Required for a 9.75% ROE	(Col. 7) North Carolina Jurisdictional Amounts After Proposed Increase (5) + (6)
1 OPERATING REVENUE							
2 Base Non-Fuel Rate Revenues	\$ 5,226,387	\$ 4,958,367	\$ 268,020	\$ (11,328)	\$ 256,692	\$ 8,387	\$ 265,079
3 Base Fuel Rate Revenues	2,173,013	2,087,055	85,958	5,872	91,830	(2,155)	89,675
4 Late Payment Fees	21,282	20,149	1,133	54	1,187	21	1,207
5 Other Operating Revenues	213,517	207,583	5,935	(878)	5,057	176	5,233
6 TOTAL OPERATING REVENUE	\$ 7,634,199	\$ 7,273,153	\$ 361,045	\$ (8,280)	\$ 354,766	\$ 6,428	\$ 361,194
7 OPERATING REVENUE DEDUCTIONS							
8 Fuel Expenses	1,929,730	1,844,320	85,410	4,148	89,558		89,558
9 Other Operation & Maintenance Expense	2,157,992	2,044,379	113,613	(18,582)	95,031	29	95,061
10 Depreciation & Amortization	1,151,458	1,091,392	60,066	4,476	64,541		64,541
11 Federal Income Taxes	190,992	183,989	7,003	2,258	9,262	1,261	10,522
12 State Income Taxes	94,725	91,193	3,532	402	3,935	373	4,308
13 Taxes Other Than Income Taxes	286,176	271,594	14,582	(263)	14,319		14,319
14 (Gain)/Loss on Disposition of Property	110	(128)	238	(13)	225		225
15 TOTAL OPERATING REVENUE DEDUCTIONS	\$ 5,811,183	\$ 5,526,738	\$ 284,445	\$ (7,574)	\$ 276,871	\$ 1,663	\$ 278,534
16 OPERATING INCOME	\$ 1,823,016	\$ 1,746,416	\$ 76,600	\$ 1,294	\$ 77,895	\$ 4,765	\$ 82,659
17 PLUS: Allowance for Funds Used During Construction	60,040	59,805	235	(235)	-		-
18 LESS: Charitable Donations	6,783	6,453	330	(330)	-		-
19 Interest Expense On Customer Deposits	1,894	1,822	72	-	72		72
20 Other Interest Expense/Income	1,492	1,416	76	-	76		76
21 ADJUSTED OPERATING INCOME	\$ 1,872,887	\$ 1,796,530	\$ 76,367	\$ 1,390	\$ 77,747	\$ 4,765	\$ 82,511
22 PLUS: Other Income/(Expenses)	(51,800)	(51,800)	0	0	0		-
23 LESS: Interest Expense on Debt	(1) 539,438	514,028	25,412	(1,006)	24,406	22	24,428
24 INCOME AVAILABLE FOR COMMON EQUITY	\$ 1,281,648	\$ 1,230,703	\$ 50,945	\$ 2,395	\$ 53,340	\$ 4,742	\$ 58,083
25 Allowance for Working Capital	(672,862)	(674,090)	1,228	66,396	67,624	1,047	68,671
26 PLUS: Net Utility Plant	29,693,072	28,202,174	1,490,899	(128,184)	1,362,714		1,362,714
27 LESS: Other Rate Base Deductions	5,833,814	5,533,429	300,385	(14,616)	285,769		285,769
28 TOTAL RATE BASE	\$ 23,186,396	\$ 21,994,654	\$ 1,191,742	\$ (47,173)	\$ 1,144,569	\$ 1,047	\$ 1,145,616
29 Total Capital	\$ 23,186,396	\$ 21,994,654	\$ 1,191,742	\$ (47,173)	\$ 1,144,569		\$ 1,145,616
30 Common Equity Capital	\$ 12,056,926	\$ 11,437,220	\$ 619,706	\$ (24,530)	\$ 595,176		\$ 595,720
31 % Rate of Return Earned on Rate Base			6.41%		6.79%		7.20%
32 % Rate Of Return Earned On Common Equity			8.22%		8.96%		9.75%
33 % Rate of Return Requested					9.75%		9.75%

Notes:

(1) NC Jurisdictional Interest Expense = NC Jurisdictional Year End Rate Base * Debt Weighted Cost of Capital Percentage
\$25,412 = \$ 1,191,742 * 2.132%

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
RATE BASE STATEMENT - ADJUSTED
TWELVE MONTHS ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Line No.	(Col. 1) Total Company	(Col. 2) Non-Jurisdictional	(Col. 3) North Carolina Jurisdictional Cost of Service (1)-(2)	(Col. 4) Accounting Adjustments	(Col. 5) North Carolina Jurisdictional Cost of Service After Adjustments (3)+(4)
1	<u>ALLOWANCE FOR WORKING CAPITAL</u>				
2	\$ 837,705	\$ 795,916	\$ 41,790	\$ (1,034)	\$ 40,755
3	283,839	270,409	13,430	288	13,717
4	378,280	322,886	55,394	(16,113)	39,281
5	<u>(2,172,686)</u>	<u>(2,063,301)</u>	<u>(109,385)</u>	<u>83,256</u>	<u>(26,130)</u>
6	<u>TOTAL ALLOWANCE FOR WORKING CAPITAL</u>	<u>\$ (672,862)</u>	<u>\$ (674,090)</u>	<u>\$ 66,396</u>	<u>\$ 67,624</u>
7	<u>NET UTILITY PLANT</u>				
8	\$ 43,152,337	\$ 40,992,400	\$ 2,159,936	\$ (19,438)	\$ 2,140,498
9	52,041	51,649	392	(392)	-
10	1,885,116	1,765,247	119,869	(119,869)	-
11	Less: Accumulated Provision for Depreciation & Amortization				
12	15,353,210	14,563,932	789,278	(11,493)	777,784
13	<u>43,212</u>	<u>43,191</u>	<u>21</u>	<u>(21)</u>	<u>-</u>
14	<u>TOTAL NET UTILITY PLANT</u>	<u>\$ 29,693,072</u>	<u>\$ 28,202,174</u>	<u>\$ 1,490,899</u>	<u>\$ (128,184)</u>
15	<u>OTHER RATE BASE DEDUCTIONS</u>				
16	\$ 121,280	\$ 116,665	\$ 4,615	\$ -	\$ 4,615
17	5,712,534	5,416,764	295,770	(14,616)	281,154
18	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
19	<u>TOTAL OTHER RATE BASE DEDUCTIONS</u>	<u>\$ 5,833,814</u>	<u>\$ 5,533,429</u>	<u>\$ 300,385</u>	<u>\$ (14,616)</u>
20	<u>TOTAL RATE BASE</u>	<u>\$ 23,186,396</u>	<u>\$ 21,994,654</u>	<u>\$ 1,191,742</u>	<u>\$ (47,173)</u>
				<u>\$</u>	<u>1,144,569</u>

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 420

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	ORDER ALLOWING
Request by Virginia Electric and Power)	UTILIZATION OF
Company, d/b/a Dominion North Carolina)	CERTAIN ACCOUNTS
Power)	

BY THE COMMISSION: Pursuant to Commission Rule R8-27, on April 8, 2004, Virginia Electric and Power Company d/b/a Dominion North Carolina Power (NC Power) made a filing regarding its accounting treatment in response to adoption of Statement of Financial Accounting Standards No. 143 (SFAS 143), issued by the Financial Accounting Standards Board (FASB). NC Power requested any necessary Commission approval.

SFAS 143 establishes financial reporting guidelines for the recognition and measurement of legally enforceable retirement obligations for long-lived assets. As explained in NC Power's filing, if an asset retirement obligation (ARO) as defined by SFAS 143 is deemed to exist for a firm, a liability for the ARO must be measured and recorded on the Company's books at fair value. The offset to the initial liability is an additional cost recorded on the firm's books, as part of the cost of the plant. The ARO asset is depreciated over the life of the associated long-lived asset. In addition, an accretion is added to the ARO liability each reporting period to account for the time value of money. Thus, the ARO expense recorded each year during the life of the tangible asset consists of two components: depreciation expense associated with the ARO asset, and accretion expense measuring the change in the ARO liability due to the time value of money. Revisions in future periods to the amount or timing of the original estimate shall be recognized as changes in the amounts of the liability and related asset retirement cost capitalized. According to NC Power, the only significant ARO recognized by NC Power relates to the decommissioning of its nuclear power stations.

For financial reporting purposes, SFAS 143 requires ARO liabilities to be recorded at fair value. Fair value is determined based on prices that a third party would charge to assume the legal obligation represented by the ARO that would include amounts to provide reasonable profit margins. This Commission has utilized a different approach in determining decommissioning liabilities that included specific annual funding requirements to be included in the cost of service. The decommissioning studies and funding requirements were based on the assumption that the utility will perform the asset retirement activities.

In the year of implementation of SFAS 143, companies are required to recognize the cumulative impact on the financial statements resulting from the adoption of SFAS 143. The company records the total of its ARO liabilities, adjusted for accretion to the current date, and its ARO assets, adjusted for depreciation to the current date. At the same time, the company removes any applicable retirement costs that have been previously accrued on the books through depreciation expense or other methods. Any difference between the amounts newly recorded and the amounts removed is recorded as a charge or credit to the income statement in the period SFAS 143 is adopted. In future years, ARO (decommissioning) expense will typically consist of the sum of the depreciation of the ARO asset and the accretion of the ARO liability.

The FASB recognized that differences may exist between what is required under SFAS 143 and what has been determined to be appropriate for regulatory purposes and as such determined that a utility subject to Statement of Financial Accounting Standards No. 71 (SFAS 71), Accounting for the Effects of Certain Types of Regulation, could recognize a regulatory asset or liability for any differences between the two approaches, if the facts and circumstances meet the requirements of SFAS 71. For the NC Power portions of its operations, the Company is accountable for amounts attributable to collections from its North Carolina customers for funding decommissioning activities. Thus, upon adoption of SFAS 143, NC Power recognized a regulatory liability in relation to its North Carolina retail jurisdictional operations. The regulatory liability represents the North Carolina jurisdictional portion of the cumulative change in accounting principle, the cumulative difference between the method of accounting under SFAS 143 and the method approved by the Commission for previous years. In future years, the regulatory liability would be adjusted to offset ongoing differences between the determination of decommissioning expense pursuant to SFAS 143 and pursuant to the method approved by the Commission.

When NC Power adopted SFAS 143 for financial reporting purposes in January of 2003, the Company did not petition this Commission for authority to modify its reporting procedures for decommissioning costs because the Company retained its existing cost of service method for regulatory reporting purposes. NC Power states that its ES-1s, annual class cost of service studies and future rate applications will contain proforma adjustments eliminating any rate base effect and conforming expenses to the funding levels authorized by this Commission. NC Power's accounting for asset retirement costs includes the use of Account 254 - Other Regulatory Liabilities for financial reporting purposes. Commission Rule R8-27 requires electric utilities under the jurisdiction of the Commission to apply to the Commission for any North Carolina retail jurisdictional use of certain accounts, including Account 254.

Regulatory Condition No. 18 adopted by the Commission in its Order issued October 18, 1999, in Docket No. E-22, Sub 380, allows for the filing for

cost deferral for the effects of accounting changes, imposed by the FASB as part of its asset retirement obligation project, that must be adopted prior to December 31, 2005. This Condition further states that the filing for cost deferral must address only those accounting effects that are appropriately attributable, subject to the NCUC order, to periods prior to the merger closing date.

The Public Staff presented this matter at the Commission's Regular Staff Conference on August 3, 2004. The Public Staff stated that it believes that, in this instance, a waiver of the prohibition on ARO deferrals from the time of issuance of the merger order until December 31, 2005 may be warranted. According to the Public Staff, the intent of the Regulatory Condition set forth in the Sub 380 Order was to prevent NC Power from effectively receiving a rate increase in 2006 or later related to costs incurred in the pre-2006 period through a cost deferral mechanism. NC Power's implementation of SFAS 143 resulted in the Company recording a deferred credit instead of a deferred debit or regulatory asset. Moreover, the deferral requested in this case is intended to preserve the Commission's historical accounting treatment of ARO costs. The Public Staff stated that it does not believe that the intent of Regulatory Condition 18 was to automatically require NC Power to adopt, for regulatory purposes, accounting changes mandated by an outside party such as the FASB.

The Public Staff recommended that the Commission issue an order allowing the utilization of the following accounts to record the initial regulatory liability associated with the adoption of SFAS 143, as well as appropriate adjustments to that regulatory liability in future years:

- (a) Account 254 – Other Regulatory Liabilities.
- (b) Account 182.3 – Other Regulatory Assets (in the event that future adjustments to offset the effects of SFAS 143 result in a cumulative net regulatory asset).
- (c) Account 407.3 – Regulatory Debits.
- (d) Account 407.4 – Regulatory Credits.

The Public Staff stated that its recommendation to allow the utilization of these accounts as well as appropriate adjustments to that regulatory liability in future years be allowed subject to the following provisions:

1. That the adoption of SFAS 143 shall have no impact upon NC Power's operating results or return on rate base for North Carolina retail regulatory purposes, and that the net effect of the deferral accounting allowed shall be to reset NC Power's North Carolina retail rate base, net operating income, and regulatory return on common equity to the same levels as would have existed had SFAS 143 not been implemented. Therefore, the intent and outcome of the deferral process shall be to continue the Commission's currently existing accounting and ratemaking practices for nuclear decommissioning costs and other ARO costs.

2. That the implementation of SFAS 143 for financial reporting purposes and the deferrals allowed in this docket shall have no impact on the ultimate amount of costs recovered from the North Carolina retail ratepayers for nuclear decommissioning or other AROs, subject to future orders of the Commission.
3. That the individual line items and account balances in the quarterly ES-1 surveillance filings and the annual cost of service studies filed by NC Power with the Commission shall be stated as if SFAS 143 had not been implemented by NC Power.
4. That when NC Power files its annual report required by Commission Rule R1-32, it also file a reconciliation of the account balances set forth in that report (both total company and North Carolina) with the account balances set forth in the annual cost of service studies filed with the Commission.
5. That no portion of the total ARO asset or liability shall be included in rate base for North Carolina retail accounting or ratemaking purposes.
6. That no portion of the total ARO asset or liability shall be included in the Construction Work in Progress base to which NC Power applies its AFUDC rate.
7. That neither the depreciation rates utilized by NC Power nor the depreciable bases to which it applies those rates shall be changed due to the implementation of SFAS 143.
8. That NC Power shall file with the Commission the journal entries setting forth the initial implementation of SFAS 143 and all other entries related to SFAS 143 for calendar year 2003.
9. That all entries made and amounts recorded as a result of the implementation of SFAS 143 and the deferral allowed by the Commission's Order shall be subject to ongoing review by the Commission, the Public Staff, and other appropriate parties to this docket.
10. That the deferral accounting treatment allowed by the Commission's Order shall not prejudice any party from taking issue with the amount or the treatment of any deferral of ARO costs in a rate case or other appropriate proceeding, including a proceeding initiated in Docket No. E-100, Sub 56 for the purpose of determining nuclear decommissioning expenses.

The Public Staff stated that NC Power has agreed to the issuance of an order with these provisions.

After careful consideration of NC Power's filing and the Public Staff's recommendation, the Commission concludes NC Power should be allowed to

utilize Account 254 – Other Regulatory Liabilities, Account 182.3 – Other Regulatory Assets, Account 407.3 – Regulatory Debits, and Account 407.4 Regulatory Credits to record the initial regulatory liability associated with the adoption of SFAS 143, as well as the appropriate adjustments to that liability in future years subject to the provisions recommended by the Public Staff and agreed to by NC Power.

IT IS, THEREFORE, ORDERED as follows:

1. That NC Power is allowed to utilize Account 254 – Other Regulatory Liabilities, Account 182.3 – Other Regulatory Assets, Account 407.3 – Regulatory Debits, and Account 407.4 Regulatory Credits to record the initial regulatory liability associated with the adoption of SFAS 143, as well as the appropriate adjustments to the liability in future years.

2. That the adoption of SFAS 143 shall have no impact upon NC Power's operating results or return on rate base for North Carolina retail regulatory purposes, and that the net effect of the deferral accounting allowed shall be to reset NC Power's North Carolina retail rate base, net operating income, and regulatory return on common equity to the same levels as would have existed had SFAS 143 not been implemented. Therefore, the intent and outcome of the deferral process shall be to continue the Commission's currently existing accounting and ratemaking practices for nuclear decommissioning costs and other ARO costs.

3. That the implementation of SFAS 143 for financial reporting purposes and the deferrals allowed in this docket shall have no impact on the ultimate amount of costs recovered from the North Carolina retail ratepayers for nuclear decommissioning or other AROs, subject to future orders of the Commission.

4. That the individual line items and account balances in the quarterly ES-1 surveillance filings and the annual cost of service studies filed by NC Power with the Commission shall be stated as if SFAS 143 had not been implemented by NC Power.

5. That when NC Power files its annual report required by Commission Rule R1-32, it shall also file a reconciliation of the account balances set forth in that report (both total company and North Carolina) with the account balances set forth in the annual cost of service studies filed with the Commission.

6. That no portion of the total ARO asset or liability shall be included in rate base for North Carolina retail accounting or ratemaking purposes.

