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OFFICIAL COPY

Jan 25 2019

January 25, 2019

VIA ELECTRONIC FILING

Ms. M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

**Re: Docket No. E-22, Sub 556
Docket No. E-22, Sub 557
Docket No. E-22, Sub 558**

Dear Ms. Jarvis:

Enclosed for filing in the above-captioned proceedings on behalf of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (“Company”), is the Company’s Notice to Customers of Change in Rates (“Notice”). The enclosed Notice is being submitted pursuant to North Carolina Utilities Commission (“Commission”) orders issued in the above-referenced dockets on January 4, 2019, in Docket No. E-22, Sub 557; on January 10, 2019, in Docket No. E-22, Sub 556; and on January 23, 2019, in Docket No. E-22, Sub 558.

As directed by the Commission in these orders, the Company has worked with the Public Staff to develop this Notice. The Public Staff has authorized the Company to state that the Public Staff agrees to the content of the Notice.

Please do not hesitate to contact me should you have any questions. Thank you for your assistance with this matter.

Very truly yours,

/s/Andrea R. Kells

ARK:kjg

Enclosure

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-22, SUB 556
DOCKET NO. E-22, SUB 557
DOCKET NO. E-22, SUB 558

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 Management and Energy)
Efficiency Cost Recovery Rider)
Pursuant to G.S. 62-133.9 and)
Commission Rule R8-69)

In the Matter of)
Application by Virginia Electric and)
Power Company, d/b/a Dominion)
Energy North Carolina, for Approval of)
Renewable Energy and Energy)
Efficiency Portfolio Standard Cost Rider)
Pursuant to G.S. 62-133.8 and)
Commission Rule R8-67)

In the Matter of)
Application of Virginia Electric and)
Power Company, d/b/a Dominion)
Energy North Carolina, Pursuant to G.S.)
62-133.2 and Commission Rule R8-55)
Regarding Fuel and Fuel-Related Costs)
Adjustments for Electric Utilities)

NOTICE TO CUSTOMERS OF
CHANGE IN RATES

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission (“Commission”) has authorized Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (the “Company”), to implement an overall increase in its rates and charges paid by customers for retail electric service in North Carolina, as detailed below. The Commission-authorized rates will recover decreases in Dominion Energy North Carolina’s cost of purchasing renewable energy, as well as increases in the Company’s

total fuel expenses and the costs and utility incentives associated with Commission-authorized programs implemented to encourage more efficient use of electricity by its customers. These rate changes will become effective for usage on and after February 1, 2019. The Commission's orders authorizing these rate changes were issued on January 4, 2019, in Docket No. E-22, Sub 557, on January 10, 2019, in Docket No. E-22, Sub 556, and on January 23, 2019, in Docket No. E-22, Sub 558.

Renewable Energy and Energy Efficiency Portfolio Standard Rate Decrease

On January 4, 2019, the Commission approved the Company's updated Riders RP and RPE to become effective February 1, 2019, which are designed to recover annual North Carolina retail revenues of \$1,039,706 associated with the Company's annual obligation to purchase electricity produced by renewable energy resources under North Carolina's Renewable Energy Portfolio and Energy Efficiency Standard ("REPS"). The rate decrease was approved by the Commission after review of the Company's incremental REPS compliance costs incurred during the period July 1, 2017, through June 30, 2018, Rider RP revenues recovered during that period, and compliance costs projected to be incurred during the rate period February 1, 2019 – January 31, 2020. The combined Rider RP and Rider RPE charges, including the regulatory fee, result in the following monthly per-account customer charges for usage during the February 1, 2019 – January 31, 2020 rate period:

Residential	Commercial	Industrial
\$0.43	\$2.35	\$15.89

The change in the REPS charges will result in a monthly decrease of \$0.06 for a residential customer during the rate period February 1, 2019 – January 31, 2020.

Dominion Energy North Carolina's REPS charges are not applicable to agreements under the Company's outdoor lighting rate schedules, nor for sub-metered service agreements.

