

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH
STAFF CONFERENCE AGENDA - SUPPLEMENTAL
April 15, 2024
Commission Hearing Room 2115, 10:00 a.m.

ELECTRIC

*ORDER GRANTING INTERIM AUTHORITY TO OPERATE UNDER REVISED
AFFILIATE SERVICES AGREEMENT*

Dominion Energy North Carolina

1. Docket No. E-22, Sub 563 – Application by Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina, for Approval of an Affiliate Services Agreement (*Zhang/Josey*)

The Public Staff recommends approval of these agenda items as described above and reflected in proposed orders provided to the Commission Staff.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 563

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Virginia Electric and Power)	
Company, d/b/a Dominion Energy North)	ORDER GRANTING INTERIM
Carolina for Approval of an Affiliate Services)	AUTHORITY
Agreement)	

BY THE COMMISSION: On May 30, 2019, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or the Company), filed an application for approval of a revised services agreement under which the Company and Dominion Energy South Carolina, Inc. (DESC), will both provide and receive certain enumerated services on an as-needed basis.

On October 2, 2019, the Public Staff filed a letter recommending that the Commission accept the revised services agreement for filing and allow DENC to pay compensation to its affiliate for services received, pursuant to the agreement. The Public Staff recommended that, consistent with the then current services agreement, the Company be required to obtain approval from the Commission before it receives or provides a service that is not presently encompassed in the current services agreement or the revised services agreement. Further, the Public Staff recommended several conditions to approval of the revised services agreement be accepted and payment thereunder authorized, among others, for two years from April 19, 2019, to April 18, 2021. Additionally, DENC is required to file any proposed amendments prior to the execution of the amended agreement and prior to any payment for services thereunder.

By Order dated November 5, 2019, the Commission accepted DENC's revised services agreement for filing and authorized DENC to make payments thereunder subject to the conditions recommended by the Public Staff, as enumerated in the body of the Order.

On April 6, 2021, the Company filed a second Application for Approval of Revised Services Agreement and Request for Interim Authority, requesting Commission approval of additional revisions to its first Revised Agreement approved on November 5, 2019. On April 12, 2021, the Public Staff presented this item to the Commission at its Regular Staff Conference. The Commission issued an Order Granting Interim Authority on April 13, 2021.

At the June 28, 2021 Regular Staff Conference, the Public Staff recommended that the Commission accept for filing the Revised Services Agreement and allow DENC

to pay its affiliate pursuant to the agreement. The Commission issued an Order Accepting Affiliate Agreement for Filing and Allowing Payment of Compensation on June 30, 2021.

On July 14, 2021, DENC filed the signed and executed copy of the amended revised affiliate agreement (Current Agreement) that is the subject of the Commission June 30, 2021 Order.

On April 10, 2024, DENC filed its third Application for Approval of Revised Services Agreement and Request for Interim Authority (Application). The Company requests Commission approval of additional revisions to its Current Agreement approved on June 30, 2021, under which the Company and DESC will continue to both provide and receive certain enumerated services on an as-needed basis (Proposed Agreement). The Company represents that the only change to the Current Agreement is to update the effective date and that there are no proposed changes to the service category description and no changes to the selected services. A copy of the Proposed Agreement was provided as *Attachment A*, including exhibits. A redlined version of the Proposed Agreement reflecting changes from the Current Agreement was attached as *Attachment B*.

In the Application, the Company explains that the Current Agreement with DESC expires on April 18, 2024. Therefore, in its Application, DENC also requests that the Commission issue an order, on an expedited basis, granting the Company interim authority to operate under the Proposed Agreement beginning on April 19, 2024, until such time as the Commission has an opportunity to act upon this Application.

Pursuant to N.C. Gen. Stat. § 62-153(a), all public utilities are to file copies of various types of contracts with affiliates, which the Commission may disapprove if after hearing the Commission finds the contract to be unjust or unreasonable and made for the purpose or with the effect of concealing, transferring, or dissipating the earnings of the public utility. Under N.C.G.S. § 62-153(b), a public utility is required to obtain the Commission's approval to pay any fees, commissions, or compensation of any description whatsoever to any affiliated company for services rendered or to be rendered.

The Public Staff presented this item at the Commission's April 15, 2024 Regular Staff Conference and indicated that it is in the process of investigating and reviewing the Application to verify the assertions made by the Company regarding the Proposed Agreement. The Public Staff stated, however, that based on its preliminary review, it does not object to allowing the Company to operate under the Proposed Agreement, on an interim basis, pending the issuance of an order regarding the Proposed Agreement, and recommended approval of the Company's request for interim authority under the conditions for the Current Agreement. The Public Staff also recommended that the Commission's Order state that, for ratemaking purposes, its action does not constitute approval of the amount of compensation paid pursuant to the interim authority, and that the authority granted by the Order is without prejudice to the right of any party to take issue with any provision of the interim authority in a future proceeding.

The Public Staff further stated that once its review of the Proposed Agreement is complete, it will bring the final recommendations to the Commission, via either a further filing or placement of the matter on a future Regular Staff Conference Agenda. Based upon the foregoing, the Commission concludes that the Public Staff's recommendations should be accepted.

IT IS, THEREFORE, ORDERED as follows:

1. That the Company is authorized to operate under the Proposed Agreement on an interim basis pending the issuance of an order regarding the Proposed Agreement; and

2. That for ratemaking purposes, this action does not constitute approval of the amount of compensation paid pursuant to the interim authority, and that the authority granted is without prejudice to the right of any party to take issue with any provision of the interim authority in a future proceeding.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of April, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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