7. That no portion of the total ARO asset or liability shall be included in the Construction Work in Progress base to which NC Power applies its AFUDC rate.

8. That neither the depreciation rates utilized by NC Power nor the depreciable bases to which it applies those rates shall be changed due to the implementation of SFAS 143.

9. That NC Power shall file with the Commission the journal entries setting forth the initial implementation of SFAS 143 and all other entries related to SFAS 143 for calendar year 2003.

10. That all entries made and amounts recorded as a result of the implementation of SFAS 143 and the deferral allowed by the Commission's Order shall be subject to ongoing review by the Commission, the Public Staff, and other appropriate parties to this docket.

11. That the deferral accounting treatment allowed by the Commission's Order shall not prejudice any party from taking issue with the amount or the treatment of any deferral of ARO costs in a rate case or other appropriate proceeding, including a proceeding initiated in Docket No. E-100, Sub 56 for the purpose of determining nuclear decommissioning expenses.

ISSUED BY ORDER OF THE COMMISSION.

This the 6th day of August 2004.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount

Gail L. Mount, Deputy Clerk

Ah080304.07

Dominion North Carolina Power
P.O. Box 26532 Richmond, VA 23261



VIA OVERNIGHT MAIL

April 7, 2004

FILED

APR 08 2004

Clerk's Office
N.C. Utilities Commission

OFFICIAL COPY

Ms. Geneva S. Thigpen
Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Dobbs Building
Raleigh, North Carolina 27603

E. 22 Sub 420

Dear Ms. Thigpen:

Enclosed for filing are an original and thirty-one (31) copies of Dominion North Carolina Power's Filing Regarding Asset Retirement Obligation Costs.

Very truly yours,

Jill C. Nadolink

Jill C. Nadolink
Senior Counsel

Enclosures

cc: Ms. Elise Cox
Robert W. Kaylor, Esq.

Cleru
AG
7 Comm
Benning
Wirby
Watson
4 Hoover
Sessom
Ericson
Gruher
2 PSeco
3 PS local
3 PS Accts
3 PS elec.

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Sep 26 2019

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

FILED

APR 08 2004

Clerk's Office
N.C. Utilities Commission

DOCKET NO. E-22, Sub 420

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

OFFICIAL COPY

In the matter of)	DOMINION NORTH CAROLINA
Dominion North Carolina Power's Filing)	POWER'S FILING REGARDING
Regarding Asset Retirement Obligation Costs)	ASSET RETIREMENT
		OBLIGATION COSTS

Pursuant to Rule R8-27 of the Rules and Regulations of the North Carolina Utilities Commission ("Commission"), Virginia Electric and Power Company d/b/a Dominion North Carolina Power ("Dominion North Carolina Power" or the "Company") files this statement of accounting treatment in response to the adoption of Statement of Financial Accounting Standards (SFAS) No. 143. In support of this filing, Dominion North Carolina Power states as follows:

1. Dominion North Carolina Power is a corporation duly organized and existing under the laws of the Commonwealth of Virginia. Its principal office is located at:

120 Tredegar Street
Richmond, Virginia, 23219

2. The attorney for Dominion North Carolina Power to whom all correspondence should be addressed is:

Jill C. Nadolink, Counsel
Dominion Resources Services, Inc.
120 Tredegar Street
Richmond, VA 23219

3. In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 143, *Accounting for Asset Retirement Obligations*. Dominion North Carolina Power adopted the provisions of SFAS No. 143 for financial reporting purposes effective January 1, 2003.

OFFICIAL COPY

Sep 26 2019

SFAS No. 143 establishes financial reporting guidelines for recognition and measurement of legally enforceable retirement obligations that result from the acquisition or construction and normal operation of tangible long-lived assets. The only significant asset retirement obligation ("ARO") recognized by Dominion North Carolina Power relates to the decommissioning requirements of the Company's nuclear power stations, North Anna and Surry.

When Dominion North Carolina Power adopted SFAS No. 143 for financial reporting purposes, the Company did not petition regulatory commissions for authority to modify its reporting procedures for decommissioning costs, because the Company retained its existing cost of service expense method for regulatory reporting purposes. The two methods of expense recognition for decommissioning, the SFAS No. 143 method and the existing cost of service regulatory method, are distinct and different ways to measure the same transaction. Therefore, Dominion North Carolina Power intends to continue to follow the guidelines outlined in SFAS No. 143 for financial reporting requirements associated with nuclear decommissioning, but for regulatory purposes to continue its existing reporting method which the Company has utilized in its reports to the Commission in the past.

4. In support of this approach for regulatory purposes, the Company states the following:

a. SFAS No. 143 requires the financial reporting of a liability at the current fair value associated with the obligation to retire a tangible long-lived asset. The liability to decommission a nuclear power station is recorded immediately upon operations of the plant. The offset to the original liability is an additional cost included in the recorded cost of the plant. Thus, the capitalized asset retirement cost is depreciated over the life of the asset. After the initial measurement period, the value of the liability is adjusted monthly for the passage of time,

with the offset charged to an operating expense account. If there are any changes in the estimated amounts or timing of future ARO expenditures, SFAS No. 143 requires that the liability be adjusted. If the estimated expenditures in any particular year increase, a new layer of capitalized asset retirement costs are added to the carrying amount of the long-lived asset, using a discount rate that reflects the entity's current risk-free interest rate. If the estimated expenditures in any particular year decrease, a layer of capitalized asset retirement costs are deducted from the carrying amount of the long-lived asset, using the discount rate that was used at the time those capitalized asset retirement costs were originally recognized.

b. For financial reporting purposes, SFAS No. 143 requires AROs to be recorded at fair value. Under SFAS No. 143 (and Statement of Financial Accounting Concepts Statement No. 7, *Using Cash Flow Information and Present Value in Accounting Measurements*), in the absence of quoted market prices, *fair value* is determined based on prices that a third party would charge to assume the legal obligation represented by the ARO that would include amounts to provide reasonable profit margins, to cover potential contingencies and to compensate the third party for assuming the risk of uncertainty inherent in the obligation to perform activities in the distant future (i.e., a market risk premium). With most utilities assuming that nuclear decommissioning activities would be performed using internal resources, the cost components in the ARO calculated under SFAS No. 143 differ from those contemplated in the calculation of decommissioning expense for cost of service purposes.

c. Traditionally, most regulatory commissions, including this Commission, have utilized a different approach to decommissioning expenses and have allowed specific jurisdictional annual funding requirements to be included in cost of service and therefore recorded as an expense. The decommissioning studies from which the annual funding

requirements were determined are updated periodically. These funding requirements were based on studies that assumed the utility would perform the asset retirement activities, i.e., nuclear decommissioning activities.

d. SFAS No. 71, *Accounting for the Effects of Certain Types of Regulation*, requires utilities with rates that are 1) authorized by regulators, 2) designed to recover the embedded cost of providing the regulated services and 3) reasonably assured of continuing to be provided for sufficient future periods to permit the recovery of any deferred costs, to recognize, in financial statements, the economic impact of the methods of expense recognition prescribed by regulators. For the Dominion North Carolina Power portions of its operations, the Company remains accountable for amounts attributable to collections from its North Carolina customers for funding future decommissioning activities. Accordingly, upon adoption of SFAS No. 143, Dominion North Carolina Power considered the accounting requirements of SFAS No. 71 and recognized a regulatory liability in relation to its North Carolina retail jurisdictional operations. The regulatory liability represents the North Carolina jurisdictional portion of the cumulative effect of the change in accounting principle, i.e., the cumulative difference between the SFAS No. 143 method of accounting and the method previously used.

e. All reporting of nuclear decommissioning expenses to the Commission will conform to the cost-of-service methodology authorized by the Commission in sufficient detail to accommodate the ongoing reviews of decommissioning by the Commission and the North Carolina Public Staff. The Company's accounting for the North Carolina jurisdiction will continue to reflect the requirements of SFAS No. 71. The quarterly ES-1s, the annual class cost of service studies and any future rate applications will contain proforma adjustments eliminating any rate base effect and conforming expenses to the funding levels authorized by the

Commission.

Dominion North Carolina Power submits this statement of the impact on its financial statements resulting from the adoption of SFAS No. 143 and respectfully requests any necessary Commission approval.

Respectfully submitted,

DOMINION NORTH CAROLINA POWER

By: Jill C. Nadolink
Counsel

Pamela J. Walker
Jill C. Nadolink
Dominion Resources Services, Inc.
120 Tredegar Street
Richmond, VA 23219
(804) 819-2288 (telephone)
(804) 819-2183 (facsimile)
jill_nadolink@dom.com

James C. Dimitri
Shannon Omia Pierce
McGuireWoods LLP
One James Center
901 East Cary Street
Richmond, VA 23219
(804) 775-1000 (telephone)
(804) 775-1061 (facsimile)
jdimitri@mcguirewoods.com
spierce@mcguirewoods.com

Robert W. Kaylor
Law Office of Robert W. Kaylor, P.A.
225 Hillsborough Place, Suite 480
Raleigh, NC 27603
(919) 828-5250 (telephone)
(919) 828-5240 (facsimile)
bkaylor@rwkaylorlaw.com

Counsel for Virginia Electric and Power Company
d/b/a Dominion North Carolina Power

April 7, 2004

McGuireWoods LLP
434 Fayetteville Street
Suite 2600
PO Box 27507 (27611)
Raleigh, NC 27601
Phone: 919.755.6600
Fax: 919.755.6699
www.mcguirewoods.com
E. Brett Breitschwerdt
Direct: 919.755.6563

McGUIREWOODS

McLeod
AGO _____ Cross Exhibit 3
I/A

bbreitschwerdt@mcguirewoods.com

October 3, 2016

VIA ELECTRONIC FILING

Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

Re: Docket Nos. E-22, Sub 532; E-22, Sub 533; and E-22, Sub 519

Dear Chief Clerk:

Enclosed for filing on behalf of Dominion North Carolina Power, please find the Agreement and Stipulation of Settlement between Dominion North Carolina Power, Public Staff – North Carolina Utilities Commission, and Carolina Industrial Group for Fair Utility Rates I in the above-referenced proceedings.

Should you have any questions please do not hesitate to contact me. Thank you for your assistance in this matter.

Very truly yours,

s/ E. Brett Breitschwerdt

EBB:kjg

Enclosures

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-22, SUB 532
DOCKET NO. E-22, SUB 533
DOCKET NO. E-22, SUB 519

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-22, SUB 532

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

DOCKET NO. E-22, SUB 533

In the Matter of)
Application by Virginia Electric and Power)
Company, d/b/a Dominion North Carolina)
Power, for an Accounting Order to Defer)
Certain Capital and Operating Costs)
Associated with the Brunswick County,)
Virginia, Power Station Addition)

AGREEMENT AND
STIPULATION OF
SETTLEMENT

DOCKET NO. E-22, SUB 519

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

Virginia Electric and Power Company, d/b/a Dominion North Carolina Power
(DNCP or the Company), the Public Staff – North Carolina Utilities Commission
(Public Staff), and Carolina Industrial Group for Fair Utility Rates I (CIGFUR I),
collectively referred to as the Stipulating Parties, through counsel and pursuant to

G.S. 62-69, respectfully submit the following Agreement and Stipulation of Settlement (Stipulation) for consideration by the North Carolina Utilities Commission (Commission) in the above-captioned dockets.

I. BACKGROUND

- A. On March 31, 2016, DNCP filed an application (Application) in Docket No. E-22, Sub 532, for a general rate increase, pursuant to G.S. 62-133 and 62-134 and Commission Rule R1-17, along with the direct testimony and exhibits requesting a non-fuel base rate increase of approximately \$51,073,000. The filing was based upon a rate of return on equity (ROE) of 10.50%, an embedded long-term debt cost of 4.889%, and the Company's actual North Carolina ratemaking capital structure as of the end of the 2015 test period, consisting of 53.36% common equity and 46.64% long-term debt.
- B. On May 17, 2016, the Commission issued its Order Consolidating Dockets, which consolidated this general rate case with DNCP's pending petition for deferral accounting authority to defer post-in-service costs associated with commercial operation of the Brunswick County Power Station (Brunswick County CC) in Docket No. E-22, Sub 533, and the Company's motion for reconsideration in Docket No. E-22, Sub 519 of the Commission's order denying the Company's request to defer post-in-service costs associated with commercial operation of the Warren County Power Station (Warren County CC).

- C. On August 5, 2016, the Company filed its application to update and adjust its fuel factor in Docket No. E-22, Sub 534 for the 2017 rate year (2016 Fuel Case).
- D. On August 12, 2016, the Company filed supplemental direct testimony and exhibits updating its request for a non-fuel base revenue increase to approximately \$47.8 million. Intervenors, including the Public Staff, filed testimony and exhibits on September 7 and 8, 2016. Nucor Steel – Hertford (Nucor) also filed additional and corrected testimony on September 9 and 29, 2016, respectively. The Company filed rebuttal testimony on September 26 and 27, 2016. The parties to this proceeding have conducted substantial discovery on the issues raised in the Company's Application, as well as on the direct, supplemental, and rebuttal testimony of the Company and the testimony of the intervenors.
- E. Subsequent to both the filing of the intervenors' testimony and the filing of the Company's rebuttal testimony, the Stipulating Parties reached agreement as to all of the major issues in this docket. The Stipulating Parties agree and stipulate as follows:

II. RATE INCREASE

- A. The Company will adjust its North Carolina retail base rates and tariffs to produce a total increase in annual non-fuel base rate revenues of \$34.732 million and a total decrease in annual base fuel revenues of \$8.942 million from its North Carolina retail electric operations.

- B. The Stipulating Parties agree that these revenues are intended to provide the Company, through sound management, the opportunity to earn a ROE of 9.90%. This ROE will be applied to the common equity component of the stipulated ratemaking capital structure consisting of 51.75% equity and 48.25% long-term debt. The embedded cost of debt agreed to by the Stipulating Parties as appropriate and reasonable for purposes of this proceeding is 4.650%. The weighted overall rate of return resulting from the above inputs is 7.367%.
- C. The Company's Application and the testimony and exhibits of all parties (including Settlement Exhibit I and Settlement Exhibit II referenced in paragraphs III.A. and III.B of this Stipulation) provide sufficient support for the annual revenue requirement agreed to in this Stipulation.

III. REVENUE REQUIREMENT AND ADJUSTMENTS TO COST OF SERVICE

- A. Settlement Exhibit I attached to this Stipulation sets forth the gross revenues, operating revenue deductions, rate base, and rate of return that the Stipulating Parties agree are appropriate for use in establishing base rates in this proceeding. The Stipulating Parties accept and will not challenge these amounts.
- B. For settlement purposes only, the Stipulating Parties have agreed to certain cost of service adjustments addressed in the testimony of Public Staff witness Katherine A. Fernald and the rebuttal testimony of Company witnesses Paul M. McLeod and Mark C. Stevens and as

further negotiated by the Stipulating Parties. The agreement of the Stipulating Parties on resolution of these issues is reflected in Settlement Exhibit II. No Stipulating Party waives any right to assert any position in any future proceeding or docket before the Commission or in any court, as the adjustments on Settlement Exhibit II are strictly for purposes of compromise and are intended to show a rational basis for reaching the revenue requirement without either party conceding any specific adjustment. The Stipulating Parties agree that settlement on these issues will not be used as a rationale for future arguments on contested issues brought before the Commission.

- C. The Stipulating Parties' dispute regarding the inclusion of certain site separation costs associated with development of the proposed North Anna Nuclear Station Unit 3 has been resolved for purposes of this proceeding by removing these costs from the stipulated revenue requirement, and that consideration of the recovery of such costs shall be reserved for a future proceeding.

IV. BASE FUEL AND FUEL-RELATED COST ISSUES

- A. The Stipulating Parties agree to adjust the Company's base fuel and non-fuel expenses to reflect 78% as a proxy for the fuel cost component of energy purchases for which the actual fuel cost is unknown (Marketer Percentage). This represents a reduction from the Company's current Marketer Percentage of 85%. The 78% Marketer Percentage shall remain in effect until the Company's next base rate application or the

Company's 2018 application to adjust its annual fuel factor, whichever occurs first.

B. The Stipulating Parties agree that the Company's proposed base fuel factor as set forth on Company Rebuttal Exhibit PBH-1, Schedule 9, Page 1, of 2.073 ¢/kWh (including regulatory fee), as differentiated between customer classes on Company Rebuttal Exhibit PBH-1, Schedule 9, Page 2, is appropriate to be included in the Company's base rates.

C. The Stipulating Parties agree that the appropriate experience modification factor to be included in the Company's updated annual fuel factor for the 2017 rate year shall be determined by Order of the Commission in the Company's 2016 Fuel Case, Docket No. E-22, Sub 534.

V. COST ALLOCATION, RATE DESIGN, AND TERMS AND CONDITIONS

A. For purposes of settlement only, the Stipulating Parties agree that the Company's Summer-Winter Peak and Average (SWPA) methodology is appropriate for use in allocating the Company's per books cost of service to the North Carolina jurisdiction and between the customer classes in this case. This shall not be a precedent for and may be contested in future general rate case proceedings. The Stipulating Parties further agree that the Company's proposed adjustment to its recorded summer and winter peaks to recognize the peak demand contributions of non-

utility generators interconnected to the Company's distribution system is appropriate and reasonable.

