

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 694

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
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) ORDER SCHEDULING HEARINGS, ESTABLISHING PROCEDURAL AND FILING REQUIREMENTS, AND REQUIRING PUBLIC NOTICE)

BY THE CHAIR: On March 28, 2024, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC), filed an application with the Commission requesting authority to adjust and increase its rates for retail electric service in North Carolina effective May 1, 2024 (Application). DENC supplies retail electric service to over 127,000 customers in North Carolina.

In its Application, DENC requests authority to increase its rates and charges to produce additional overall annual North Carolina base revenues of approximately \$56,623,974, an increase of approximately 22.13% over current base revenues. DENC is proposing an increase to its current base fuel revenues in the amount of \$53,833,272, while also proposing an equivalent decrease of the current fuel cost rider (Rider A). Together, the overall increase in revenues will be \$56,623,974, or approximately 14.42%.

The increase in base fuel revenues discussed above produces a new base fuel rate of \$0.034935 per kilowatt-hour that will serve as a “placeholder” until DENC files its annual fuel charge adjustment application in August 2024, to become effective February 1, 2025. This proposed new base fuel rate represents the sum of the current base fuel rate and the current Rider A rate. This proposed new base fuel rate represents the sum of the current base fuel rate and the current Rider A rate.

The proposed rate increase is based on a test period ending December 31, 2023, with estimates of changes to revenues, expenses, rate base, and cost of capital through June 30, 2024. DENC states that it will file supplemental testimony in August 2024 to replace the estimates with actual amounts. The DENC intends to seek implementation of its proposed rates on a temporary basis, subject to refund, on November 1, 2024, under the authority of N.C. Gen. Stat. § 62-135. DENC requests that new permanent base rates become effective on and after February 1, 2025.

DENC states that the primary drivers behind its request to increase rates are the costs incurred for: (1) significant investments in generation, transmission, and distribution infrastructure that it has made to ensure reliability, operational excellence, and efficient

service for the benefit of its North Carolina customers; (2) maintenance of the DENC nuclear fleet; (3) the significant increase of purchased power expenses; and (4) significant cost pressures from a combination of persistent inflation, high interest rates, and higher costs such as contract labor, material, and pension and other employee benefits, among other factors.

More specifically, DENC states that its request is driven by investments made since its 2019 rate case, including: (1) the addition of ten regulated solar facilities, two utility-scale battery energy storage systems, and the Coastal Virginia Offshore Wind Pilot Project; (2) investments in existing nuclear plants to ensure their continued safe, reliable, and efficient operation and in pursuing Subsequent License Renewals to ensure continued operation of these units; and (3) investments in transmission and distribution improvements to support load growth and to improve reliability.

Additionally, DENC is requesting approval of accounting orders for: (1) deferral of potential future benefits from nuclear production tax credits pursuant to the 2022 Inflation Reduction Act; (2) recognition for ratemaking purposes of certain Asset Retirement Obligation (ARO) costs in the manner that these AROs are recognized for financial and accounting purposes; and (3) a transition from amortizing coal combustion residuals (CCR) expenditures through deferral to incorporating an ongoing annual level of CCR remediation expenses in DENC's cost of service.

DENC is also proposing a new experimental small general service electric vehicle rate schedule to address, promote, and incentivize third party development and investment in electric vehicle charging; a new residential time of use rate schedule, which is intended to improve the accuracy of price signals and alignment between customer charges and usage behaviors; and revisions to DENC's Line Extension Plan in its Terms and Conditions of Service.

Further, DENC is seeking approval of a rate of return on common equity of 10.6%.

On April 15, 2024, the Commission suspended the proposed rate changes for up to 270 days from the proposed effective date of May 1, 2024, and scheduled the Application for investigation and public hearing.

Based upon a review of DENC's Application and the record, the Chair finds good cause to set DENC's Application for hearing, establish procedural and filing requirements for DENC, the Public Staff, and other parties, and require DENC to provide public notice of its Application.

The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition shall be taken before the deadline for filing of Public Staff and other intervenor testimony. Notice of deposition shall be served on all parties at least seven business days prior to the taking of the deposition. Notice of deposition and all

other discovery notices, requests, and motions shall be served on the appropriate parties by hand delivery or facsimile, or by electronic delivery if the receiving party has agreed to receipt by electronic delivery.

