

McGuireWoods LLP
501 Fayetteville St.
Suite 500
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

OFFICIAL COPY

JUN 17 2022

June 17, 2022

VIA Electronic Filing

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

*Re: Supplemental Direct Testimony and Exhibit of Glory J. Creel
Docket No. G-5, Sub 642*

Dear Ms. Dunston:

In response to the North Carolina Utilities Commission *Order Scheduling Hearing, Requiring Filing of Testimony, Establishing Discovery Guidelines and Requiring Public Notice* issued on June 8, 2022, Public Service Company of North Carolina, Inc., d/b/a Dominion Energy North Carolina, hereby files in the above-referenced docket the *Supplemental Direct Testimony and Exhibit of Glory J. Creel*.

Thank you for your assistance with this matter. If you have any questions regarding this filing, you may reach me at the number shown above.

Sincerely,

/s/Mary Lynne Grigg

MLG:kjg

Enclosures

**BEFORE THE
NORTH CAROLINA UTILITIES COMMISSION**

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INCORPORATED

DOCKET NO. G-5, SUB 642

SUPPLEMENTAL DIRECT TESTIMONY

OF

GLORY J. CREEL

June 17, 2022

1 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, BY WHOM YOU
2 ARE EMPLOYED AND IN WHAT CAPACITY.

3 A. My name is Glory J. Creel. My business address is 800 Gaston Road, Gastonia,
4 North Carolina. I am employed by Dominion Energy Services, Inc. as Rates
5 and Regulatory Affairs Analyst III for Public Service Company of North
6 Carolina, Incorporated, d/b/a Dominion Energy North Carolina ("the
7 Company").

8 Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

9 A. Yes, I pre-filed direct testimony in this proceeding on June 1, 2022.

10 Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT
11 TESTIMONY?

12 A. The purpose of my supplemental direct testimony is to provide additional
13 information that will enable the Commission and Public Staff to review the
14 interest rate presently being applied to the Company's deferred accounts and to
15 determine whether a change is warranted, as required by the Commission's
16 Order Scheduling Hearing, Requiring Filing of Testimony, Establishing
17 Discovery Guidelines and Requiring Public Notice issued in this docket on
18 June 8, 2022.

19 Q. WHAT IS THE INTEREST RATE PRESENTLY BEING APPLIED TO THE
20 COMPANY'S DEFERRED ACCOUNTS?

21 A. In the Company's last general rate case, Docket No. G-5, Sub 632, the
22 Commission approved in Finding of Fact No. 33 of its Order dated January 21,

1 2022, the Company's use of "a net of tax interest rate of 6.57% for all deferred
2 accounts, adjusted as appropriate for income taxes."

3 Q. DID THE COMPANY REVIEW THE DEFERRED ACCOUNT INTEREST
4 RATE AS PART OF THIS PROCEEDING?

5 A. Yes. The Company reviewed the 6.57% annual interest rate approved in Docket
6 No. G-5, Sub 632, and determined that no adjustment is necessary at this time.
7 Creel Supplemental Direct Exhibit 1 attached hereto sets forth the calculation
8 of the 6.57% annual interest rate at Schedule 1. This rate was applicable to
9 deferred account interest starting in January 2022 when approved by the
10 Commission in the Company's general rate case. As provided in the applicable
11 riders of the Company's tariff, the Company will continue to review the interest
12 rate calculation annually and make adjustments as necessary.

13 Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?

14 A. Yes, it does.

Public Service Company of North Carolina, Incorporated
Docket No. G-5, Sub 642
Creel Supplemental Direct Exhibit 1
2022 Deferred Account Interest Rate
Schedule 1

Item	Capital Structure	Cost	Overall Return	Pre-tax Return	Net of Tax Return
Long Term Debt	47.06%	4.48%	2.110%	2.110%	
Short Term Debt	1.34%	0.25%	0.000%	0.000%	
Common Equity	51.60%	9.60%	4.950%	6.427%	
Total	<u>100.00%</u>		<u>7.060%</u>	<u>8.537%</u>	
State Income Tax Rate	2.50%				
Federal Income Tax Rate	<u>21.00%</u>				
Composite	<u>22.98%</u>				
Net of Tax Factor	<u>77.02%</u>				<u>6.575% [1]</u>
Monthly Interest Rate					<u>0.548%</u>

[1] Finding of Fact No. 33, Docket No. G-5, Sub 632, Final Order dated 1/21/2022

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Supplemental Direct Testimony and Exhibit of Glory J. Creel, as filed in Docket No. G-5, Sub 642, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 17th day of June, 2022.

/s/Mary Lynne Grigg

Mary Lynne Grigg

McGuireWoods LLP

501 Fayetteville Street, Suite 500

Raleigh, North Carolina 27601

Telephone: (919) 755-6573

mgrigg@mcguirewoods.com

*Attorney for Public Service Company of North
Carolina, Inc., d/b/a Dominion Energy North
Carolina*

OFFICIAL COPY

JUN 17 2022