- B. The Stipulating Parties agree that it is unnecessary at this time for the Company to re-evaluate the issues reviewed in the fuel study that was filed on August 10, 1994, in Docket No. E-22, Sub 333.
- C. With regard to the apportionment of the stipulated increase in base non-fuel and base fuel revenues presented in Section II of this Stipulation, the Stipulating Parties generally agree that, subject to the specific itemized modifications set forth below, the Company shall adhere to the apportionment and rate design principles presented by Company witness Haynes in his direct and rebuttal testimony in assigning the proposed stipulated revenue increase to the customer classes.
- D. In assigning the non-fuel base revenue increase, Settlement Exhibit III, as supported by Company Witness Haynes, presents a summary of a fully-adjusted SWPA-based cost of service that allocates the stipulated adjustments presented in Settlement Exhibit II to the customer classes, and takes into consideration the following as agreed to by the Stipulating Parties:
 - i. All classes should share in the non-fuel base rate revenue increase in a manner that moves each class of customers closer to parity with the North Carolina jurisdictional rate of return.
 - ii. The 6VP class Rate of Return Index will be 1.15.

iii. The NS Class Rate of Return Index will be 0.75, which moves the NS Class 2/3 of the way towards the low end of the Parity Index Range of 0.90 and 1.10.

- E. CIGFUR I withdraws the recommendation of its witness Nicholas Phillips, Jr., that a further increase should be assigned to the NS Class to move that class 100% of the way to the low end of the Parity Index Range.
- F. In developing rates based upon the foregoing class apportionment, the Company agrees to recover 100% of the stipulated revenue increase through the energy and demand components of rates and not to increase the basic customer charge component of rates.
- G. The Stipulating Parties agree that Rate Schedule 6L, as amended and presented in Company witness Haynes Rebuttal Schedule PBH-1, Schedule 12, is reasonable, appropriate, and non-discriminatory and should be approved.
- H. The Company agrees to develop and file for Commission approval a new LED schedule for North Carolina jurisdictional customers within one year of the Commission's final order in this proceeding.
- I. The Stipulating Parties agree that DNCP's Terms and Conditions should be revised as set forth in Item 39 of the Company's Form E-1 filed with its supplemental direct testimony.
- J. The Company will work with Utilities International (UI) to determine whether UI can produce an application that would enable an intervenor

or the Public Staff to perform certain UI model functionalities in Excel, generally including manipulating allocation factors to prepare their own cost of service studies in future rate case proceedings.

VI. RIDER EDIT TO REFUND EXCESS DEFERRED INCOME TAXES (EDIT)

A. The Stipulating Parties agree that the appropriate level of EDIT to be refunded to customers in this case is \$15.708 million (on a pre-income-tax basis), which includes EDIT associated with the January 1, 2017, reduction in the North Carolina corporate state income tax rate from 4% to 3%. The appropriate revenue level of EDIT to be refunded by the Company is presented on Settlement Exhibit IV.

B. The Stipulating Parties agree that the Company shall implement decrement Rider EDIT, as described in the rebuttal testimony of Company witnesses McLeod and Haynes, to refund EDIT to customers over a two-year period on a levelized basis, with a return.

VII. NUCLEAR LEVELIZATION ACCOUNTING

The Parties agree that the Company may use levelization accounting for nuclear refueling costs, as described in the testimony of Public Staff witness Fernald and Fernald Exhibit 3.

VIII. FUTURE COAL COMBUSTION RESIDUALS (CCR) COST ISSUES

With regard to the Company's recovery of CCR costs, the Stipulating Parties agree as follows:

- A. Amortization periods – CCR expenditures incurred through June 30, 2016, should be amortized over a five-year period. Notwithstanding this agreement, the Stipulating Parties further agree that the appropriate amortization period for future CCR expenditures shall be determined on a case-by-case basis.
- B. Deferral of future CCR expenditures – By virtue of the Commission's approval in this proceeding of a mechanism to provide for recovery of CCR expenditures incurred through June 30, 2016, the Company has authority pursuant to the August 6, 2004, Order in Docket No. E-22, Sub 420, to defer additional CCR expenditures, without prejudice to the right of any party to take issue with the amount or the treatment of any deferral of ARO costs in a rate case or other appropriate proceeding.
- C. Continuing amortization and deferral of CCR expenditures – The Company and the Public Staff reserve their rights in the Company's next general rate case to argue to the Commission (a) how the unamortized balance of deferred CCR expenditures incurred by the Company prior to June 30, 2016, and the related amortization expense should be addressed; and (b) how reasonable and prudent CCR expenditures incurred by the Company after June 30, 2016, should be recovered in rates.
- D. Overall prudence of CCR Plan – The Public Staff's agreement in this proceeding to the deferral and amortization of CCR expenditures incurred through June 30, 2016, shall not be construed as a

recommendation that the Commission reach any conclusions regarding the prudence and reasonableness of the Company's overall CCR plan, or regarding any specific expenditures other than the ones to be recovered in this case.

IX. IMPLEMENTATION OF RATES SUPPORTED IN STIPULATION

- A. Contemporaneously with filing this Stipulation, DNCP is also filing a Motion for Approval of Undertaking and Customer Notice, in order to implement its proposed increase in its rates and charges, as agreed to in this Stipulation, on a temporary basis on November 1, 2016, subject to refund, pursuant to the authority of G.S. 62-135. The Stipulating Parties agree that the proposed increase in revenues to be recovered on a temporary basis on and after November 1, 2016, shall be consistent with the stipulated net increase in annual base revenues agreed to and presented in Section II of this Stipulation. The Company commits to file temporary rate schedules designed to comply with this paragraph on or before October 19, 2016.
- B. The Stipulating Parties agree and the Company further commits to request Commission approval to implement the following additional rate mechanisms on November 1, 2016: (1) Proposed Rider A1, as supported in the pre-filed rebuttal testimony of Company witness Haynes; and (2) proposed Rider EDIT, as described in Section VI of this Stipulation.

C. The Stipulating Parties request the Commission issue a final order accepting this Stipulation in order to allow the Company's proposed rates to become effective for service on and after January 1, 2017. Within five business days of a Commission Order approving this Stipulation, DNCP will file for Commission approval five copies of final rate schedules designed to comply with the Commission's Order, accompanied by calculations showing the revenues that will be produced by the rates for each schedule, which shall include a schedule comparing the revenue produced by the filed schedules during the test period with the revenue that will be produced under the proposed settlement schedules, and a schedule illustrating the rates of return by class based on the revenues produced by the rates for each schedule.

X. QUALITY OF ELECTRIC SERVICE.

The Parties agree that the overall quality of electric service provided by DNCP is good.

XI. REGULATORY ASSETS

- A. The Stipulating Parties agree to deferral accounting treatment and recovery of deferred post-in service costs for Warren County CC and Brunswick County CC as proposed by Company witness McLeod and further modified by Public Staff witness Fernald.
- B. The Stipulating Parties agree to deferral accounting treatment and recovery of the Chesapeake Energy Center (CEC) impairment and

closure cost regulatory assets as proposed by Company witness McLeod and further modified by Public Staff witness Fernald.

C. The Stipulating Parties agree to deferral accounting treatment and recovery of certain regulatory assets and liabilities expiring in 2017 as proposed by Public Staff witness Fernald.¹

D. The Stipulating Parties agree to, and by this Stipulation ask for Commission approval of, deferral accounting treatment as proposed by Company witness McLeod of costs associated with beyond design basis studies mandated by the Nuclear Regulatory Commission for North Carolina jurisdictional purposes.² The Company will comply with Commission Rule R8-27(a)(2) prior to establishing any regulatory assets and liabilities for North Carolina jurisdictional purposes in the future.

XII. REPORTING

A. The Company shall file with the Commission, on the same date it files its quarterly ES-1 report, a report detailing 1) the CCR deferrals recorded in the reporting period, and 2) regulatory accounting entries pursuant to the August 6, 2004, Order in Docket No. E-22, Sub 420, with regard to any costs other than nuclear decommissioning costs or CCR costs, recorded in the reporting period.

¹ See pp. 16-17 and 25-26 of Public Staff witness Fernald's testimony for a discussion of these costs.

² See pp. 31-34 of Company witness McLeod's rebuttal testimony for a discussion of these costs.

- B. The Company will notify the Commission when the Yorktown Power Station closure occurs and provide estimates of its undepreciated value at the time of closure and the level of costs to be incurred for closure.

XIII. ACCOUNTING RECOMMENDATIONS

- A. The Public Staff's accounting recommendations concerning the FERC USOA and the service company charges will be addressed in Docket No. E-22, Subs 476, 477, and 482.
- B. The Company agrees to provide the Public Staff, within 90 days of the date of this Stipulation, with a presentation regarding its accounting practices for non-nuclear asset retirement obligation costs.

XIV. TERMINATION OF PJM CONDITIONS; REPORTING

The Company shall be relieved from further compliance with the conditions imposed by the Commission's April 19, 2005 Order Approving Transfer Subject to Conditions issued in Docket No. E-22, Sub 418, subject to (1) the Company's clarifications regarding its ongoing commitments as contained in its July 8, 2016 Supplemental Filing in this docket, (2) the Company's continuing to file with its annual fuel clause adjustment filing the information required by Paragraph 5 of the November 10, 2004 Joint Offer of Settlement (JOS) between DNCP and the PJM Interconnection, L.L.C. (PJM), and (3) the Independent Market Monitor for PJM continuing to annually file the information required by Paragraph 6 of the JOS. DNCP will comply with the representations and

commitments made in the Supplemental Filing with respect to obligations that exist separate and apart from the PJM Conditions.

XV. CONTRIBUTION TO NORTH CAROLINA ENERGYSHARE

The Company will make a one-time \$400,000 shareholder contribution (over and above its usual contributions) to the North Carolina EnergyShare program that provides energy assistance to customers in need in the Company's North Carolina service territory by March 30, 2017.

XVI. AGREEMENT IN SUPPORT OF SETTLEMENT; NON-WAIVER

- A. The Stipulating Parties shall act in good faith and use their best efforts to recommend to the Commission that this Stipulation be accepted and approved. The Stipulating Parties further agree that this Stipulation is in the public interest because it reasonably balances customer interests in mitigating rate impacts with investor interests in providing for reasonable recovery of investments, thereby providing the necessary level of revenue requirement to allow the Company to maintain its financial strength and credit quality and continue to provide high quality electric utility service to its customers. The Stipulating Parties intend to support the reasonableness of this Stipulation in any hearing before the Commission and any proposed order or brief in this docket.
- B. Neither this Stipulation nor any of its terms or conditions shall be admissible in any court or before the Commission except insofar as the Commission is addressing litigation arising out of the implementation of

the terms herein or the approval of this Stipulation. This Stipulation shall not be cited as precedent by any of the Stipulating Parties with regard to any issue in any other proceeding or docket before this Commission or in any court.

- C. The provisions of this Stipulation do not reflect any position asserted by any of the Stipulating Parties, but reflect instead the compromise and settlement among the Stipulating Parties as to all of the issues covered hereby. No Stipulating Party waives any right to assert any position in any future proceeding or docket before this or any other Commission and in any court.
- D. The Stipulation is the product of negotiation between the Stipulating Parties, and no provision of this Stipulation shall be strictly construed in favor or against any Party.

XVII. RECEIPT OF TESTIMONY AND WAIVER OF CROSS-EXAMINATION

The Stipulating Parties agree that all pre-filed testimony and exhibits may be received in evidence without objection. Each Stipulating Party waives all right to cross-examine any witness with respect to such pre-filed testimony and exhibits. If, however, questions are asked by any Commissioner, or if questions are asked or positions are taken by any person who is not a Stipulating Party, then any Stipulating Party may respond to such questions by presenting testimony or exhibits and cross-examining any witness with respect to such testimony and

exhibits, provided such testimony, exhibits, and cross-examination are not inconsistent with this Stipulation.

XVIII. STIPULATION BINDING ONLY IF ACCEPTED IN ITS ENTIRETY

This Stipulation is the product of negotiation and compromise of a complex set of issues, and no portion of this Stipulation is or will be binding on any of the Stipulating Parties unless the entire Agreement and Stipulation is accepted by the Commission. If the Commission rejects any part of this Stipulation or approves this Stipulation subject to any change or condition or if the Commission's approval of this Stipulation is rejected or conditioned by a reviewing court, the Parties agree to meet and discuss the applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Stipulation consistent with the order. No Party shall withdraw from the Stipulation prior to complying with the foregoing sentence. If any Party withdraws from the Stipulation, each Party retains the right to seek additional procedures before the Commission, including cross-examination of witnesses, with respect to issues addressed by the Stipulation and shall not be bound or prejudiced by the terms and conditions of the Stipulation.

XIX. COUNTERPARTS

This Stipulation may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution by facsimile

signature shall be deemed to be, and shall have the same effect as,
execution by original signature.

The foregoing is agreed and stipulated to this the 3rd day of October, 2016.

Dominion North Carolina Power

By: E. B. A. B. A.

Public Staff – North Carolina Utilities
Commission

By: _____

Carolina Industrial Group for Fair Utility
Rates I

By: Ch

signature shall be deemed to be, and shall have the same effect as,
execution by original signature.

The foregoing is agreed and stipulated to this the 3rd day of October, 2016.

Dominion North Carolina Power

By: _____

Public Staff – North Carolina Utilities
Commission

By:  _____

Carolina Industrial Group for Fair Utility
Rates I

By: _____

DOMINION NORTH CAROLINA POWER
Docket No. E-22, Sub 532
North Carolina Retail Operations
STATEMENT OF NET OPERATING INCOME FOR RETURN,
RATE BASE, AND OVERALL RETURN
For the Test Year Ended December 31, 2015
(In Thousands)

Settlement Exhibit I
Page 1 of 1

Line No.	Item	Amounts Under Present Rates			After Stipulated Increase	
		Adjusted Per Company (a)	Stipulated Adjustments (b)	After Stipulated Adjustments (c)	Rate Increase (d)	After Rate Increase (e)
1	NET OPERATING INCOME FOR RETURN					
2	Electric operating revenues:					
3	Base non-fuel rate revenues	\$242,718	\$0	\$242,718	\$34,310	\$277,028
4	Base fuel revenues	99,755	-	99,755	(8,942)	90,813
5	Late payment fees	1,292	-	1,292	92	1,384
6	Other revenues	6,167	-	6,167	330	6,497
6	Electric operating revenues (Sum of L2 thru L5)	349,932	-	349,932	25,790	375,722
7	Electric operating expenses:					
8	Operations and maintenance:					
9	Fuel clause expenses	99,615	(8,929)	90,686	-	90,686
10	Other operations and maintenance expenses	101,231	(2,402)	98,829	160	98,989
11	Depreciation and amortization	60,354	(307)	60,047	-	60,047
12	Gain / loss on disposition of property	309	-	309	-	309
13	Taxes other than income taxes	15,233	-	15,233	-	15,233
14	Income taxes	19,692	3,999	23,691	9,929	33,620
15	Total electric operating expenses (Sum of L8 thru L14)	296,834	(7,639)	288,995	10,069	299,064
16	Net operating income before adjustments (L6 - L15)	53,298	7,639	60,937	15,701	76,638
17	Interest on customer deposits	(19)	-	(19)	-	(19)
18	Interest on tax deficiencies	(1)	-	(1)	-	(1)
19	Net operating income for return (Sum of L16 thru L18)	\$53,278	\$7,639	\$60,917	\$15,701	\$76,618
20	RATE BASE					
21	Electric plant in service	\$1,951,491	(\$4,239)	\$1,947,252	\$0	\$1,947,252
22	Accumulated depreciation and amortization	(717,028)	170	(716,858)	-	(716,858)
23	Net electric plant in service (L20 + L21)	1,234,463	(4,069)	1,230,394	-	1,230,394
24	Materials and supplies	44,916	-	44,916	-	44,916
25	Cash working capital	16,532	(126)	16,406	2,070	18,476
26	Other additions	21,334	(1,727)	19,607	-	19,607
27	Other deductions	(18,282)	848	(17,434)	-	(17,434)
28	Customer deposits	(5,126)	-	(5,126)	-	(5,126)
29	Accumulated deferred income taxes	(250,869)	171	(250,798)	-	(250,798)
29	Total original cost rate base (Sum of L22 thru L28)	\$1,042,868	(\$4,903)	\$1,037,965	\$2,070	\$1,040,035
30	Overall rate of return on rate base (L19 / L29)	5.11%		5.87%		7.37%

DOMINION NORTH CAROLINA POWER
Docket No. E-22, Sub 532
North Carolina Retail Operations
REVENUE IMPACT OF STIPULATED ADJUSTMENTS
For the Test Year Ended December 31, 2015
(In Thousands)