2. Any motion for subpoena of a witness to appear at the expert witness hearing shall be filed with the Commission before the deadline for filing of Public Staff and other intervenor testimony, shall be served on the person sought to be subpoenaed at or before the time of filing with the Commission, and shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. See N.C.G.S. § 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena within one business day after such a motion is filed.

3. Formal discovery requests related to the Application and DENC's prefiled direct testimony shall be served on DENC not later than 14 business days prior to the deadline for filing of Public Staff and other intervenor testimony. The party served shall have up to ten calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten business days prior to the deadline for filing of Public Staff and other intervenor testimony.

4. Formal discovery requests related to DENC's updates to its actual revenues, expenses, rate base, and cost of capital for the period ending June 30, 2024, shall be served on DENC not later than ten business days after the filing of such testimony. The party served shall have up to four calendar days to file with the Commission objections to the discovery requests on an item-by-item basis.

5. Formal discovery requests related to the Public Staff or other intervenors' prefiled direct testimony shall be served not later than four business days after such testimony is filed. The party served shall have up to three business days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than six business days after that party's testimony was filed.

6. Formal discovery requests related to DENC's prefiled rebuttal testimony shall be served not later than four business days after such testimony is filed. The party served shall have up to two business days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than five business days after DENC's rebuttal testimony was filed. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery.

7. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have two business days to file with the Commission a motion to

compel, and the party objecting to discovery shall have one business day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party at or before the time of filing with the Commission.

8. A party shall not be granted an extension of time to pursue discovery due to that party's late intervention or other delay in initiating discovery.

The Commission urges all parties to work in a cooperative manner and to attempt to accommodate discovery within the time available. Discovery in most proceedings before the Commission is typically conducted without the need for Commission involvement or enforcement of the guidelines. The guidelines established in this Order are without prejudice to the parties' conducting informal discovery or exchanging information by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

IT IS THEREFORE, ORDERED as follows:

1. That the hearings for the purpose of receiving public witness testimony on DENC's Application shall be, and are hereby scheduled, as follows:

Manteo: Wednesday, September 25, 2024, at 7:00 p.m.
Dare County Courthouse
962 Marshall C. Collins Drive
District Courtroom B
Manteo, North Carolina 27954

Virtual: Thursday, September 26, 2024, at 6:30 p.m.
Held remotely via Webex

Halifax: Monday, September 30, 2024, at 7:00 p.m.
Halifax County Courthouse
357 Ferrell Lane
Superior Courtroom 1
Halifax, North Carolina 27839

Williamston: Tuesday, October 1, 2024, at 7:00 p.m.
Martin County Courthouse
305 East Main Street
District Courtroom
Williamston, North Carolina 27892

2. That the September 26, 2024 public witness hearing shall be held remotely via Webex, beginning at 6:30 p.m. A link to view the hearing will be available at www.ncuc.gov. Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on September 19, 2024.

To register, please complete the electronic Remote Public Witness Registration form located on the Commission's website at www.ncuc.gov/hearings/remotepublicregister.html. If assistance is needed, please contact 919-733-0837.

Only the first 20 individuals registered by 5:00 p.m. on September 19, 2024, will be allowed to testify at the September 26, 2024, remote public witness hearing. This hearing will be canceled if no one registers to testify by 5:00 p.m. on September 19, 2024;

3. That the public witness hearings will be conducted solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearings pursuant to Commission Rule R1-21(g)(5);

4. That a hearing for the purpose of receiving expert witness testimony on DENC's Application is scheduled to begin on October 7, 2024, at 2:00 p.m., continuing as necessary until conclusion. The hearing will be held in Commission Hearing Room 2115, Second Floor, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina;

5. That the Commission will determine not only the justness and reasonableness of DENC's overall requested changes in rates, but also the appropriate level of rates to be established for each individual rate class;

