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OFFICIAL COPY

Oct 29 2021

October 29, 2021

**VIA Electronic Filing**

Ms. Shonta Dunston, Chief Clerk  
North Carolina Utilities Commission  
Dobbs Building  
430 North Salisbury Street  
Raleigh, North Carolina 27603

*Re: Dominion Energy North Carolina's Revised Supplemental Direct  
Testimony of Dale E. Hinson and Hinson Supplemental Exhibit DEH-1  
Docket No. E-22, Sub 605*

Dear Ms. Dunston:

Enclosed for filing in the above-referenced proceeding on behalf of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (the "Company"), is the Revised Supplemental Direct Testimony of Dale E. Hinson in both clean and redline versions, and the public Hinson Supplemental Exhibit DEH-1 ("Supplemental Exhibit").

Portions of the Supplemental Exhibit contain confidential and proprietary trade secret information. This information is exempt from public disclosure under N.C.G.S. § 132-1.2, and the Company is filing pages of the Supplemental Exhibit contemporaneously as confidential and under seal. The Company will make this information available to other interested parties pursuant to an appropriate nondisclosure agreement.

Thank you for your assistance with this matter. Please call me if additional information is required.

Very truly yours,

/s/Mary Lynne Grigg

MLG:kjg

Enclosures

**REVISED SUPPLEMENTAL DIRECT TESTIMONY  
OF  
DALE E. HINSON  
ON BEHALF OF  
DOMINION ENERGY NORTH CAROLINA  
BEFORE THE  
NORTH CAROLINA UTILITIES COMMISSION  
DOCKET NO. E-22, SUB 605**

1 **Q. Please state your name, business address, and position of employment.**

2 A. My name is Dale E. Hinson, and my business address is 600 Canal Street,  
3 Richmond, Virginia 23219. I am the Manager-Gas Supply and a member of  
4 the management team responsible for fossil fuel procurement for Virginia  
5 Electric and Power Company, which operates in North Carolina as Dominion  
6 Energy North Carolina (the “Company”). The Dominion Energy Fuels group  
7 handles the procurement, scheduling, transportation, and inventory  
8 management for natural gas, coal, biomass, and oil consumed at the  
9 Company’s power stations.

10 **Q. Are you the same Dale E. Hinson who submitted direct testimony in this**  
11 **case on August 10, 2021?**

12 A. Yes.

13 **Q. Please provide an update on the increase in fuel commodity prices.**

14 A. Section I of my direct testimony, in this case, provided a summary of natural  
15 gas, coal and oil price increases for the test period (July 2020 – June 2021),  
16 when compared to the previous twelve-month period. I attributed these fuel  
17 commodity price increases to colder winter weather and stronger demand.

18 However, recent experience has shown these fuel commodity price increases

1 are not limited to just the test period in this case. The Company continues to  
2 experience relatively high fuel commodity prices (coal, oil, and natural gas),  
3 due to factors including but not limited to: fuel inventories (ahead of Winter  
4 2021/2022), increased fuel supply competition from outside the United States,  
5 fuel production lagging demand, supply chain delays, and the unabated, fully  
6 subscribed pipeline capacity situation affecting Mid-Atlantic and East Coast  
7 natural gas markets.

8 **Q. Please continue.**

9 A. Certainly. Comparing the test period with the July 2021 – June 2022 period,  
10 using both actual prices and futures (as of September 29, 2021), the Company  
11 notes the following fuel commodity price trends: natural gas price increases  
12 of approximately 98%; coal price increases of approximately 50%; and oil  
13 price increases of approximately 37%. The Company provided similar coal  
14 and natural gas commodity price comparisons for the February 2022 –  
15 January 2023 period, in response to Public Staff Discovery Set 16, Question  
16 No. 1 in this case, which is attached as Hinson Supplemental Exhibit DEH-1.

17 **Q. Does this conclude your supplemental direct testimony?**

18 A. Yes.

**REVISED SUPPLEMENTAL DIRECT TESTIMONY  
OF  
DALE E. HINSON  
ON BEHALF OF  
DOMINION ENERGY NORTH CAROLINA  
BEFORE THE  
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16 No. 1 in this case, [which is attached as Hinson Supplemental Exhibit DEH-1](#).

17 **Q. Does this conclude your supplemental direct testimony?**

18 A. Yes.

**Dominion Energy North Carolina**  
**2021 NC Fuel Factor (E-22, Sub 605)**  
**Public Staff**  
**Data Request No. 16**

The following response to Question No. 1 of Public Staff Data Request No. 16 dated October 8, 2021 has been prepared under my supervision.