Settlement Exhibit II
Page 1 of 1

Line No.	Item	Amount
1	Non-fuel revenue requirement increase per Company application	\$51,073
2	Revenue impact of Company update	(3,269)
3	Revenue impact of Company rebuttal	(1,052)
4	Non-fuel revenue requirement increase per Company in rebuttal	<u>46,752</u>
5	Revenue impact of stipulated adjustments:	
6	Change in equity ratio from 53.92% to 51.75% equity	(2,849)
7	Change in debt cost rate from 4.650% to 4.650%	-
8	Change in return on equity from 10.50% to 9.90%	(5,325)
9	Change in retention factor - uncollectibles	(35)
10	Adjust uncollectibles	(268)
11	Correct allocation of state accumulated deferred income taxes	(30)
12	Remove North Anna 3 site separation costs	(430)
13	Adjust Chesapeake retired plant costs	(15)
14	Include levelized amortization of EDIT liability in base rates	-
15	Adjust North Branch net proceeds and closure costs deferral	-
16	Adjust Chesapeake closure costs deferral	(3)
17	Adjust Brunswick County CC deferral	(7)
18	Adjust Warren County CC deferral	(25)
19	Adjust regulatory assets and liabilities with amortizations ending in 2017	(331)
20	Adjust Company treatment of Fukushima expenses	-
21	Adjust allocation of per books income tax expense	-
22	Adjust storm costs	(173)
23	Adjust annual incentive plan costs	(479)
24	Adjust employee severance program costs	(842)
25	Adjust variable non-fuel O&M expenses for displacement	-
26	Adjust Section 199 tax deduction	(250)
27	Adjust inflation adjustment	(2)
28	Adjust coal combustion residual (CCR) costs	(554)
29	Adjust uncollectibles for decrease in base fuel rate	(43)
30	Adjust cash working capital under present rates	(13)
31	Adjust cash working capital under proposed rates	(279)
32	Settlement adjustment	(79)
33	Rounding	12
34	Total revenue impact of stipulated adjustments	<u>(12,020)</u>
35	Stipulated increase in non-fuel revenue requirement	34,732
36	Stipulated decrease in base fuel revenue requirement	<u>(8,942)</u>
37	Stipulated increase in revenue requirement	<u>\$25,790</u>

OFFICIAL COPY

Sep 26 2019

DOMINION NORTH CAROLINA POWER
DOCKET NO. E-22, SUB 532
TWELVE MONTHS ENDED DECEMBER 31, 2015
SUMMARY NORTH CAROLINA JURISDICTION AND CUSTOMER CLASS RATES OF RETURN
PER BOOKS, ANNUALIZED, FULLY ADJUSTED AND FULLY ADJUSTED WITH INCREASE

OFFICIAL COPY
Sep 26 2019

PER BOOKS CLASS RATE OF RETURNS - FROM ITEM 45a								
	North Carolina Juris. Amount	Residential	SGS, County & Muni	Large General Service	Sch. NS	6VP	Outdoor Street Lights	Traffic Lights
Adjusted NOI	\$57,958,136	\$31,327,939	\$13,066,369	\$2,554,171	\$2,169,579	\$7,509,839	\$1,314,896	\$15,343
Rate Base	\$1,155,093,887	\$607,105,199	\$225,978,429	\$149,387,074	\$112,977,074	\$41,553,266	\$17,968,333	\$124,511
ROR	5.0176%	5.1602%	5.7821%	1.7098%	1.9204%	18.0728%	7.3179%	12.3225%
Index		1.03	1.15	0.34	0.38	3.60	1.46	2.46

PER BOOKS CLASS RATE OF RETURNS WITH ANNUALIZED REVENUE - FROM ITEM 45b								
	North Carolina Juris. Amount	Residential	SGS, County & Muni	Large General Service	Sch. NS	6VP	Outdoor Street Lights	Traffic Lights
Adjusted NOI	\$57,697,916	\$30,920,173	\$12,702,519	\$7,183,320	\$2,280,440	\$3,193,735	\$1,402,858	\$14,871
Rate Base	\$1,155,093,887	\$607,105,199	\$225,978,429	\$149,387,074	\$112,977,074	\$41,553,266	\$17,968,333	\$124,511
ROR	4.9951%	5.0931%	5.6211%	4.8085%	2.0185%	7.6859%	7.8074%	11.9431%
Index		1.02	1.12	0.96	0.40	1.53	1.56	2.36

CLASS RATE OF RETURNS AFTER ALL RATEMAKING ADJUSTMENTS BEFORE REVENUE INCREASE - FROM ITEM 45c, COL. 3								
	North Carolina Juris. Amount	Residential	SGS, County & Muni	Large General Service	Sch. NS	6VP	Outdoor Street Lights	Traffic Lights
Adjusted NOI	\$55,416,595	\$28,181,591	\$12,927,253	\$7,458,118	\$2,353,980	\$3,165,444	\$1,315,919	\$14,292
Rate Base	\$1,037,264,519	\$544,255,044	\$203,257,021	\$134,683,094	\$101,744,855	\$37,329,835	\$15,882,746	\$111,923
ROR	5.3426%	5.1780%	6.3601%	5.5375%	2.3136%	8.4797%	8.2852%	12.7691%
Index		0.97	1.19	1.04	0.43	1.59	1.55	2.39

CLASS RATE OF RETURNS AFTER ALL RATEMAKING ADJUSTMENTS AND AFTER REVENUE INCREASE - FROM ITEM 45c, COLS. 4 & 5								
	North Carolina Juris. Amount	Residential	SGS, County & Muni	Large General Service	Sch. NS	6VP	Outdoor Street Lights	Traffic Lights
Non-fuel Base Revenue Increase	\$34,535,895	\$18,940,439	\$5,689,464	\$4,053,447	\$5,318,348	\$146,464	\$388,299	\$1,434
Change in Late Payment LM, FC, Misc Ser Rev	\$196,107	\$219,653	\$29,068	(\$183)	(\$25,915)	(\$48,257)	\$21,463	\$278
Total Non-fuel Increase	\$34,732,002	\$19,160,092	\$5,718,532	\$4,053,264	\$5,292,433	\$98,207	\$407,762	\$1,712
Base Fuel Revenue Change	(\$8,969,855)	(\$3,350,718)	(\$1,741,965)	(\$1,580,734)	(\$1,859,947)	(\$583,865)	(\$51,523)	(\$1,102)
Base Revenue Change	\$25,762,147	\$15,809,373	\$3,976,567	\$2,472,530	\$3,632,486	(\$485,650)	\$356,239	\$610
Adjusted NOI	\$76,521,739	\$39,841,060	\$16,393,575	\$9,932,826	\$5,601,813	\$3,173,009	\$1,564,115	\$15,341
Rate Base	\$1,040,065,519	\$545,538,843	\$203,810,642	\$135,088,269	\$102,120,443	\$37,479,032	\$15,917,985	\$112,305
ROR	7.3574%	7.3031%	8.0435%	7.3528%	5.4855%	8.4661%	9.8261%	13.6603%
Index		0.99	1.09	1.00	0.75	1.15	1.34	1.86

Settlement Exhibit III
Page 2 of 3

DOMINION NORTH CAROLINA POWER
ALLOCATION OF PROPOSED REVENUE INCREASE
12 MONTHS ENDED DECEMBER 31, 2015 - ADJUSTED FOR INCREASED USAGE, WEATHER, AND CUSTOMER GROWTH & EE - UPDATE FOR JUNE 30, 2016
DOCKET NO. E-22, SUB 532

1	PROPOSED BASE NON-FUEL RATE INCREASE	\$34,732,000	
2	LESS: CHANGE IN LATE PAYMENT REVENUE	\$92,410	
3	CHANGE IN LOAD MGT CREDITS	\$0	
4	CHANGE IN MISC SERVICE REVENUE	\$135,960	
5	CHANGE IN FACILITIES CHARGES	<u>(\$12,265)</u>	
6	REVENUE TO RATE SCHEDULES	\$34,535,895	
7	PRESENT BASE NON-FUEL REVENUE	\$242,391,040	
8	OVERALL BASE NON-FUEL REVENUE PERCENTAGE INCREASE	14.2480%	

MISC. REVENUES

	PRESENT BASE NON-FUEL REVENUE INCLUDING GROWTH	INCREASE IN BASE NON-FUEL REVENUE	CHANGE IN MISC REVENUE	INCREASE IN BASE NON-FUEL RATE SCHEDULE REVENUE	BASE NON-FUEL RATE SCHEDULE PERCENT INCREASE
A. <u>CALCULATION OF PROPOSED CLASS PERCENTAGES</u>					
9 RESIDENTIAL	\$124,377,453	\$19,163,659	\$219,652	\$18,944,006	15.2311%
10 SMALL GENERAL SERVICE & PUBUC AUTH	\$51,351,398	\$5,715,555	\$29,067	\$5,686,488	11.0737%
11 LARGE GENERAL SERVICE	\$31,644,877	\$4,056,083	(\$183)	\$4,056,266	12.8180%
12 GVP	\$10,667,161	\$97,835	(\$48,257)	\$146,092	1.3695%
13 SCHEDULE NS	\$19,550,022	\$5,292,609	(\$25,815)	\$5,318,525	27.2047%
14 TRAFFIC	\$53,461	\$1,710	\$278	\$1,432	2.6766%
15 OUTDOOR & STREET LIGHTS	\$4,746,567	\$404,550	\$21,453	\$383,088	8.0708%
16 PRESENT BASE NON-FUEL REVENUE	\$242,391,040	\$34,732,000	\$196,105	\$34,535,895	14.2480%

B. TOTAL PROPOSED BASE NON-FUEL REVENUES, EXCLUDING ALL FUEL

	NORTH CAROLINA JURISDICTIONAL	RESIDENTIAL	SGS & PUBLIC AUTH	LGB	GVP	NS	TRAFFIC	OUTDOOR & ST LIGHTS
17 PRESENT BASE NON-FUEL REVENUE	\$242,391,040	\$124,377,453	\$51,351,398	\$31,644,977	\$10,667,161	\$19,550,022	\$53,461	\$4,746,567
18 PROPOSED BASE NON-FUEL REVENUE	<u>\$276,926,933</u>	<u>\$143,321,460</u>	<u>\$57,037,886</u>	<u>\$35,701,243</u>	<u>\$10,813,253</u>	<u>\$24,868,547</u>	<u>\$54,893</u>	<u>\$5,129,654</u>
19 CHANGE	\$34,535,895	\$18,944,006	\$5,686,488	\$4,056,266	\$146,092	\$5,318,525	\$1,432	\$383,088
20 % CHANGE	14.26%	15.23%	11.07%	12.82%	1.37%	27.20%	2.68%	8.07%

C. TOTAL PROPOSED BASE FUEL REVENUES

	NORTH CAROLINA JURISDICTIONAL	RESIDENTIAL	SGS & PUBLIC AUTH	LGB	GVP	NS	TRAFFIC	OUTDOOR & ST LIGHTS
20 PRESENT BASE FUEL REVENUE (INCLUDES PRESENT RIDER A)	\$99,788,960	\$37,427,203	\$19,355,166	\$17,690,277	\$6,184,039	\$18,544,467	\$12,310	\$575,507
21 PROPOSED BASE FUEL REVENUE	<u>\$90,819,104</u>	<u>\$34,076,485</u>	<u>\$17,813,201</u>	<u>\$16,109,543</u>	<u>\$5,600,173</u>	<u>\$18,884,510</u>	<u>\$11,208</u>	<u>\$523,984</u>
22 CHANGE	(\$8,969,855)	(\$3,350,719)	(\$1,741,965)	(\$1,580,734)	(\$583,865)	(\$1,059,947)	(\$1,102)	(\$51,523)
23 % CHANGE	-8.99%	-8.95%	-9.00%	-8.94%	-9.44%	-8.95%	-8.95%	-8.95%

D. TOTAL PROPOSED BASE REVENUES

	NORTH CAROLINA JURISDICTIONAL	RESIDENTIAL	SGS & PUBLIC AUTH	LGB	GVP	NS	TRAFFIC	OUTDOOR & ST LIGHTS
24 PRESENT BASE NON FUEL AND BASE FUEL REVENUE	\$342,180,000	\$161,804,657	\$70,706,564	\$49,335,254	\$16,851,200	\$38,094,480	\$65,771	\$5,322,075
25 PROPOSED BASE NON FUEL AND BASE FUEL REVENUE	<u>\$367,746,039</u>	<u>\$177,397,944</u>	<u>\$74,651,097</u>	<u>\$51,810,786</u>	<u>\$16,413,426</u>	<u>\$41,753,058</u>	<u>\$66,101</u>	<u>\$5,653,638</u>
26 CHANGE	\$25,566,039	\$15,593,288	\$3,944,523	\$2,475,532	(\$437,773)	\$3,658,578	\$330	\$331,563
27 % CHANGE	7.47%	9.64%	5.58%	5.02%	-2.60%	9.60%	0.50%	6.23%

DOCKHORN NORTH CAROLINA POWER
PRESENT RATES & EFFECTIVE 01/01/2018 VERSUS PROPOSED RATES WITH \$4,722,000 BASE NON-FUEL INCREASE
12 MONTHS ENDED DECEMBER 31, 2018 - ADJUSTED FOR INCREASED USAGE, WEATHER, AND CUSTOMER GROWTH & EB - UPDATE FOR JUNE 30, 2019
DOCKET NO. 6-22, SUB 632

