

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. E-22, SUB 676

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Application by Virginia Electric and Power )  
Company, d/b/a Dominion Energy North )  
Carolina, for Approval of Demand-Side ) **NOTICE OF AFFIDAVIT**  
Management and Energy Efficiency Cost )  
Recovery Rider under N.C. Gen. Stat. § 62- )  
133.9 and Commission Rule R8-69 )

NOW COMES THE PUBLIC STAFF - North Carolina Utilities Commission,  
by and through its Executive Director, Christopher J. Ayers, as constituted by  
N.C. Gen. Stat. § 62-15, and gives notice that the Affidavit of:

Hemanth Meda, Public Utilities Regulatory Analyst,  
Accounting Division  
Public Staff - North Carolina Utilities Commission  
430 North Salisbury Street - Dobbs Building  
4326 Mail Service Center  
Raleigh, North Carolina 27699-4300

will be used in evidence at the hearing in this docket scheduled for November 28,  
2023, pursuant to N.C.G.S. § 62-68. The affiant will not be called to testify orally and  
will not be subject to cross-examination unless an opposing party or the Commission  
demands the right of cross-examination by notice mailed or delivered to the  
proponent at least five days prior to the hearing, pursuant to N.C.G.S. § 62-68.

THEREFORE, the Public Staff moves that the Affidavit of Hemanth Meda be  
admitted into evidence in the absence of notice pursuant to N.C.G.S. § 62-68.

Respectfully submitted this the 7th day of November 2023.

PUBLIC STAFF  
Christopher J. Ayers  
Executive Director

Lucy E. Edmondson  
Chief Counsel

Electronically submitted  
/s/ Anne Keyworth  
Staff Attorney  
[anne.keyworth@psncuc.nc.gov](mailto:anne.keyworth@psncuc.nc.gov)

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DOCKET NO. E-22, SUB 676

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Application by Virginia Electric and Power )  
Company, d/b/a Dominion Energy North )  
Carolina, for Approval of Demand-Side ) **AFFIDAVIT OF**  
Management and Energy Efficiency Cost ) **HEMANTH MEDA**  
Recovery Rider under N.C. Gen. Stat. § 62- )  
133.9 and Commission Rule R8-69 )

I, Hemanth Meda, first being duly sworn, do depose and say:

I am a Public Utilities Regulatory Analyst with the Accounting Division of the Public Staff – North Carolina Utilities Commission (Public Staff). A summary of my education and experience is attached to this affidavit as Appendix A.

The purpose of my affidavit is to present the results of the Public Staff's investigation of the prospective Demand-Side Management (DSM) and Energy Efficiency (EE) rider (DSM/EE rider or Rider C), and the DSM/EE Experience Modification Factor rider (DSM/EE EMF rider or Rider CE) filed by Virginia Electric Power Company, d/b/a Dominion Energy North Carolina (DENC or the Company), on August 15, 2023 (Application). These riders allow for the recovery of all reasonable and prudent costs incurred for the implementation of new DSM and EE measures as well as other allowed incentives to the utility for adopting and implementing new DSM/EE measures.

The test period applicable to this proceeding (the presumptive period for which the under- or over-recoveries of DSM/EE costs and Net Lost Revenues (NLR) are measured) is the 12-month period ended December 31, 2022.

The rate period proposed by DENC for this proceeding is the 12-month period from February 1, 2024, through January 31, 2025. However, as explained in Company witness Edmund J. Hall's testimony, for purposes of this proceeding the Company has used estimated calendar year 2024 DSM/EE costs and benefits as a proxy for estimated rate period costs and benefits due to the manner in which the Company normally models annual projected costs and benefits.

Vintage Years, used for tracking Portfolio Performance Incentive (PPI) and NLR related to DSM/EE measures installed in those years, correspond to calendar years. In this proceeding, prospective rates are set based on projections for Vintage Year 2024, while Vintage Year 2022 is being trued up.