Katherine Farmer  
Energy Market Consultant  
Dominion Energy North Carolina

Jorge Serrano  
Manager PG Operations Support  
Dominion Energy North Carolina

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**Question No. 1:**

Please provide each of the following related to fuel commodity prices:

- a. Date that the natural gas price forecast used in the original application was created.
- b. Monthly natural gas volume and price used in the original application for the billing period.
- c. Most current natural gas price forecast for each month of the billing period along with corresponding volume of gas.
- d. Date that the coal price forecast used in the original application was created.
- e. Monthly coal price and tonnage used in the original application for the billing period.
- f. Most current coal price forecast for each month of the billing period along with the corresponding tonnage of coal burned.

**Response:**

- a. There is no forecast used in the original application. The filing is based on actual results.
- b. See Confidential Attachment Public Staff Set 16-1 for the requested information.
- c. See Confidential Attachment Public Staff Set 16-1 for the requested information.
- d. There is no forecast used in the original application. The filing is based on actual results.
- e. See Confidential Attachment Public Staff Set 16-1 for the requested information.
- f. See Confidential Attachment Public Staff Set 16-1 for the requested information.

Confidential Attachment Public Staff Set 16-1 contains confidential information and is being provided to the Public Staff pursuant to the conditions of a Comprehensive Confidentiality Agreement between Dominion Energy North Carolina and the Public Staff dated September 16, 2011.

CONFIDENTIAL INFORMATION REDACTED

<u>Actual</u> <u>Consumption</u>	<u>Natural Gas (kcf)</u>	<u>Actual Prices</u>	
		<u>(\$/mmbtu)</u>	<u>NG-HH</u> <u>NG-Z5</u>
2020/Jul		2020/Jul	
2020/Aug		2020/Aug	
2020/Sep		2020/Sep	
2020/Oct		2020/Oct	
2020/Nov		2020/Nov	
2020/Dec		2020/Dec	
2021/Jan		2021/Jan	
2021/Feb		2021/Feb	
2021/Mar		2021/Mar	
2021/Apr		2021/Apr	
2021/May		2021/May	
2021/Jun		2021/Jun	

CONFIDENTIAL INFORMATION REDACTED

<b>Forecasted</b>	
<b><u>Consumption</u></b>	<b><u>Natural Gas (kcf)</u></b>
2/1/2022	
3/1/2022	
4/1/2022	
5/1/2022	
6/1/2022	
7/1/2022	
8/1/2022	
9/1/2022	
10/1/2022	
11/1/2022	
12/1/2022	
1/1/2023	

<b>Forecasted Prices</b>		
<b>(\$/mmbtu)</b>	<b><u>NG-HH</u></b>	<b><u>NG-Z5</u></b>
2/1/2022		
3/1/2022		
4/1/2022		
5/1/2022		
6/1/2022		
7/1/2022		
8/1/2022		
9/1/2022		
10/1/2022		
11/1/2022		
12/1/2022		
1/1/2023		



CONFIDENTIAL INFORMATION REDACTED

<u>Actual Consumption</u>	<u>Coal (tons)</u>	<u>Actual Prices</u>	<u>(\$/ton)</u> <u>Coal-CAPP 1.6#</u>
2020/Jul		2020/Jul	
2020/Aug		2020/Aug	
2020/Sep		2020/Sep	
2020/Oct		2020/Oct	
2020/Nov		2020/Nov	
2020/Dec		2020/Dec	
2021/Jan		2021/Jan	
2021/Feb		2021/Feb	
2021/Mar		2021/Mar	
2021/Apr		2021/Apr	
2021/May		2021/May	
2021/Jun		2021/Jun	

CONFIDENTIAL INFORMATION REDACTED

<b>Forecasted Consumption</b>		<b>Forecasted Prices (\$/ton)</b>	
<b><u>Consumption</u></b>	<b><u>Coal (tons)</u></b>	<b><u>Actual Prices</u></b>	<b><u>Coal-CAPP 1.6#</u></b>
2/1/2022		2/1/2022	
3/1/2022		3/1/2022	
4/1/2022		4/1/2022	
5/1/2022		5/1/2022	
6/1/2022		6/1/2022	
7/1/2022		7/1/2022	
8/1/2022		8/1/2022	
9/1/2022		9/1/2022	
10/1/2022		10/1/2022	
11/1/2022		11/1/2022	
12/1/2022		12/1/2022	
1/1/2023		1/1/2023	

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing Revised Supplemental Direct Testimony of Dale E. Hinson in both clean and redline versions, and the public Hinson Supplemental Exhibit DEH-1, as filed in Docket No. E-22, Sub 605, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 29<sup>th</sup> day of October, 2021.

/s/Mary Lynne Grigg

Mary Lynne Grigg

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