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
	BOOKED 12/01/2018 COST INCLUDING GROWTH THROUGH 09/30/2018	BOOKED 12/01/2018 COST INCLUDING GROWTH THROUGH 09/30/2018	BASE NON-FUEL REVENUE	BASE FUEL REVENUE	BASE FUEL CREDIT	TOTAL	PROPOSED REVENUE BASED ON \$4,722,000 BASE NON-FUEL REVENUE INCREASE EXCLUDING BASE AND FUEL REVENUE DECREASE	BASE NON-FUEL REVENUE	BASE FUEL REVENUE	BASE FUEL CREDIT	TOTAL	BASE	FEES	FUEL	TOTAL	BASE	FEES	FUEL
1	101,495	1,811,298,000	\$1,225,404,658	\$2,943,282	\$43,743,165	\$1,272,150,905	\$1,422,200,348	\$3,840,842	\$28,267,192	\$108,548,898	\$18,765,493	\$4,263,804	\$14,337,873	\$1,531,817	15.22%	-18.82%	-35.24%	0.00%
2	1,257 *	3,335,000	\$144,174	\$4,512	\$84,842	\$149,528	\$149,528	\$4,263	\$18,568	\$18,568	\$18,568	\$18,568	\$18,568	\$18,568	15.22%	-18.82%	-35.24%	-1.18%
3	258	8,742,000	\$427,087	\$9,402	\$198,710	\$536,199	\$427,133	\$9,402	\$198,710	\$536,199	\$427,133	\$9,402	\$198,710	\$536,199	15.22%	-18.82%	-35.24%	-2.05%
4	49	1,944,000	\$102,001	\$1,760	\$173,435	\$175,195	\$175,195	\$1,760	\$173,435	\$175,195	\$175,195	\$175,195	\$175,195	\$175,195	15.22%	-18.82%	-35.24%	-0.38%
5	19 *	11,500	\$3,225	\$15	\$23,811	\$23,831	\$23,831	\$15	\$23,811	\$23,831	\$23,831	\$23,831	\$23,831	\$23,831	15.22%	-18.82%	-35.24%	-0.02%
6	101,823 **	1,822,584,000	\$1,247,071,466	\$2,959,080	\$44,193,569	\$1,294,224,115	\$1,444,268,558	\$3,850,855	\$28,275,591	\$108,559,453	\$18,804,258	\$4,268,804	\$14,342,723	\$1,532,381	15.22%	-18.82%	-35.24%	0.07%
7	226	4,829,718	\$248,220	\$7,220	\$122,112	\$255,332	\$255,332	\$7,220	\$122,112	\$255,332	\$255,332	\$255,332	\$255,332	\$255,332	15.22%	-18.82%	-35.24%	2.65%
8	102,058 *	1,826,582,507	\$1,247,377,433	\$2,966,100	\$44,193,569	\$1,294,537,102	\$1,444,583,889	\$3,850,855	\$28,275,591	\$108,559,453	\$18,804,258	\$4,268,804	\$14,342,723	\$1,532,381	15.22%	-18.82%	-35.24%	0.08%
SMALL BUSINESS SERVICE & PUBLIC AUTHORITY																		
9	15,643	588,378,000	\$37,378,840	\$701,908	\$14,865,546	\$38,841,294	\$38,841,294	\$701,908	\$14,865,546	\$38,841,294	\$38,841,294	\$38,841,294	\$38,841,294	\$38,841,294	15.07%	-17.40%	-35.20%	-4.47%
10	14	4,284,000	\$243,187	\$5,174	\$108,842	\$253,903	\$253,903	\$5,174	\$108,842	\$253,903	\$253,903	\$253,903	\$253,903	\$253,903	15.07%	-17.40%	-35.20%	-5.75%
11	828	121,358,000	\$7,853,292	\$113,413	\$3,077,828	\$8,964,533	\$8,964,533	\$113,413	\$3,077,828	\$8,964,533	\$8,964,533	\$8,964,533	\$8,964,533	\$8,964,533	15.07%	-17.40%	-35.20%	-7.07%
12	75 *	1,503,000	\$83,825	\$1,425	\$46,368	\$86,618	\$86,618	\$1,425	\$46,368	\$86,618	\$86,618	\$86,618	\$86,618	\$86,618	15.22%	-18.82%	-35.24%	-4.20%
13	1,086	11,182,000	\$5,088,687	\$84,783	\$2,058,978	\$7,232,448	\$7,232,448	\$84,783	\$2,058,978	\$7,232,448	\$7,232,448	\$7,232,448	\$7,232,448	\$7,232,448	15.44%	-20.33%	-35.20%	-4.49%
14	250	42,822,000	\$2,312,313	\$47,272	\$1,228,133	\$2,399,718	\$2,399,718	\$47,272	\$1,228,133	\$2,399,718	\$2,399,718	\$2,399,718	\$2,399,718	\$2,399,718	15.07%	-17.40%	-35.20%	-3.23%
15	17,531 **	838,953,000	\$51,712,513	\$753,867	\$24,246,280	\$56,712,660	\$56,712,660	\$753,867	\$24,246,280	\$56,712,660	\$56,712,660	\$56,712,660	\$56,712,660	\$56,712,660	15.09%	-18.40%	-35.20%	-1.67%
16	82	4,920,958	\$257,774	\$5,577	\$128,292	\$263,351	\$263,351	\$5,577	\$128,292	\$263,351	\$263,351	\$263,351	\$263,351	\$263,351	15.08%	-17.40%	-35.20%	-2.41%
17	17,531 **	841,533,547	\$52,125,086	\$758,178	\$24,246,280	\$57,139,544	\$57,139,544	\$758,178	\$24,246,280	\$57,139,544	\$57,139,544	\$57,139,544	\$57,139,544	\$57,139,544	15.07%	-18.40%	-35.20%	-1.67%
18	17,531 **	841,533,547	\$52,125,086	\$758,178	\$24,246,280	\$57,139,544	\$57,139,544	\$758,178	\$24,246,280	\$57,139,544	\$57,139,544	\$57,139,544	\$57,139,544	\$57,139,544	15.07%	-18.40%	-35.20%	-1.67%
19	17,531 **	841,533,547	\$52,125,086	\$758,178	\$24,246,280	\$57,139,544	\$57,139,544	\$758,178	\$24,246,280	\$57,139,544	\$57,139,544	\$57,139,544	\$57,139,544	\$57,139,544	15.07%	-18.40%	-35.20%	-1.67%
LAGOR SERVICE																		
20	3	7,107,000	\$385,974	\$8,373	\$178,833	\$394,350	\$394,350	\$8,373	\$178,833	\$394,350	\$394,350	\$394,350	\$394,350	\$394,350	16.37%	-15.89%	-35.24%	4.47%
21	2	2,694,000	\$140,089	\$2,375	\$67,808	\$142,464	\$142,464	\$2,375	\$67,808	\$142,464	\$142,464	\$142,464	\$142,464	\$142,464	16.22%	-16.11%	-35.24%	-5.57%
22	30	868,517,440	\$23,344,530	\$275,741	\$14,864,867	\$24,469,138	\$24,469,138	\$275,741	\$14,864,867	\$24,469,138	\$24,469,138	\$24,469,138	\$24,469,138	\$24,469,138	10.80%	-30.70%	-35.24%	-8.20%
23	25	103,355,000	\$5,238,327	\$119,928	\$14,244,416	\$15,402,671	\$15,402,671	\$119,928	\$14,244,416	\$15,402,671	\$15,402,671	\$15,402,671	\$15,402,671	\$15,402,671	18.55%	-20.33%	-35.24%	-2.22%
24	58	775,556,440	\$31,869,071	\$404,287	\$18,255,794	\$32,669,152	\$32,669,152	\$404,287	\$18,255,794	\$32,669,152	\$32,669,152	\$32,669,152	\$32,669,152	\$32,669,152	12.81%	-27.23%	-35.24%	-1.75%
25	1	281,615	\$20,861	\$1,477	\$7,220	\$22,558	\$22,558	\$1,477	\$7,220	\$22,558	\$22,558	\$22,558	\$22,558	\$22,558	12.81%	-27.23%	-35.24%	-1.75%
26	1	281,615	\$20,861	\$1,477	\$7,220	\$22,558	\$22,558	\$1,477	\$7,220	\$22,558	\$22,558	\$22,558	\$22,558	\$22,558	12.81%	-27.23%	-35.24%	-1.75%
27	54	774,222,000	\$31,869,071	\$404,287	\$18,255,794	\$32,669,152	\$32,669,152	\$404,287	\$18,255,794	\$32,669,152	\$32,669,152	\$32,669,152	\$32,669,152	\$32,669,152	12.81%	-27.23%	-35.24%	-1.75%
28	54	774,222,000	\$31,869,071	\$404,287	\$18,255,794	\$32,669,152	\$32,669,152	\$404,287	\$18,255,794	\$32,669,152	\$32,669,152	\$32,669,152	\$32,669,152	\$32,669,152	12.81%	-27.23%	-35.24%	-1.75%
29	54	774,222,000	\$31,869,071	\$404,287	\$18,255,794	\$32,669,152	\$32,669,152	\$404,287	\$18,255,794	\$32,669,152	\$32,669,152	\$32,669,152	\$32,669,152	\$32,669,152	12.81%	-27.23%	-35.24%	-1.75%
SCHEMATIC																		
30	3	281,615,521	\$10,276,154	\$204,189	\$8,869,274	\$11,285,617	\$11,285,617	\$204,189	\$8,869,274	\$11,285,617	\$11,285,617	\$11,285,617	\$11,285,617	\$11,285,617	1.37%	-11.71%	-35.00%	-14.89%
31	3	281,615,521	\$10,276,154	\$204,189	\$8,869,274	\$11,285,617	\$11,285,617	\$204,189	\$8,869,274	\$11,285,617	\$11,285,617	\$11,285,617	\$11,285,617	\$11,285,617	1.37%	-11.71%	-35.00%	-14.89%
32	3	281,615,521	\$10,276,154	\$204,189	\$8,869,274	\$11,285,617	\$11,285,617	\$204,189	\$8,869,274	\$11,285,617	\$11,285,617	\$11,285,617	\$11,285,617	\$11,285,617	1.37%	-11.71%	-35.00%	-14.89%
33	3	281,615,521	\$10,276,154	\$204,189	\$8,869,274	\$11,285,617	\$11,285,617	\$204,189	\$8,869,274	\$11,285,617	\$11,285,617	\$11,285,617	\$11,285,617	\$11,285,617	1.37%	-11.71%	-35.00%	-14.89%
SCHEMATIC																		
34	1	891,412,000	\$18,854,457	\$0	\$20,774,453	\$40,628,910	\$40,628,910	\$0	\$20,774,453	\$40,628,910	\$40,628,910	\$40,628,910	\$40,628,910	\$40,628,910	37.25%	0.00%	-35.20%	-4.45%
35	1	891,412,000	\$18,854,457	\$0	\$20,774,453	\$40,628,910	\$40,628,910	\$0	\$20,774,453	\$40,628,910	\$40,628,910	\$40,628,910	\$40,628,910	\$40,628,910	37.25%	0.00%	-35.20%	-4.45%
36	1	891,412,000	\$18,854,457	\$0	\$20,774,453	\$40,628,910	\$40,628,910	\$0	\$20,774,453	\$40,628,910	\$40,628,910	\$40,628,910	\$40,628,910	\$40,628,910	37.25%	0.00%	-35.20%	-4.45%
37	1	891,412,000	\$18,854,457	\$0	\$20,774,453	\$40,628,910	\$40,628,910	\$0	\$20,774,453	\$40,628,910	\$40,628,910	\$40,628,910	\$40,628,910	\$40,628,910	37.25%	0.00%	-35.20%	-4.45%
TRAFFIC CONTROL																		
38	187	538,000	\$53,800	\$0	\$13,874	\$67,674	\$67,674	\$0	\$13,874	\$67,674	\$67,674	\$67,674	\$67,674	\$67,674	2.88%	0.00%	-35.24%	-7.77%
39	187	538,000	\$53,800	\$0	\$13,874	\$67,674	\$67,674	\$0	\$13,874	\$67,674	\$67,674	\$67,674	\$67,674	\$67,674	2.88%	0.00%	-35.24%	-7.77%
40	187	538,000	\$53,800	\$0	\$13,874	\$67,674	\$67,674	\$0	\$13,874	\$67,674	\$67,674	\$67,674	\$67,674	\$67,674	2.88%	0.00%	-35.24%	-7.77%
41	187	538,000	\$53,800	\$0	\$13,874	\$67,674	\$67,674	\$0	\$13,874	\$67,674	\$67,674	\$67,674	\$67,674	\$67,674	2.88%	0.00%	-35.24%	-7.77%
OUTDOOR LIGHTING SERVICES																		
42	12,680 *	18,822,000	\$3,138,748	\$0	\$10,800	\$3,246,748	\$3,246,748	\$0	\$10,800	\$3,246,748	\$3,246,748	\$3,246,748	\$3,246,748	\$3,246,748	8.17%	0.00%	-35.24%	-0.18%
43	221	8,029,000	\$1,353,221	\$0	\$26,551	\$1,379,772	\$1,379,772	\$0	\$26,551	\$1,379,772	\$1,379,772	\$1,379,772	\$1,379,772	\$1,379,772	8.17%	0.00%	-35.24%	-0.23%
44	237 *	24,842,000	\$4,722,000	\$0	\$15,117,248	\$15,117,248	\$15,117,248	\$0	\$15,117,248	\$15,117,248	\$15,117,248	\$15,117,248	\$15,117,248	\$15,117,248	8.14%	0.00%	-35.24%	-0.09%
45	0 *	109,408	\$25,483	\$0	\$3,338	\$28,821	\$28,821	\$0	\$3,338	\$28,821	\$28,821	\$28,821	\$28,821	\$28,821	8.14%	0.00%	-35.24%	2.81%
46	237 **	21,617,520	\$2,702,000	\$0	\$14,745,520	\$14,745,520	\$14,745,520	\$0	\$14,745,520	\$14,745,520	\$14,745,520	\$14,745,520	\$14,745,520	\$14,745,520	14.72%	0.00%	-35.24%	-0.12%
47	120,147 **	4,380,878,818	\$424,381,292	\$4,045,101	\$1,048,730,221	\$1,456,158,584	\$1,778,657,157	\$4,380,899	\$71,011,218	\$34,575,478	\$34,635,895	\$8,408,000	\$38,709,000	\$12,581,100	14.22%	-20.87%	-35.28%	-1.57%
48	120,147 **	4,380,878,818	\$424,381,292	\$4,045,101	\$1,048,730,221	\$1,456,158,584	\$1,778,657,157	\$4,380,899	\$71,011,218	\$34,575,478	\$34,635,895	\$8,408,000	\$38,709,000	\$12,581,100	14.22%	-20.87%	-35.28%	-1.57%
49	120,147 **	4,380,878,818	\$424,381,292	\$4,045,101	\$1,048,730,221	\$1,456,158,584	\$1,778,657,157	\$4,380,899	\$71,011,218	\$34,575,478	\$34,635,895	\$8,408,000	\$38,709,000	\$12,581,100	14.22%	-20.87%	-35.28%	-1.57%
50	120,147 **	4,380,878,818	\$424,381,292	\$4,045,101	\$1,048,730,221	\$1,456,158,584	\$1,778,657,157	\$4,380,899	\$71,011,218	\$34,575,478	\$34,635,895	\$8,408,000	\$38,709,000	\$12,581,100	14.22%	-20.87%	-35.28%	-1.57%
ECONOMIC DEVELOPMENT INDEX																		
51	120,147 **	4,380,878,818	\$424,381,292	\$4,045,101	\$1,048,730,221	\$1,456,158,584	\$1,778,657,157	\$4,380,899	\$71,011,218	\$34,575,478	\$34,635,895	\$8,408,000	\$38,709,000	\$12,581,100	14.22%	-20.87%</		

**Dominion North Carolina Power
Docket No. E-22, Sub 532
Rider EDIT Revenue Requirement
(Thousands of Dollars)**

Line No.	Description		(1) Year 1 Revenue Requirement	(2) Year 2 Revenue Requirement	(3) Total Revenue Requirement (1) + (2)
1	Total NC Retail EDIT Regulatory Liability to be Amortized	[Note 1]	\$ (15,708)	\$ (15,708)	
2	Annuity Factor	[Note 2]	<u>1.8799</u>	<u>1.8799</u>	
3	Levelized Rider EDIT Regulatory Liability	[Line 1 / Line 2]	\$ (8,356)	\$ (8,356)	\$ (16,712)
4	1 - Transactional Income Tax Rate	[Note 3]	<u>61.1911%</u>	<u>61.1911%</u>	<u>61.1911%</u>
5	Net Operating Income Effect	[Line 3 x Line 4]	\$ (5,113)	\$ (5,113)	\$ (10,226)
6	Retention Factor	[Note 4]	<u>60.81123%</u>	<u>60.81123%</u>	<u>60.81123%</u>
7	Levelized Rider EDIT Credit	[Line 5 / Line 6]	<u>\$ (8,408)</u>	<u>\$ (8,408)</u>	<u>\$ (16,816)</u>

References:

[Note 1]: Fernald Exhibit 2, Schedule 1, Column (c), Line 11

[Note 2]: Page 2, Line 7

[Note 3]: 1 - Page 2, Column (c), Line 8

[Note 4]: Fernald Exhibit 1, Schedule 1-2, Line 14

**Dominion North Carolina Power
Docket No. E-22, Sub 532
Rider EDIT Revenue Requirement**

Annuity Factor

Line No.	Description	Amount
1	Refund Period (Years)	2
2	Payments per Period	1
3	After-tax Rate (Column (d), Line 10)	6.496%
4		
5	Present Value of \$1 Over 10 Years with 1 Payment per Year	1.8207
6	1 Plus (Interest Rate Divided by Two)	1.0325
7	Annuity Factor	1.8799

After-tax Weighted Cost of Capital - Stipulation

	Capital Structure	Weight (a)	Cost Rates (b)	Tax Rate (c)	After-tax Rate (d)
8	Long-Term Debt	48.250%	4.650%	38.809%	1.373%
9	Common Equity	51.750%	9.900%		5.123%
10	Total	100.000%			6.496%

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Agreement and Stipulation of Settlement between Dominion North Carolina Power, Public Staff – North Carolina Utilities Commission, and Carolina Industrial Group for Fair Utility Rates I, as filed in Docket Nos. E-22, Sub 532; E-22, Sub 533; and E-22, Sub 519, was served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 3rd day of October, 2016.

s/ E. Brett Breitschwerdt

E. Brett Breitschwerdt
McGuireWoods LLP
434 Fayetteville Street, Suite 2600
PO Box 27507 (27611)
Raleigh, North Carolina 27601
(919) 755-6563 Direct
bbreitschwerdt@mcguirewoods.com

*Attorney for Virginia Electric and Power,
d/b/a Dominion North Carolina Power*

*pg. 1 of 382pgs
previously filed
in the docket.
KTM

--/A

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-22, SUB 562

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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

Pursuant to Sections 62-133, 62-133.2, 62-134, and 62-135 of the North Carolina General Statutes ("N.C. Gen. Stat.") and North Carolina Utilities Commission ("Commission") Rule R1-17, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina ("DENC" or the "Company"), makes this Application for authority to adjust and increase its retail electric rates and charges, to become effective on and after May 1, 2019, unless suspended by the Commission in accordance with N.C. Gen. Stat. § 62-134(b).

In support of this Application, the Company respectfully shows the Commission the following:

1. The Company's headquarters are located at 120 Tredegar Street, Richmond, Virginia 23219. The post office address for the Company is P.O. Box 26666, Richmond, Virginia 23261.

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SEP 26 2019

*pg. 1 of 2338 pgs.
Previously filed in
the docket.
10m

/A

NCUC Form E-1
Item No. 1

and Supplemental
Form E-1

**DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
TWELVE MONTHS ENDED DECEMBER 31, 2018**

(pgs 5, 15, 17, 122,
Conf'l 124, 126,
278, 280, 306 and
308 of 350 pgs)

Item No. 1:

Provide in comparative form, a total company income statement, a statement of changes in financial position, and a balance sheet for the test year and the twelve-month period immediately preceding the test year.