6. That DENC shall file its fuel adjustment clause application and supporting testimony in a new sub docket no later than August 13, 2024. The dates for the fuel clause proceeding provided in Commission Rule R8-55 are hereby waived. Following the filing of the application, a separate order will be issued establishing a procedural schedule and requiring public notice;

7. That DENC shall file the following information and supporting supplemental testimony no later than August 5, 2024: (a) updates to its actual revenues, expenses, rate base, and cost of capital for the period ending June 30, 2024; and (b) revised fuel information to support an updated base fuel factor;

8. That petitions to intervene in this proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 not later than August 30, 2024;

9. That the Public Staff and other intervenors' direct testimony and exhibits shall be filed on or before August 30, 2024;

10. That DENC's rebuttal testimony and exhibits, if any, shall be filed on or before September 17, 2024;

11. That all parties filing supporting exhibits in Excel or PDF format shall provide to the Commission Staff electronic versions of the exhibits filed in native Excel format via email at NCUCexhibits@ncuc.gov, including all the supporting tabs and formulas, within

three days of the filing of such exhibits (or within three days of issuance of this Order if already filed with the Commission). That DENC and all other parties filing exhibits and workpapers that include tables of numbers and calculations shall provide the Public Staff and any other party upon request an electronic version of all such exhibits and workpapers, with formulas intact;

12. That DENC shall consult with all other parties and file, not later than October 2, 2024, a list of witnesses to be called at the expert witness hearing, the order of witnesses, and each party's estimated time for cross-examination of each witness. If the parties cannot reach agreement, the remaining parties shall, not later than noon, October 4, 2024, make a filing indicating their points of disagreement with DENC's filing;

13. That DENC shall, at its own expense, publish in newspapers having general coverage in its service area, the Public Notice attached as Appendix A, once a week for two consecutive weeks, at least 30 days in advance of the first hearing scheduled herein. The Public Notice shall cover no less than one-fourth of a page;

14. That DENC shall mail to each of its customers a copy of the Public Notice no later than 30 days in advance of the first hearing set herein;

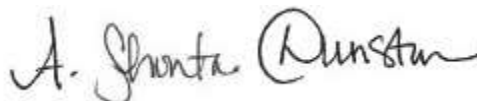
15. That DENC shall make a copy of the Public Notice prominently available on its website, and provide an email with an electronic link to the Public Notice for all customers receiving bills electronically; and

16. That DENC shall file no later than the date of the first public hearing an affidavit of publication and certificate of service showing that it provided notice as required herein.

ISSUED BY ORDER OF THE COMMISSION

This the 13th day of June, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "A. Shonta Dunston". The signature is written in a cursive, flowing style.

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 694

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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

NOTICE IS HEREBY GIVEN that on March 28, 2024, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC), filed an application with the Commission requesting authority to adjust and increase its rates for retail electric service in North Carolina effective May 1, 2024.

In its Application, DENC requests authority to increase its rates and charges to produce additional overall annual North Carolina base revenues of approximately \$56,623,974, an increase of approximately 22.13% over current base revenues. DENC is proposing an increase to its current base fuel revenues in the amount of \$53,833,272, while also proposing an equivalent decrease of the current fuel cost rider (Rider A). Together, the overall increase in revenues will be \$56,623,974, or approximately 14.42%.

The increase in base fuel revenues discussed above produces a new base fuel rate of \$0.034935 per kilowatt-hour that will serve as a “placeholder” until it files its annual fuel charge adjustment application in August 2024, to become effective February 1, 2025. This proposed new base fuel rate represents the sum of the current base fuel rate and the current Rider A rate. This proposed new base fuel rate represents the sum of the current base fuel rate and the current Rider A rate.

The proposed rate increase is based on a test period ending December 31, 2023, with estimates of changes to revenues, expenses, rate base, and cost of capital through June 30, 2024. DENC states that it will file supplemental testimony in August 2024 to replace the estimates with actual amounts. DENC intends to seek implementation of its proposed rates on a temporary basis, subject to refund, on November 1, 2024, under the authority of N.C. Gen. Stat. § 62-135. DENC requests that new permanent base rates become effective on and after February 1, 2025.