In its Application, DENC requested approval of a class-specific prospective DSM/EE rider based on a North Carolina retail revenue requirement of \$3,285,714 (excluding regulatory fee), and a class-specific increment DSM/EE EMF rider based on a North Carolina retail true-up revenue requirement of \$732,474 (excluding regulatory fee). These revenue requirements consist of the following components as set forth in the testimony and exhibits of DENC witness Justin A. Wooldridge:

**RIDER C**

Program costs (including common costs)	\$ 2,953,031
PPI	332,683
Total Rider C revenue requirement	<u>\$ 3,285,714</u>

**RIDER CE**

Program costs (including common costs)	\$ 2,596,857
NLR	517,147
PPI	319,624
Test period Rider C revenues	<u>(2,712,057)</u>
Net rev. req. before carrying costs and int.	721,571
Carrying costs	(3,737)
Interest on EMF refund	14,640
Total Rider CE revenue requirement	<u>\$ 732,474</u>

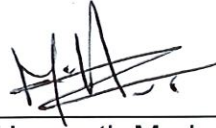
The components of the Company's proposed North Carolina retail Rider C and Rider CE revenue requirements were assigned or allocated to the various North Carolina retail rate classes consistent with the methodology approved by the North Carolina Utilities Commission's (Commission) January 17, 2023 Order Approving DSM/EE Rider and Requiring Filing of Proposed Customer Notice in the Company's most recent cost recovery proceeding in Docket No. E-22, Sub 645, as well as the updated Cost Recovery and Incentive Mechanism (2022 Mechanism) approved by the Commission in its March 22, 2022 Order Approving Revised DSM/EE Cost Recovery and Incentive Mechanism in Docket No. E-22, Sub 464.

The Public Staff's investigation of DENC's filing in this proceeding focused on determining whether the proposed DSM/EE and DSM/EE EMF billing rates (a) were calculated in accordance with the 2022 Mechanism; and (b) otherwise adhered to sound ratemaking concepts and principles. The procedures utilized included a review of the Company's filing, relevant prior Commission proceedings

and orders, and workpapers and source documentation used by the Company to develop the proposed billing rates. Performing the investigation required the review of responses to data requests, as well as discussions with Company personnel. The investigation also included a review of the actual DSM/EE program costs incurred by DENC during the test period. The investigation, including the sampling of source documentation, concentrated primarily on costs and NLR related to the test period, and verified PPIs related to the 2013 through 2022 period, all of which are to be included in the true-up DSM/EE EMF billing rates approved in this proceeding. The Public Staff also performed a more general review of the prospective billing rates proposed to be charged for the rate period, which are subject to true-up in future proceedings.

As a result of the Public Staff's investigation, I recommend approval of the Rider C and CE rates as proposed by DENC in its Application. The recommended billing rates should be approved subject to any true-ups in future cost recovery proceedings consistent with the 2022 Mechanism, N.C. Gen. Stat. § 62-133.9, Commission Rule R8-69, and future Commission orders. The Public Staff notes that reviewing the calculation of the DSM/EE and DSM/EE EMF riders is a process that involves reviewing numerous assumptions, inputs, and calculations, and its recommendation regarding these proposed riders is not intended to indicate that the Public Staff will not raise questions in future proceedings regarding the same or similar assumptions, inputs, and calculations.

This completes my affidavit.



Hemanth Meda

Sworn to and subscribed before me this the 6<sup>th</sup> day of November, 2023.



(Signature of Notary Public)

Erica S. Jones

(Name of Notary Public)

My Commission Expires: 2/13/2026



**QUALIFICATIONS AND EXPERIENCE**

**HEMANTH MEDA**

I graduated from the University of Wollongong, Australia with a Master of Professional Accounting degree. I also received Master of Commerce and Bachelor of Commerce degrees from Osmania University, Hyderabad, India. I am a licensed Certified Public Accountant in the State of North Carolina.

I joined the Public Staff Accounting Division as a Financial Analyst in May 2022. Prior to joining the Public Staff, I was employed as a Senior Financial Analyst with Swissport USA. I have over twenty years of progressive experience in accounting and finance across various industries. Since joining the Public Staff, I have performed investigations and prepared testimony and exhibits in electric, natural gas, and water utility rate cases and rider proceedings and performed various other investigations and compliance reviews related to electric, gas, and water utilities.



**CERTIFICATE OF SERVICE**

I certify that I have served a copy of the foregoing on all parties of record or to the attorney of record of such party in accordance with Commission Rule R1-39, by United States mail, postage prepaid, first class; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 7th day of November, 2023.

Electronically submitted  
/s/Anne Keyworth