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Dominion Energy North Carolina

Realize Revenue for Usage, Weather, and Customer Growth as of June 30, 2019

Page 2 of 3

Form E-1 Item 42a

LINE NO.	BOOKED 12/31/2018 CUST INCLUDING GROWTH THROUGH 06/30/2019	BOOKED KWH SALES INCLUDING GROWTH THROUGH 06/30/2019	BASIC RATE REVENUE #
RESIDENTIAL			
1 SCHEDULE 1	102,788	1,680,802,999	\$140,168,637
2 SCHEDULE 1DF (DUEL FUEL)	1,131 *	3,061,000	\$146,724
3 SCHEDULE 1P (TIME-OF-USAGE)	330	8,948,999	\$592,177
4 SCHEDULE 1T (TIME-OF-USAGE)	41	1,099,999	\$87,689
5 SCHEDULE 1W (WATER HEATER)	16 *	93,000	\$3,025
6 SUBTOTAL - RESIDENTIAL	103,159 **	1,694,005,997	\$140,998,252
7 INCREASED USAGE, WEATHER & CUST GROWTH	247	(120,104,930)	(\$9,016,171)
8 ENERGY REDUCTION DUE TO EE		(2,613,228)	(\$195,460)
9 SUBTOTAL - RESIDENTIAL	103,406	1,571,287,839	\$131,786,620
SMALL GEN SERVICE & PUBLIC AUTHORITY			
10 SCHEDULE 5	15,216	583,334,001	\$39,241,852
11 SCHEDULE 5C (COTTON GIN)	16	6,674,000	\$398,336
12 SCHEDULE 5P (TIME-OF-USAGE)	756	118,770,000	\$6,153,375
13 SCHEDULE 7	69 *	1,600,000	\$89,863
14 SCHEDULE 30 - (PUBLIC AUTHORITY)	1,091	78,169,999	\$5,041,064
15 SCHEDULE 42 - (ALL ELEC / PUB AUTH)	760	42,961,000	\$2,673,588
16 SUBTOTAL - SGS & PUBLIC AUTHORITY	17,839 **	831,509,000	\$53,598,077
17 INCREASED USAGE, WEATHER & CUST GROWTH	29	(35,309,867)	(\$2,072,484)
18 ENERGY REDUCTION DUE TO EE		(3,094,203)	(\$258,140)
19 SUBTOTAL - SGS & PA	17,868	792,504,930	\$51,267,447
LARGE GEN SERVICE			
20 SCHEDULE 6C	3	5,087,000	\$531,764
21 SCHEDULE 6L	4	247,884,000	\$10,014,810
22 SCHEDULE 6P	28	257,261,000	\$11,563,452
23 SCHEDULE 10	23	148,497,998	\$7,349,660
24 SCHEDULE LGS-RTP WITH CBL	0	0	\$0
25 SCHEDULE LGS-RTP WITH ED	0	0	\$0
6 SUBTOTAL - LARGE GENERAL SERVICE	58	658,729,998	\$29,459,686
7 INCREASED USAGE, WEATHER & CUST GROWTH	-2	31,449,865	\$1,401,572
3 ENERGY REDUCTION DUE TO EE		(1,236,422)	(\$90,524)
23 SUBTOTAL - LGS	56	688,943,531	\$30,770,735
SCHEDULE 6VP			
30 SCHEDULE 6VP	3	273,844,001	\$10,810,289
31 INCREASED USAGE, WEATHER & CUST GROWTH	0	14,209,476	\$560,658
32 SUBTOTAL - 6VP	3	288,053,477	\$11,370,947
SCHEDULE NS			
33 SCHEDULE NS	1	918,042,000	\$25,528,524
34 INCREASED USAGE, WEATHER & CUST GROWTH	0	4,203,529	\$116,890
35 SUBTOTAL - NS	1	922,245,529	\$25,645,414
TRAFFIC CONTROL			
36 SCHEDULE 30T - TRAFFIC CONTROL	193	525,000	\$52,194
38 INCREASED USAGE, WEATHER & CUST GROWTH	-1	(6,826)	(\$869)
39 SUBTOTAL - 30T	192	518,174	\$51,325
OUTDOOR LIGHTING SERVICE			
40 SCHEDULE 25 - OUTDOOR LIGHTING	12,100 *	16,826,000	\$3,224,613
41 SCHEDULE 26 - STREET & ROADWAY	249	7,302,000	\$1,478,498
42 SUBTOTAL - OUTDOOR LIGHTING SERVICE	249 **	24,128,000	\$4,703,111
43 INCREASED USAGE, WEATHER & CUST GROWTH	2	(365,862)	\$2,928
44 ENERGY REDUCTION DUE TO EE		(200,470)	(\$14,781)
45 SUBTOTAL - ODL SERVICE	251	23,561,668	\$4,691,258
46 SUBTOTAL - NUMBERED RATE SCHEDULES	121,777 **	4,287,115,148	\$255,583,747
47 ECONOMIC DEVELOPMENT RIDER			\$0
48 LOAD MANAGEMENT CREDITS			(\$12,007)
49 FACILITIES CHARGES			\$1,121,087
50 TOTAL - SALES OF ELECTRICITY	121,777 **	4,287,115,148	\$256,692,838
51 MISCELLANEOUS SERVICE REVENUE			\$527,014
52 FORFEITED DISCOUNT (LATE PAYMENT)			\$1,186,814
53 TOTAL - MISCELLANEOUS REVENUE			\$1,713,827
54 TOTAL - SALES OF ELECTRICITY	121,777 **	4,287,115,148	\$258,406,665

NOTES:

- * DUPLICATE CUSTOMERS.
- ** EXCLUDES DUPLICATE CUSTOMERS.
- REVENUE BASED ON RATES EFFECTIVE 01/01/2018.

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Sep 26 2019

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Adjustment to Annualize Fuel Revenue and Expense at Current Fuel Revenue Rate
For the Test Year Ended December 31, 2018
(Thousands of Dollars)
Page 1 of 3

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Line No.	Item	Fuel Clause Revenue in Retail Sales of Electricity (a)	Fuel Cost Recovered in Intersystem Sales - Other Revenues (b)	Fuel Clause Expense (c)
1	Amounts included in per books cost of service	\$ 85,958 1/	\$ 361 2/	\$ 85,410 3/
2				
3	Annualized and normalized kWh sales	4,287,115,148 4/		
4	Currently approved base fuel factor and Rider A per kWh	\$ 0.02142 5/		
5	Pro forma amount under present rates	\$ 91,830 6/	\$ - 7/	\$ 91,711 8/
6				
7	Adjustment to annualize fuel clause revenue			
8	fuel clause expense at present rates (L5 - L1)	\$ 5,872	\$ (361)	\$ 6,300
9	Adjustment No.	NC-3	NC-7	NC-8
10				
11	Adjustment to regulatory fee			\$ 8 9/
12	Adjustment No.			NC-31

- 1/ Exhibit PMM-1, Schedule 1, Col. 3, Line 2
- 2/ See page 3 for support
- 3/ Exhibit PMM-1, Schedule 1, Col. 3, Line 8
- 4/ Form E-1 Item 42a
- 5/ Currently approved base fuel factor and Rider A
- 6/ Line 4 times Line 5 divided by 1,000
- 7/ Fuel cost recovered in off-system sales is treated in fuel clause proceedings as an offset to fuel expense
- 8/ To remove the earnings impact of the annualization of fuel revenue under present rates, fuel expense is set equal to fuel revenue, net of regulatory fee (Line 6, Column (a) times (1 - 0.00130)).
- 9/ Line 8, Column (a) times current NC regulatory fee rate of 0.130%.

		DOMINION ENERGY NORTH CAROLINA					SCHEDULE 25
		SUMMER WINTER PEAK & AVERAGE STUDY - EOP - PERIOD ENDED DECEMBER 31, 2018					
		DOCKET NO. E-22, SUB 562					
		SCHEDULE 25 - FUEL REPORT					
		System	Va Juris	Va Non-Juris	FERC	N C Juris	Ringfenced Projects
Line #							Allocation Basis
43	AS:[ACCT. 447 - NON NORTH ANNA ENERGY]	7,089,543	5,693,408	966,539	128,569	361,028	0
44	AT:[ACCT. 447 - ODEC RESERVE ENERGY]	0	0	0	0	0	0
							FACTOR3
							OUTPUT Template-Fuel - T

Dominion Energy North Carolina
DES Office Building Adjustment
Page 2 of 6

Purpose:

During the third quarter of 2019, DENC and DES employees began occupying a new office building in Richmond, VA and incurring O&M expense, including lease payments, at that time. This adjustment includes the new annualized level of operating expenses associated with the new building and removes expenses associated with the company's use of One James River Plaza, which was vacated during the third quarter of 2019.

Methodology:

Expenses associated with the new office building were calculated based on actual operating expenses during August 2019. DENC is allocated costs of the new building in two parts - 1) a direct allocation of ratable share of operating costs incurred by DES based on DENC employee occupation of the building (headcount), and 2) its billable share of costs that remain with DES based on DES's existing methodologies for allocating its office and equipment charges to affiliates.

Test Year occupancy costs incurred by DEV associated with OJRP were removed.

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DOMINION ENERGY NORTH CAROLINA							SCHEDULE 15
SUMMER WINTER PEAK & AVERAGE STUDY - EOP - PERIOD ENDED DECEMBER 31, 2018							
DOCKET NO. E-22, SUB 562							
SCHEDULE 15 - ALLOCATORS							
Line #	System	Va Juris	Va Non-Juris	FERC	N C Juris	Allocation Basis	
361	UH:[TOTAL_GENERAL_PLANT_INC_N_A]	100.0000%	81.1889%	10.8662%	1.7836%	6.1613%	

Dominion Energy North Carolina
Interest Synchronization Adjustment
Page 2 of 3

Interest Expense Per Books - NC Retail

		<u>System</u>	<u>Factor</u>	<u>NC Juris</u>
Interest on LT Debt	9427000	497,444,091	5.08679%	25,303,927
Amort. Of Debt Disc. Exp	9428000	6,776,344	5.08679%	344,698
Amort. Of Loss on Reacq. Debt	9428100	570,082	5.08679%	28,999
(Less) Amort. Of Premium	9429000	(907,688)	5.08679%	(46,172)
(Less) Amort of Gain of Reacq. Debt	9429100	(79,803)	5.08679%	(4,059)
Interest on Debt to Assoc. Comp	9430000	5,318,266	5.08679%	270,529
(Less) AFUDC	9432000	(21,808,670)	5.08679%	(1,109,361)
		487,312,621		24,788,561
Interest Expense - Deposits	6499040	1,894,139	3.80528%	72,077
Interest Expense - Capital Leases	6401500	130,566	5.08679%	6,642
Interest Expense - Commercial Paper	6499010	19,181,660	5.08679%	975,730
Interest Expense - Tax Deficiencies	6499090	266	5.08679%	14
Interest Expense - Miscellaneous	6499900	504,887	5.08679%	25,683
NC EDIT Refund - Interest	6499900	564,318		564,318
Interest Expense - DRS Billings	FERC Topsides	1,361,514	5.08679%	69,257
Interest Expense	FERC Topsides	10,066,001	5.08679%	512,036
Adjusted Other Interest Expense		31,809,214		2,153,680
Total Interest Expense Per Books		521,015,974		27,014,318

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Twelve Months Ended December 31, 2018
Income Tax Effect of Adjustments
(Thousands of Dollars)
Page 1 of 1

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Line No.	Description	Amount	Adjustment No.
1	<u>Operating Revenues</u>		
2	Adjustments NC-1 : NC-7	(6,279)	
3			
4	<u>Operating Revenue Deductions</u>		
5	Adjustments NC-8 : 2SUPP-1 Fuel Expenses	4,148	
6	Adjustments NC-9 : NC-34 Other Operation & Maintenance Expenses	(13,652)	
	Adjustments SUPP-1 : SUPP-7		
7	Adjustments NC-35 : NC-42 Depreciation & Amortization	4,521	
	and Adjustments SUPP-8 : SUPP-9		
8	Adjustments NC-54 : NC-55 Taxes Other than Income Taxes	(263)	
9	Adjustments NC-56 Gain/Loss on Disposition of Property	(13)	
10	Total Operating Revenue Deductions	<u>(5,259)</u>	
11			
12	Total Adjustments to Operating Income Before State Income Taxes	(1,019)	
13			
14	Composite State Income Tax Rate [Note 1]	<u>5.852%</u>	
15			
16	State Income Tax Effect of Adjustments	<u>\$ (60)</u>	NC-51
17			
18			
19	Total Adjustments to Operating Income Before State Income Taxes (Line 12)	(1,019)	
20			
21	Less: State Income Tax Effect of Adjustments (Line 16)	<u>\$ (60)</u>	
22			
23	Total Adjustments to Operating Income Before Federal Income Taxes	(959)	
24			
25	Federal Income Tax Rate [Note 1]	<u>21%</u>	
26			
27	Federal Income Tax Effect of Adjustments	<u>(201)</u>	NC-44

Purpose: The purpose of this adjustment is to incorporate the federal and state income tax effects of the ratemaking adjustments to operating income.

Methodology: The total adjustments to operating income is determined based on adjustments to operating revenues and operating expenses (O&M, depreciation and amortization, and taxes other than income taxes). The subtotals are from Filing Schedule 3. Then, this figure is used to calculate the federal and state income tax effects of the adjustments to operating income.

[Note 1]: See Form E-1 Item 10 Appendix

Dominion Energy North Carolina
Docket No. E-22, Sub 562
Twelve Months Ended December 31, 2018
Cash Working Capital Provision
(Thousands of Dollars)
Page 1 of 4

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Line

No. Description

To adjust Cash Working Capital for Operations based on an adjusted cost of service using the latest approved Lead/Lag Methodology. This Lead/Lag Study has been updated based on 2018 information for purposes of the adjustment.

1	Cash Working Capital		\$	13,346	
2	Customer Utility Taxes			<u>1,530</u>	
3	Total Cash Working Capital (line 1 + line 2)	[Note 1]	\$	14,875	
4	Cash Working Capital, per COS Sch 14, line 19	[Note 2]	\$	<u>13,430</u>	
5	Total Adjustment (Line 3 - Line 4)		\$	<u>1,446</u>	NC-60

[Note 1] Exhibit PMM-1, Schedule 4, Col. 6, Line 48 as presented by Company Witness McLeod

[Note 2] See page 3

DOMINION ENERGY NORTH CAROLINA
DOCKET NO. E-22, SUB 562
LEAD/LAG CASH WORKING CAPITAL CALCULATION - ADJUSTED
TWELVE MONTHS ENDED DECEMBER 31, 2018
 (Thousands of Dollars)

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Line No.	Item	(Col. 1) NC Retail Per Books Amounts	(Col. 2) Accounting Adjustments	(Col. 3) Amounts After Adjustments	(Col. 4) Average Daily Amounts	(Col. 5) (Lead) / Lag Days	(Col. 6) Working Capital (Provided)/ Required
1	Operating Revenue						
2	Rate Revenues	\$ 353,978	\$ (5,455)	\$ 348,523	\$ 955	43.36	\$ 41,403
3	Sales for Resale	1,126	-	1,126	3	38.91	120
4	Other Operating Revenue	5,941	(823)	5,118	14	25.19	353
5	Total Operating Revenue	<u>\$ 361,045</u>	<u>\$ (6,279)</u>	<u>\$ 354,767</u>			<u>\$ 41,876</u>
6	Operation & Maintenance Expense						
7	Account 501 - Fuel	\$ 24,682	\$ (4,094)	\$ 20,588	56	(33.27)	\$ (1,877)
8	Account 518 - Nuclear Fuel	8,487	(1,408)	7,079	19	(3.21)	(62)
9	Account 547 - Other Fuel	55,934	(9,277)	46,658	128	(33.27)	(4,253)
10	Account 555 - Purchased Power	49,912	(26,663)	23,249	64	(28.21)	(1,797)
11	Account 557 - Deferred Fuel	(27,204)	27,204	-	-	-	-
12	Payroll Expense	34,032	(2,339)	31,693	87	(26.90)	(2,336)
13	Benefits and Pension Expense	8,485	(293)	8,191	22	(31.81)	(714)
14	OPEB Expense	(1,721)	-	(1,721)	(5)	(20.64)	97
15	Uncollectible Expense	1,109	272	1,380	4	(254.79)	(963)
16	Stores Expense	9,243	-	9,243	25	(43.92)	(1,112)
17	Accrued Vacation Expense	81	-	81	0	-	-
18	Worker's Compensation Expense	73	-	73	0	-	-
19	Prepaid Insurance Amortization Expense	412	-	412	1	-	-
20	Director's Deferred Compensation Expense	0	-	0	0	-	-
21	Miscellaneous Prepaid Expense	503	-	503	1	-	-
22	Other O&M Expense	34,997	7,093	42,090	115	(43.65)	(5,034)
23	Total Operation & Maintenance Expense	<u>\$ 199,024</u>	<u>\$ (9,504)</u>	<u>\$ 189,519</u>			<u>\$ (18,050)</u>
24	Depreciation & Amortization Expense	\$ 60,066	\$ 4,521	\$ 64,586	177	-	\$ -
25	Income Tax Expense						
26	Current Federal & State Income Taxes	\$ (2,846)	\$ 1,442	\$ (1,404)	(4)	87.90	\$ (338)
27	Deferred Federal & State Income Taxes	13,456	138	13,594	37	-	-
28	Deferred ITC	(74)	-	(74)	(0)	-	-
29	Total Income Tax Expense	<u>\$ 10,536</u>	<u>\$ 1,580</u>	<u>\$ 12,116</u>			<u>\$ (338)</u>
30	Taxes Other Than Income Taxes						
31	North Carolina Franchise Tax	\$ 486	\$ -	\$ 486	1	(523.00)	\$ (696)
32	Property Tax Expense	10,642	(84)	10,558	29	(111.96)	(3,238)
33	West Virginia B&O Tax Expense	1,045	-	1,045	3	(39.54)	(113)
34	Payroll Taxes	2,307	(179)	2,129	6	(27.26)	(159)
35	Other Taxes	102	-	102	0	(31.06)	(9)
36	Total Taxes Other than Income	<u>\$ 14,582</u>	<u>\$ (263)</u>	<u>\$ 14,319</u>			<u>\$ (4,215)</u>
37	Gain/Loss on Disposition of Property	\$ 238	\$ (13)	\$ 225	1	-	\$ -
38	Total Operating Revenue Deductions	<u>\$ 284,445</u>	<u>\$ (3,679)</u>	<u>\$ 280,766</u>			<u>\$ (22,603)</u>
39	AFUDC	\$ 235	\$ (235)	-	-	-	\$ -
40	Charitable Donations	330	(330)	-	-	-	-
41	Interest on Customer Deposits	72	-	72	0	(182.50)	(36)
42	Interest of Tax Deficiencies	76	-	76	0	-	-
43	Interest Expense on Debt	24,539	(893)	23,646	65	(90.93)	(5,891)
44	Income Available for Common Equity	<u>51,818</u>	<u>(1,612)</u>	<u>50,206</u>	138	-	-
45	Total Requirement	<u>\$ 361,045</u>	<u>\$ (6,279)</u>	<u>\$ 354,767</u>			<u>\$ (28,530)</u>
46	Cash Working Capital from Operations (Line 5 + Line 45)						\$ 13,346
47	Plus: Customer Utility Taxes						1,530
48	TOTAL CASH WORKING CAPITAL						<u>\$ 14,875</u>

--A

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

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

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

AGREEMENT AND
STIPULATION OF PARTIAL
SETTLEMENT

Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina
("DENC" or the "Company") and the Public Staff – North Carolina Utilities Commission
("Public Staff"), collectively referred to as the Stipulating Parties, through counsel and
pursuant to N.C. Gen. Stat. § 62-69, respectfully submit the following Agreement and
Stipulation of Partial Settlement ("Stipulation") for consideration by the North Carolina
Utilities Commission ("Commission") in the above-captioned dockets.