DENC states that the primary drivers behind its request to increase rates are the costs incurred for: (1) significant investments in generation, transmission, and distribution infrastructure that DENC has made to ensure reliability, operational excellence, and efficient service for the benefit of its North Carolina customers; (2) maintenance of the DENC nuclear fleet; (3) the significant increase of purchased power expenses; and (4) significant cost pressures from a combination of persistent inflation, high interest rates, and higher costs such as contract labor, material, and pension and other employee benefits, among other factors.

Specifically, DENC states that its request is driven by investments made since its 2019 rate case, including: (1) the addition of ten regulated solar facilities, two utility-scale battery energy storage systems, and the Coastal Virginia Offshore Wind Pilot Project; (2) investments in existing nuclear plants to ensure their continued safe, reliable, and efficient operation and in pursuing Subsequent License Renewals to ensure continued operation of these units; and (3) investments in transmission and distribution improvements to support load growth and to improve reliability.

Additionally, DENC is requesting approval of accounting orders for: (1) deferral of potential future benefits from nuclear production tax credits pursuant to the 2022 Inflation Reduction Act; (2) recognition for ratemaking purposes of certain Asset Retirement Obligation (ARO) costs in the manner that these AROs are recognized for financial and accounting purposes; and (3) a transition from amortizing coal combustion residuals (CCR) expenditures through deferral to incorporating an ongoing annual level of CCR remediation expenses in DENC's cost of service.

DENC is also proposing a new experimental small general service electric vehicle rate schedule to address, promote, and incentivize third party development and investment in electric vehicle charging; a new residential time of use rate schedule, which is intended to improve the accuracy of price signals and alignment between customer charges and usage behaviors; and revisions to DENC's Line Extension Plan in its Terms and Conditions of Service.

Further, DENC is seeking approval of a rate of return on common equity of 10.6%.

On April 15, 2024, the Commission suspended the proposed rate changes for up to 270 days from the proposed effective date of May 1, 2024, and scheduled the Application for investigation and public hearing.

EFFECT OF RATE INCREASE

The following table shows the percentage increase in DENC’s North Carolina retail revenues under its proposed rates, by customer class:

Customer Class	Percentage Revenue Change
Residential	15.10%
Small General Service/Public Authority	16.42%
Large General Service	12.12%
Schedule NS	9.52%
Schedule 6VP	10.59%
Outdoor Lighting	33.84%
Traffic Control	15.80%
Overall	14.42%

Source: Page 1 of 2, Appendix 1 of Application

For customers on Residential Schedule 1, the proposed rates would increase an average monthly bill as follows:

Residential Schedule 1
Monthly Bill Based on 1,000 kWh per Month Usage

Season	Average Bill Under Existing Rates	Average Bill Under Proposed Rates	Increase in Average Bill	Percentage Increase
Winter	\$ 128.27	\$ 146.39	\$ 18.12	14.1%
Summer	\$ 142.78	\$ 163.76	\$ 20.98	14.7%
Average	\$ 133.11	\$ 152.18	\$ 19.07	14.3%

The amounts shown above do not account for any change in the fuel factor to be proposed in DENC’s August 2024 fuel charge adjustment filing.

The increases shown above include a proposed increase in the basic customer charge from \$10.67 to \$14.54 per month. Customers other than those on Residential Schedule 1 would experience increases in their monthly bills based upon their particular rate schedules and usage levels.

DENC also proposes to increase the basic customer charge for most small general service customers (Schedule 5) from \$18.93 to \$22.88 per month and for most large general service customers (Schedule 6P) from \$78.98 to \$108.74 per month.

PROPOSED RATE DESIGN/RATE SCHEDULE CHANGES

DENC is proposing a new experimental small general service electric vehicle rate schedule to address, promote, and incentivize third party development and investment in electric vehicle charging. In addition, DENC is proposing a new residential time of use rate schedule, which is intended to improve the accuracy of price signals and alignment between customer charges and usage behaviors.

The Commission may consider additional or alternative rate design proposals that were not included in DENC's Application and may order increases or decreases in individual rate schedules that differ from those proposed by DENC. In no event, however, will the Commission approve any increase in total revenues beyond the total increase in revenues requested by DENC.