I. BACKGROUND

A. On February 27, 2019, DENC filed a Notice of Intent to File a General Rate
Application.

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- B. On March 1, 2019, Carolina Industrial Group for Fair Utility Rates I (“CIGFUR”) filed a Petition to Intervene. The Petition was granted by the Commission on March 7, 2019.
- C. On March 25, 2019, Nucor-Steel-Hertford (“Nucor”) filed a Petition to Intervene. The Petition was granted by the Commission on March 29, 2019.
- D. On March 29, 2019, DENC filed an application (Application) in Docket No. E-22, Sub 562, for a general rate increase, pursuant to N.C. Gen. Stat. §§ 62-133 and 62-134 and Commission Rule R1-17, along with direct testimony and exhibits requesting a non-fuel base rate increase of approximately \$27 million. The filing was based upon a rate of return on equity (“ROE”) of 10.75%, an embedded long-term debt cost of 4.451%, and the Company’s actual North Carolina ratemaking capital structure as of the end of the 2018 test period, consisting of 53.006% common equity and 46.99% long-term debt.
- E. On April 29, 2019, the Commission issued its Order Establishing General Rate Case and Suspending Rates.
- F. On May 2, 2019, the Commission issued its order Consolidating Dockets, which consolidated this general rate case with DENC’s pending petition for deferral accounting authority to defer post-in-service costs associated with commercial operations of the Greenville Power Station in Docket No. E-22, Sub 566.
- G. On May 30, 2019, the Commission issued an Order Scheduling Investigation and Hearings, Establishing Intervention and Testimony Due Dates and Discovery Deadlines and Requiring Public Notice.

- H. On August 5, 2019, the Company filed supplemental direct testimony and exhibits, supplemental Form E-1 items and supplemental Commission Rule R1-17 information.
- I. On August 14, 2019, the Company filed additional supplemental direct testimony and exhibits.
- J. On August 23, 2019, intervenors, including the Public Staff, Nucor, and CIGFUR, filed testimony and exhibits.
- K. On September 12, 2019, the Company filed second supplemental direct testimony and exhibits, supplemental Form E-1 items and supplemental Commission Rule R1-17 information.
- L. Also on September 12, 2019, DENC filed rebuttal testimony and exhibits.
- M. The parties to this proceeding have conducted substantial discovery on the issues raised in the Company's Application as well as on the direct, supplemental, and rebuttal testimony of the Company and the testimony of the intervenors.
- N. Prior to the evidentiary hearing scheduled to begin on September 22, 2019, the Stipulating Parties reached a partial settlement with respect to some of the revenue requirement and rate design issues presented by the Company's Application, including those arising from the supplemental and rebuttal testimonies and exhibits. The Stipulating Parties agree and stipulate as follows:

II. UNRESOLVED ISSUES

- A. The Stipulating Parties have not reached a compromise on the following issues ("Unresolved Issues"):

- i. Coal Combustion Residual (CCR) costs – Cost recovery of the Company's CCR costs, the recovery amortization period and return during the amortization period.
- ii. Any other revenue requirement or non-revenue requirement issue other than those issues specifically addressed in this Stipulation

III. RATE OF RETURN AND RATE INCREASE RECOMMENDATIONS

- A. The Stipulating Parties agree that the revenues approved in this proceeding should provide the Company, through sound management, the opportunity to earn an ROE of 9.75%. This ROE will be applied to the common equity component of the stipulated ratemaking capital structure consisting of 52% equity and 48% long-term debt. The embedded cost of debt agreed to by the Stipulating Parties as appropriate and reasonable for purposes of this proceeding is 4.442 %. The weighted overall rate of return resulting from the above inputs is 7.20%.
- B. Through discussions regarding certain corrections and adjustments, and further confidential negotiations, the Stipulating Parties have agreed that the revenue requirement increase of \$24,879,000 proposed by the Company in its August 15, 2019, supplemental filing should be reduced by at least \$13,517,000.¹ The specific adjustments to the revenue requirement that result in this agreed-to decrease are set forth on Settlement Exhibit I.

¹ As of the date of the filing of this Stipulation, the Stipulating Parties have not had sufficient time to reformat Settlement Exhibit I to take into account the additional supplemental and rebuttal filings made by the Company; however, any such reformatting will have no effect on the final impact of the resolved issues on the revenue requirement.

C. As a result of the Unresolved Issues, the Public Staff believes that the \$24,879,000 proposed revenue requirement increase should be further reduced by \$7,170,000 for a final approved non-fuel base revenue requirement increase of \$4,192,000, as set forth on Settlement Exhibit I and explained in the testimony and exhibits of Public Staff witnesses Maness and Lucas. As explained in the rebuttal testimony of Company witness McLeod, the Company believes that it would be reasonable not to reduce the revenue requirement increase further, but would not object to a further reduction of \$2.8 million, if the Commission determines that period to be in the best interests of DENC's customers. As set forth on Settlement Exhibit I, this possible reduction would result in a final revenue requirement increase of \$8,583,000.

IV. ADJUSTMENTS TO COST OF SERVICE

For settlement purposes only, the Stipulating Parties have agreed to certain cost of service adjustments addressed in the testimony of Public Staff witness Sonja R. Johnson and the rebuttal testimony of Company witness Paul M. McLeod and as further negotiated by the Stipulating Parties. The agreement of the Stipulating Parties on resolution of these issues is reflected in Settlement Exhibit I. No Stipulating Party waives any right to assert any position in any future proceeding or docket before the Commission or in any court regarding these adjustments, as the adjustments on Settlement Exhibit I are strictly for purposes of compromise and are intended to show a rational basis for reaching the revenue requirement without either party conceding any specific adjustment. The Stipulating Parties agree that settlement on these

issues will not be used as a rationale for future arguments on contested issues brought before the Commission. The areas of agreement are as follows:

- A. The Stipulating Parties agree to remove 50% of the Mount Storm impairment costs and amortize those costs over 2.75 years.
- B. The Stipulating Parties agree to reduce the revenue requirement in the amount of \$177,000 to reflect a downward adjustment for the outside services costs requested in the case.
- C. The Stipulating Parties agree to reduce the revenue requirement in the amount of \$153,000 to reflect a downward adjustment for the Skiffes Creek mitigation costs requested in this case.
- D. The Company accepts the Public Staff's proposed adjustment to the NUG contract termination expense.
- E. The Stipulating Parties agree to reduce the revenue requirement in the amount of \$287,000 to reflect the removal of federal unprotected EDIT from rate base, which will be recovered by the Company through a rider as discussed in Section VIII below.
- F. The Company accepts the Public Staff's proposed adjustment to uncollectibles costs.
- G. The Company accepts the Public Staff's proposed adjustment to executive compensation costs.
- H. The Stipulating Parties agree to reduce the revenue requirement in the amount of \$42,000 to reflect a downward adjustment for the lobbying costs requested in this case.

- I. The Stipulating Parties agree to reduce the revenue requirement in the amount of \$81,000 to reflect a downward adjustment for the storm costs requested in this case.
- J. The Stipulating Parties agree to reduce the revenue requirement in the amount of \$304,000 to reflect a downward adjustment for the costs related to the employee severance program requested in this case and a normalization of those costs over 4.5 years. The Public Staff agrees to withdraw its proposed adjustment for the VRP backfill costs.
- K. The Stipulating Parties agree to reduce the revenue requirement in the amount of \$12,000 to reflect a downward adjustment for the advertising costs requested in the case.
- L. The Stipulating Parties agree to remove 50% of the costs associated with the Company's executive incentive plan.
- M. The Stipulating Parties agree to reduce the revenue requirement in the amount of \$720,000 to reflect the updated, actual costs of the Company's new office building located in Richmond, Virginia.
- N. The Company accepts the Public Staff's proposed change in the retention factor.
- O. The Stipulating Parties agree to reduce the revenue requirement in the amount of \$90,000 to reflect updated and corrected customer growth, usage, and weather normalization numbers.
- P. The Stipulating Parties agree to reduce the revenue requirement in the amount of \$142,000, for the variable non-fuel O&M expenses for displacement, to

reflect updated and corrected purchased energy and electric test year output numbers.

- Q. The Stipulating Parties agree to reduce the revenue requirement in the amount of \$7,000 to reflect updated data related to inflation.
- R. The Stipulating Parties agree to increase the revenue requirement in the amount of \$49,000 to reflect the Company's updated kilowatt hour (kWh) sales.
- S. The Public Staff accepts the proposed Company's depreciation rates as filed in its Application.

V. BASE FUEL AND FUEL-RELATED COST ISSUES

- A. The Stipulating Parties agree that a decrease in the Company's base fuel revenue requirement as set forth in Settlement Exhibit I, incorporating the base fuel rate and Rider A as set forth in the Additional Supplemental Testimony of Company witness Paul B. Haynes and recommended by Public Staff witness Jack L. Floyd, is appropriate to be included in the Company's base rates, subject to any adjustment based on the outcome of the Company's ongoing fuel proceeding in Docket No. E-22, Sub 579.
- B. The Stipulating Parties agree that decrement Rider A1, equal to (\$0.00375) per kWh on a jurisdictional basis, proposed by Company witness Paul B. Haynes in Table 5 of his Additional Supplemental Testimony, filed on August 14, 2019, is appropriate to become effective November 1, 2019 to coincide with the effective date of interim rates in this proceeding. The Company has

stated in the 2019 Fuel Case that it is anticipating over-recovering fuel expenses in the second half of 2019.

VI. COST ALLOCATION, RATE DESIGN, AND TERMS AND CONDITIONS

- A. For purposes of settlement only, the Stipulating Parties agree that the Company's Summer-Winter Peak and Average ("SWPA") methodology calculated using the system load factor to weight the average component and (1 – system load factor) to weight the peak demand component is appropriate for use in allocating the Company's per books cost of service to the North Carolina jurisdiction and between the customer classes in this case. This shall not be a precedent for and may be contested in future general rate case proceedings. The Stipulating Parties further agree to two adjustments made in the course of calculating the SWPA: i) the Company's proposed adjustment to its recorded summer and winter peaks to recognize the peak demand contributions of non-utility generators interconnected to the Company's distribution system is appropriate and reasonable, and ii) the Company's proposed adjustment to remove the demand and energy requirements of three customers, one wholesale customer, NCEMC, and two large industrial customers in the Company's Virginia jurisdiction for whom the obligation to provide generation service has ended or will end during 2019.
- B. The Stipulating Parties agree on the following with regard to assignment of the revenue requirement and the accompanying rate schedules to be filed by the Company in compliance with the Commission's final order:

- i. To the extent possible, the Company shall assign the approved revenue requirement consistent with the principles regarding revenue apportionment described in the testimony of Public Staff witness Floyd.
- ii. The Parties agree that the Company shall implement the rate design proposed by Company witness Haynes in his direct testimony, filed contemporaneously with the Company's Application in this docket, as adjusted by this Stipulation.
- iii. In meeting the provisions of (1) and (2) in apportioning the approved revenue requirement to the customer classes, awareness and consideration shall be given to the rate of return indexes for the LGS and 6VP classes being above 1.20 and an appropriate rate of return index for the Schedule NS class.

The parties agree that all classes should share in the total base rate revenue increase.

VII. CHESTERFIELD POWER STATION UNITS 3 AND 4

- A. The Stipulating Parties' dispute regarding the inclusion of certain wet-to-dry conversion costs at the Chesterfield Power Station ("Chesterfield") has been resolved for purposes of this proceeding by including these costs in the stipulated revenue requirement, pending resolution of a similar dispute in Virginia.² See Virginia State Corporation Commission's Final Order in Case

² *Virginia Electric & Power Company, For approval of a rate adjustment clause, designated Rider E, for the recovery of costs incurred to comply with state and federal environmental regulations pursuant to § 56-585.1 A 5 e of the Code of Virginia*, Case No. PUR-2018-00195, Final Order (Aug. 5, 2019); Order Granting Reconsideration (Aug. 26, 2019).

No. PUR-2018-00195. If the final resolution in Virginia results in such costs being removed from the Virginia Rider E revenue requirement, the Company will establish a regulatory liability for estimated amounts recovered from North Carolina customers associated with [Chesterfield wet-to-dry conversion costs] beginning November 1, 2019, and ending on the effective date of rates established in the Company's next general rate case. The amortization of the regulatory liability balance will be incorporated into the revenue requirement developed in the Company's next general rate case.

**VIII. RIDER EDIT TO RECOVER FEDERAL EXCESS DEFERRED
INCOME TAXES ("EDIT")**

- A. The Stipulating Parties agree that the Company shall implement Rider EDIT to allow for recovery of federal EDIT of \$1.3 million on a levelized basis over a two-year period, with a return. The \$1.3 million is comprised of 1) the amortization of all unprotected federal EDIT totaling approximately \$8.0 million partially offset by 2) the refund of approximately \$6.8 million associated with federal EDIT amortization attributable to the 22-month period January 1, 2018 through October 31, 2019. The appropriate revenue level of EDIT to be recovered by the Company is presented on Settlement Exhibit [II]. The Stipulating Parties agree that the Company shall implement Rider EDIT as described in the stipulation testimony of Company witnesses McLeod.

IX. QUALITY OF ELECTRIC SERVICE

The Parties agree that the overall quality of electric service provided by DENC is good.

X. AGREEMENT IN SUPPORT OF SETTLEMENT; NON-WAIVER

- A. The Stipulating Parties shall act in good faith and use their best efforts to recommend to the Commission that this Stipulation be accepted and approved. The Stipulating Parties further agree that this Stipulation is in the public interest because it reasonably balances customer interests in mitigating rate impacts with investor interests in providing for reasonable recovery of investments, thereby providing the necessary level of revenue requirement to allow the Company to maintain its financial strength and credit quality and continue to provide high quality electric utility service to its customers. The Stipulating Parties intend to support the reasonableness of this Stipulation in any hearing before the Commission and any proposed order or brief in this docket.
- B. Neither this Stipulation nor any of its terms or conditions shall be admissible in any court or before the Commission except insofar as the Commission is addressing litigation arising out of the implementation of the terms herein or the approval of this Stipulation. This Stipulation shall not be cited as precedent by any of the Stipulating Parties with regard to any issue in any other proceeding or docket before this Commission or in any court. This Stipulation is not intended nor shall it be construed in any way as an admission or accusation of imprudence by the Stipulating Parties.

- C. The provisions of this Stipulation do not reflect any position asserted by any of the Stipulating Parties, but reflect instead the compromise and settlement among the Stipulating Parties as to all of the issues covered hereby. No Stipulating Party waives any right to assert any position in any future proceeding or docket before this or any other Commission and in any court.
- D. The Stipulation is the product of negotiation between the Stipulating Parties, and no provision of this Stipulation shall be strictly construed in favor or against any Party.

XI. RECEIPT OF TESTIMONY AND WAIVER OF CROSS-EXAMINATION

The Stipulating Parties agree that all pre-filed testimony and exhibits may be received in evidence without objection. Each Stipulating Party waives all right to cross-examine any witness with respect to such pre-filed testimony and exhibits. If, however, questions are asked by any Commissioner, or if questions are asked or positions are taken by any person who is not a Stipulating Party, then any Stipulating Party may respond to such questions by presenting testimony or exhibits and cross-examining any witness with respect to such testimony and exhibits, provided such testimony, exhibits, and cross-examination are not inconsistent with this Stipulation.

XII. STIPULATION BINDING ONLY IF ACCEPTED IN ITS ENTIRETY

This Stipulation is the product of negotiation and compromise of a complex set of issues, and no portion of this Stipulation is or will be binding on any of the Stipulating Parties unless the entire Agreement and Stipulation is accepted

by the Commission. If the Commission rejects any part of this Stipulation or approves this Stipulation subject to any change or condition or if the Commissions approval of this Stipulation is rejected or conditioned by a reviewing court, the Parties agree to meet and discuss the applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Stipulation consistent with the order. No Party shall withdraw from the Stipulation prior to complying with the foregoing sentence. If any Party withdraws from the Stipulation, each Party retains the right to seek additional procedures before the Commission, including cross-examination of witnesses, with respect to issues addressed by the Stipulation and shall not be bound or prejudiced by the terms and conditions of the Stipulation.

XIII. COUNTERPARTS

This Stipulation may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution by facsimile signature shall be deemed to be, and shall have the same effect as, execution by original signature.

The foregoing is agreed and stipulated to this the ___th day of September, 2019.

Dominion Energy North Carolina

By: /s Mary Lynne Grigg

Public Staff – North Carolina Utilities
Commission

By: /s Heather Fennell

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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

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

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

AGREEMENT AND
STIPULATION OF PARTIAL
SETTLEMENT

Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina
("DENC" or the "Company") and the Carolina Industrial Group for Fair Utility Rates – I
("CIGFUR"), collectively referred to as the Stipulating Parties, through counsel and
pursuant to N.C. Gen. Stat. § 62-69, respectfully submit the following Agreement and
Stipulation of Partial Settlement ("Stipulation") for consideration by the North Carolina
Utilities Commission ("Commission") in the above-captioned dockets.

I. BACKGROUND

- A. On February 27, 2019, DENC filed a Notice of Intent to File a General Rate Application.
- B. On March 1, 2019, Carolina Industrial Group for Fair Utility Rates I ("CIGFUR") filed a Petition to Intervene. The Petition was granted by the Commission on March 7, 2019.

- C. On March 25, 2019, Nucor-Steel-Hertford (“Nucor”) filed a Petition to Intervene. The Petition was granted by the Commission on March 29, 2019.
- D. On March 29, 2019, DENC filed an application (Application) in Docket No. E-22, Sub 562, for a general rate increase, pursuant to N.C. Gen. Stat. §§ 62-133 and 62-134 and Commission Rule R1-17, along with direct testimony and exhibits requesting a non-fuel base rate increase of approximately \$27 million. The filing was based upon a rate of return on equity (“ROE”) of 10.75%, an embedded long-term debt cost of 4.451%, and the Company’s actual North Carolina ratemaking capital structure as of the end of the 2018 test period, consisting of 53.006% common equity and 46.99% long-term debt.
- E. On April 29, 2019, the Commission issued its Order Establishing General Rate Case and Suspending Rates.
- F. On May 2, 2019, the Commission issued its order Consolidating Dockets, which consolidated this general rate case with DENC’s pending petition for deferral accounting authority to defer post-in-service costs associated with commercial operations of the Greenville Power Station in Docket No. E-22, Sub 566.
- G. On May 30, 2019, the Commission issued an Order Scheduling Investigation and Hearings, Establishing Intervention and Testimony Due Dates and Discovery Deadlines and Requiring Public Notice.
- H. On August 5, 2019, the Company filed supplemental direct testimony and exhibits, supplemental Form E-1 items and supplemental Commission Rule R1-17 information.

- I. On August 14, 2019, the Company filed additional supplemental direct testimony and exhibits.
- J. On August 23, 2019, intervenors, including the Public Staff, Nucor, and CIGFUR, filed testimony and exhibits.
- K. On September 12, 2019, the Company filed second supplemental direct testimony and exhibits, supplemental Form E-1 items and supplemental Commission Rule R1-17 information.
- L. Also on September 12, 2019, DENC filed rebuttal testimony and exhibits.
- M. On September 17, 2019, DENC filed an Agreement and Stipulation of Settlement with the Public Staff.
- N. The parties to this proceeding have conducted substantial discovery on the issues raised in the Company's Application as well as on the direct, supplemental, and rebuttal testimony of the Company and the testimony of the intervenors.
- O. Prior to the evidentiary hearing scheduled to begin on September 23, 2019, the Stipulating Parties reached a settlement with respect to all of the issues presented by the Company's Application, including those arising from the supplemental and rebuttal testimonies and exhibits. The Stipulating Parties agree and stipulate as follows:

II. RATE OF RETURN

- A. The Stipulating Parties agree that the revenues approved in this proceeding should provide the Company, through sound management, the opportunity to earn an ROE of 9.75%. This ROE will be applied to the common equity

component of the stipulated ratemaking capital structure consisting of 52% equity and 48% long-term debt. The embedded cost of debt agreed to by the Stipulating Parties as appropriate and reasonable for purposes of this proceeding is 4.442 %. The weighted overall rate of return resulting from the above inputs is 7.20%.

III. COST ALLOCATION, RATE DESIGN, AND TERMS AND CONDITIONS

- A. For purposes of settlement only, the Stipulating Parties agree that the Company's Summer-Winter Peak and Average ("SWPA") methodology calculated using the system load factor to weight the average component and (1 – system load factor) to weight the peak demand component is appropriate for use in allocating the Company's per books cost of service to the North Carolina jurisdiction and between the customer classes in this case. This shall not be a precedent for and may be contested in future general rate case proceedings. The Stipulating Parties further agree to two adjustments made in the course of calculating the SWPA: i) the Company's proposed adjustment to its recorded summer and winter peaks to recognize the peak demand contributions of non-utility generators interconnected to the Company's distribution system is appropriate and reasonable, and ii) the Company's proposed adjustment to remove the demand and energy requirements of three customers, one wholesale customer, NCEMC, and two large industrial customers in the Company's

Virginia jurisdiction for whom the obligation to provide generation service has ended or will end during 2019.

- B. The Stipulating Parties have not reached a compromise on the total base revenue increases the Company proposes to assign to the LGS and 6VP customer classes or the Company's proposed rates of return for the customer classes.
- C. The Stipulating Parties agree that in its next general rate case, in addition to filing a class cost of service study based on the SWPA method weighted using the system load factor, the Company shall also file the results of a class cost of service study with production and transmission costs allocated on the basis of the Summer/Winter Coincident Peak method and consider such results for the sole purpose of apportionment of the change in revenue to the customer classes.
- D. The Stipulating Parties agree that, at the hearing, CIGFUR may cross-examine DENC Witness Paul B. Haynes regarding the provision on page 10 of the Stipulation between the Company and the Public Staff that states "The parties agree that all classes should share in the total base rate revenue increase" and regarding the fact that the proposed increases in total base rates and the proposed rates of return for the LGS and 6VP customer classes exceed the Company's cost of providing service to these rate classes. CIGFUR counsel will not cross-examine any other Company witnesses and will not cross Witness Haynes on additional topics. The Company may ask redirect of witness Haynes on this limited topic based on CIGFUR's cross-examination.

- E. The Stipulating Parties agree that, considering that: (1) the Commission directed the Company in its final order in DENC's previous rate case, Docket No. E-22, Sub 532, to file a pilot or experimental RTP rate; (2) the Company did file such rates on August 4, 2017 in that same docket; (3) the Commission approved such rates by order issued on December 6, 2017; and (4) no customers have taken service under such rates, the Company agrees to work with CIGFUR to consider whether certain provisions within such rates should be modified. If there is mutual agreement between CIGFUR and the Company to such modifications, and CIGFUR indicates that at least one of its member customers is willing to take service under such rates, the Company agrees to re-filing such rates with the Commission for approval with the modifications agreed upon between the Stipulating Parties within sixty (60) days of such agreement.

IV. AGREEMENT IN SUPPORT OF SETTLEMENT; NON-WAIVER

- A. The Stipulating Parties shall act in good faith and use their best efforts to recommend to the Commission that this Stipulation be accepted and approved. The Stipulating Parties further agree that this Stipulation is in the public interest because it reasonably balances customer interests in mitigating rate impacts with investor interests in providing for reasonable recovery of investments, thereby providing the necessary level of revenue requirement to allow the Company to maintain its financial strength and credit quality and continue to provide high quality electric utility service to its customers. The

Stipulating Parties intend to support the reasonableness of this Stipulation in any hearing before the Commission and any proposed order or brief in this docket.

- B. Neither this Stipulation nor any of its terms or conditions shall be admissible in any court or before the Commission except insofar as the Commission is addressing litigation arising out of the implementation of the terms herein or the approval of this Stipulation. This Stipulation shall not be cited as precedent by any of the Stipulating Parties with regard to any issue in any other proceeding or docket before this Commission or in any court. This Stipulation is not intended nor shall it be construed in any way as an admission or accusation of imprudence by the Stipulating Parties.
- C. The provisions of this Stipulation do not reflect any position asserted by any of the Stipulating Parties, but reflect instead the compromise and settlement among the Stipulating Parties as to all of the issues covered hereby. No Stipulating Party waives any right to assert any position in any future proceeding or docket before this or any other Commission and in any court.
- D. The Stipulation is the product of negotiation between the Stipulating Parties, and no provision of this Stipulation shall be strictly construed in favor or against any Party.

**V. RECEIPT OF TESTIMONY AND WAIVER OF CROSS-
EXAMINATION**

The Stipulating Parties agree that all pre-filed testimony and exhibits may be received in evidence without objection. Each Stipulating Party waives all

right to cross-examine any witness with respect to such pre-filed testimony and exhibits, with the exception that CIGFUR may cross-examine Company Witness Paul B. Haynes as provided above at section III.C. If, however, questions are asked by any Commissioner, or if questions are asked or positions are taken by any person who is not a Stipulating Party, then any Stipulating Party may respond to such questions by presenting testimony or exhibits and cross-examining any witness with respect to such testimony and exhibits, provided such testimony, exhibits, and cross-examination are not inconsistent with this Stipulation.

VI. STIPULATION BINDING ONLY IF ACCEPTED IN ITS ENTIRETY

This Stipulation is the product of negotiation and compromise of a complex set of issues, and no portion of this Stipulation is or will be binding on any of the Stipulating Parties unless the entire Agreement and Stipulation is accepted by the Commission. If the Commission rejects any part of this Stipulation or approves this Stipulation subject to any change or condition or if the Commissions approval of this Stipulation is rejected or conditioned by a reviewing court, the Parties agree to meet and discuss the applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Stipulation consistent with the order. No Party shall withdraw from the Stipulation prior to complying with the foregoing sentence. If any Party withdraws from the Stipulation, each Party retains the right to seek additional procedures before the Commission, including cross-examination of witnesses, with respect to

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issues addressed by the Stipulation and shall not be bound or prejudiced by the terms and conditions of the Stipulation.

VII. COUNTERPARTS

This Stipulation may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution by facsimile signature shall be deemed to be, and shall have the same effect as, execution by original signature.

The foregoing is agreed and stipulated to this the 23rd day of September, 2019.

Dominion Energy North Carolina

By: /s Mary Lynne Grigg

Carolina Industrial Group for Fair Utility
Rates - I

By: /s Warren Hicks

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Agreement and Stipulation of Settlement, as filed in Docket No. E-22, Subs 562 and 566, were served electronically or via U.S. mail, first-class postage prepaid, upon all parties of record.

This the 23rd day of September, 2019.

/s/Mary Lynne Grigg

Mary Lynne Grigg
McGuireWoods LLP
434 Fayetteville Street, Suite 2600
PO Box 27507 (27611)
Raleigh, North Carolina 27601
(919) 755-6573 (Direct)
mgrigg@mcguirewoods.com

*Attorney for Virginia Electric and Power
Company, d/b/a Dominion Energy North
Carolina*

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Agreement and Stipulation of Settlement, as filed in Docket No. E-22, Subs 562 and 566, were served electronically or via U.S. mail, first-class postage prepaid, upon all parties of record.

This the 17th day of September, 2019.

/s/Mary Lynne Grigg

Mary Lynne Grigg
McGuireWoods LLP
434 Fayetteville Street, Suite 2600
PO Box 27507 (27611)
Raleigh, North Carolina 27601
(919) 755-6573 (Direct)
mgrigg@mcguirewoods.com

*Attorney for Virginia Electric and Power
Company, d/b/a Dominion Energy North
Carolina*

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DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 662
North Carolina Retail Operations
REVENUE IMPACT OF SETTLED AND UNRESOLVED ADJUSTMENTS
For the Test Year Ended December 31, 2018
(In Thousands)

Settlement Exhibit I

Line No.	Item	Per Public Staff (a)	Per Company (b)	Difference (c)
1	Non-fuel revenue requirement increase per Company application	\$ 26,958	\$ 26,958	\$ -
2	Revenue impact of Company update in first supplemental filing	(2,079)	(2,079)	-
3	Non-fuel revenue requirement increase per Company after updates	<u>24,879</u>	<u>24,879</u>	<u>\$ -</u>
4	Revenue impact of Public Staff adjustments:			
5	<u>Settled Issues:</u>			
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)	(83)	-
31	Adjust cash working capital under proposed rates	(282)	(282)	-
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	<u>(13,517)</u>	<u>(13,517)</u>	<u>-</u>
36	<u>Unsettled Issues:</u>			
37	Adjust coal combustion residual (CCR) costs	(7,096)	(2,750)	(4,346)
38	Adjust cash working capital for CCR adjustment	(74)	(29)	(45)
39	Total Unsettled Issues	<u>(7,170)</u>	<u>(2,779)</u>	<u>(4,391)</u>
40	Recommended increase in non-fuel revenue requirement	<u>\$ 4,192</u>	<u>\$ 8,583</u>	<u>\$ (4,391)</u>
41	Public Staff recommended decrease in base fuel revenue requirement	<u>\$ (2,155)</u>	<u>\$ (2,155)</u>	<u>\$ -</u>
42	Annual EDIT Rider recommended by Public Staff for 5 year period	<u>\$ 649</u>	<u>\$ 649</u>	<u>\$ -</u>

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DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
CALCULATION OF LEVELIZED FEDERAL
UNPROTECTED EDIT RIDER CREDIT
For the Test Year Ended December 31, 2018

Settlement Exhibit II
Schedule 2

Line No.	Item	Year 1 Revenue Requirement (a)	Year 2 Revenue Requirement (b)	Total Revenue Requirement (c)
	<u>Annuity Factor</u>			
1	Number of years	2 ^{1/}		
2	Payment per period	1		
3	After tax rate of return	6.654% ^{2/}		
4	Present value of 1 dollar over number of years with			
5	with 1 payment per year	1.8167		
6	1 plus (interest rate divided by two)	1.0333		
7	Annuity factor (L4 x L5)	<u>1.8772</u>		
8	Total NC retail regulatory liability to be amortized	(\$1,214,000) ^{3/}	(\$1,214,000) ^{3/}	
9	Annuity factor (L7)	<u>1.8772</u>	<u>1.8772</u>	
10	Levelized rider federal EDIT regulatory liability (L8 / L9)	(646,708)	(646,708)	(1,293,416) ^{6/}
11	One minus composite income tax rate	<u>74.377% ^{4/}</u>	<u>74.377% ^{4/}</u>	<u>74.377% ^{4/}</u>
12	Net operating income effect (L10 x L11)	(481,003)	(481,003)	(962,007)
13	Retention factor	<u>0.740365 ^{5/}</u>	<u>0.740365 ^{5/}</u>	<u>0.740365 ^{5/}</u>
14	Levelized rider federal EDIT credit (L5 / L6)	<u>(\$649,684)</u>	<u>(\$649,684)</u>	<u>(\$1,299,369)</u>

- 1/ Rider period per Settlement Agreement.
2/ Johnson Settlement Exhibit II, Schedule 2(a), Line 3.
3/ Company Supplemental Exhibit PMM-2, Schedule 1, page 3, lines 86 plus 87, plus one year EDIT Rideer amount originally proposed by the Company.
4/ One minus the composite income tax rate of 25.6228%.
5/ Johnson Settlement Exhibit 1, Schedule 1-2, Column (d), Line 14.
6/ Sum of Columns (a) through Column (e).

DOMINION ENERGY NORTH CAROLINA
Docket No. E-22, Sub 562
CALCULATION OF ANNUITY FACTOR FOR EDIT
LIABILITY RIDER
For the Test Year Ended December 31, 2018

Settlement Exhibit II
Schedule 2(a)

Line No.	Item	Amount
	<u>Annuity Factor</u>	
1	Number of years	2 ^{1/}
2	Payment per period	1
3	After tax rate of return (L9)	6.654%
4	Present value of 1 dollar over number of years with with 1 payment per year	1.8167
5	1 plus (interest rate divided by two)	1.0333
6	Annuity factor (L4 x L5)	<u>1.8771</u>

	Capital Structure (a)	Cost Rates (b)	Overall Rate of Return ^{6/} (c)	Net of Tax Rate (d)
	<u>After Tax Rate of Return</u>			
7	Long-term debt	48.00% ^{2/}	4.442% ^{4/}	2.13%
8	Common equity	52.00% ^{3/}	9.75% ^{5/}	5.07%
9	Total	<u>100.00%</u>	<u>7.20%</u>	<u>6.654%</u>

- 1/ Rider period per Settlement Agreement.
2/ Johnson Settlement Exhibit 1, Schedule 1-2, Column (a), Line 2.
3/ Johnson Settlement Exhibit 1, Schedule 1-2, Column (a), Line 3.
4/ Johnson Settlement Exhibit 1, Schedule 1-2, Column (b), Line 2.
5/ Johnson Settlement Exhibit 1, Schedule 1-2, Column (b), Line 3.
6/ Column (a) times Column (b).
7/ Column (c) times 1 minus the composite income tax rate of 25.6228%.
8/ Amount from Column (c).