HEARINGS AND OTHER MATTERS

A list of present rates, together with details of the proposed adjustments in rates, can be obtained at the business offices of DENC or at the Office of the Chief Clerk of the North Carolina Utilities Commission, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of the Application is available for review. These materials, as well as pleadings, the prefiled testimony and exhibits of all parties, the transcripts of all hearings, briefs, and proposed orders, may be viewed as they become available on the Commission's website at www.ncuc.gov. Click on "Docket Search" and search for docket number "E-22 Sub 694".

Persons desiring to present testimony for the record should appear at one of the public hearings. Persons desiring to send written statements to inform the Commission of their positions in the matter should address their statements to the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300 and reference Docket No. E-22, Sub 694. Persons may also email the Commission a written statement via the Commission's website at www.ncuc.gov/contactus.html. Written statements will be placed in Docket No. E-22, Sub 694CS, and may be accessed by searching that docket number via the Commission's website. However, such written statements cannot be considered competent evidence unless those persons appear at the hearing and testify concerning the information contained in their written statements.

FURTHER NOTICE IS GIVEN that the North Carolina Utilities Commission has scheduled hearings for the purpose of receiving public witness testimony on DENC's Application as follows:

Manteo: Wednesday, September 25, 2024, at 7:00 p.m.
Dare County Courthouse
962 Marshall C. Collins Drive
District Courtroom B
Manteo, North Carolina 27954

Virtual: Thursday, September 26, 2024, at 6:30 p.m.
Held remotely via Webex

Halifax: Monday, September 30, 2024, at 7:00 p.m.
Halifax County Courthouse
357 Ferrell Lane
Superior Courtroom 1
Halifax, North Carolina 27839

Williamston: Tuesday, October 1, 2024, at 7:00 p.m.
Martin County Courthouse
305 East Main Street
District Courtroom
Williamston, North Carolina 27892

The September 26, 2024 public witness hearing shall be held remotely via Webex, beginning at 6:30 p.m. A link to view the hearing will be available at www.ncuc.gov. Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on September 19, 2024.

To register, please complete the electronic Remote Public Witness Registration form located on the Commission's website at www.ncuc.gov/hearings/remotepublicregister.html. A confirmation email will be sent to the email address provided after the registration form is submitted. Further instructions, including the call-in number, will be provided to you by email approximately one week before the hearing. Witnesses calling from a different number than provided at registration may experience delays or other difficulties in providing their testimony. If assistance is needed, please contact 919-733-0837.

Only the first 20 individuals registered by 5:00 p.m. on September 19, 2024, will be allowed to testify at the September 26, 2024, remote public witness hearing. This hearing will be canceled if no one registers to testify by 5:00 p.m. on September 19, 2024;

The hearings on September 25, 26, 30, and October 1, 2024, will be solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearings pursuant to Commission Rule R1-21(g)(5).

The hearings will resume in Raleigh on October 7, 2024, at 2:00 p.m., solely for the purpose of receiving expert witness testimony from the parties' witnesses and will continue

as required for testimony and cross-examination of expert witnesses for DENC, the Public Staff, and other intervenors.

Persons having an interest in the investigation and desiring to intervene in the matter as formal parties of record may file their petitions to intervene not later than August 30, 2024. These petitions should reference Docket No. E-22, Sub 694, and should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. All parties to this proceeding planning to present expert testimony must prefile their direct testimony and exhibits not later than August 30, 2024.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any information the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to:

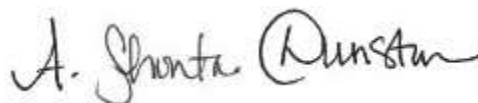
Mr. Christopher J. Ayers
Executive Director
Public Staff – North Carolina Utilities Commission
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to:

The Honorable Josh Stein
Attorney General of North Carolina
c/o Consumer Protection – Utilities
9001 Mail Service Center
Raleigh, North Carolina 27699-9001

This the 13th day of June, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "A. Shonta Dunston". The signature is written in a cursive, flowing style.

A. Shonta Dunston, Chief Clerk

NOTE TO PRINTER: DENC shall pay advertising costs. It is required that an Affidavit of Publication be filed with the Commission by DENC.