Additionally, the REPS charges are not applicable to small auxiliary separately-metered services provided to a customer on the same property as a residential or other service account. An auxiliary service is defined as a non-demand metered, nonresidential service provided on schedule SGS or SG, at the same premises, with the same service address, and with the same account names as an agreement for which a monthly REPS charge has been applied. To qualify for an auxiliary service not subject to the REPS Charge, the customer must notify the Company and the Company must verify that such agreement is considered an auxiliary service, after which the REPS charge will not be applied to qualifying auxiliary service agreements. The customer is also responsible for notifying the Company of any change in service that results in the service no longer qualifying as auxiliary. Please contact the Company at 1-866-DOM-HELP or 1-866-366-4357 or go to <https://www.dominionenergy.com/REPS-opt-out> for additional detail on qualifying as an eligible auxiliary service account.

Demand-Side Management and Energy Efficiency Related Rate Increase

On January 10, 2019, the Commission approved rates to become effective February 1, 2019, that are designed to collect \$4,350,223 in annual North Carolina retail costs and utility incentives (including interest) associated with offering the Company's portfolio of demand-side management ("DSM") and energy efficiency ("EE") programs. The rate increase was approved by the Commission after review of the Company's

projected DSM and EE program expenses and utility incentives for the rate period February 1, 2019 – January 31, 2020, and a true-up of calendar year 2017 DSM/EE expenses and utility incentives through an Experience Modification Factor (“EMF”) Rider. The combined projected (Rider C) and EMF (Rider CE) rates result in the following per kilowatt-hour (“kWh”) charges for usage during the rate period February 1, 2019 – January 31, 2020:

Residential	SGS & Public Authority	LGS	6VP	NS	Outdoor Lighting	Traffic
0.121 ¢/kWh	0.222 ¢/kWh	0.233 ¢/kWh	0.000 ¢/kWh	0.000 ¢/kWh	0.000 ¢/kWh	0.000 ¢/kWh

The change in the DSM and EE rates will result in a monthly increase of approximately \$0.01 for a residential customer using 1,000 kWh per month during the February 1, 2019 – January 31, 2020 rate period. Commercial customers with annual consumption of 1,000,000 kWh or greater in the prior calendar year, and all industrial customers, may elect not to participate in the Company’s DSM/EE programs and thereby avoid paying these charges by notifying the Company that they have implemented or will implement their own DSM or EE measures. Commercial and industrial customers choosing this option will receive an offsetting credit to the DSM/EE rates on their monthly bills. Please go to <https://www.dominionenergy.com/large-business/energy-conservation-programs/nc-dsm-program-opt-out> for additional details on DSM/EE opt out eligibility.

Fuel Related Rate Increase

On January 23, 2019, the Commission approved annual non-base fuel rate changes to become effective February 1, 2019, including projected fuel factor (Rider A) and EMF

rider (Rider B). This total increase includes recovery of the Company's North Carolina fuel expense under-collection of \$16,162,154 (including interest and North Carolina regulatory fee). The rate increase was approved by the Commission after review of the Company's fuel expenses and related revenues during the 12-month period ending June 30, 2018, and represents changes experienced by the Company with respect to its reasonable costs of fuel and the fuel component of purchased power. The EMF increment fuel factors (Rider B) approved by the Commission are:

Residential	SGS & Public Authority	LGS	NS	6VP	Outdoor Lighting	Traffic
0.392 ¢/kWh	0.392 ¢/kWh	0.389 ¢/kWh	0.377 ¢/kWh	0.383 ¢/kWh	0.392 ¢/kWh	0.392 ¢/kWh

The net change of the EMF rider and Fuel Rider A will result in a monthly increase of approximately \$5.87 for a residential customer using 1,000 kWh per month during the rate period February 1, 2019 – January 31, 2020. Dominion Energy North Carolina's total net fuel factors (for each customer class) are:

Residential	SGS & Public Authority	LGS	NS	6VP	Outdoor Lighting	Traffic
2.558 ¢/kWh	2.556 ¢/kWh	2.536 ¢/kWh	2.459 ¢/kWh	2.495 ¢/kWh	2.558 ¢/kWh	2.558 ¢/kWh

Summary of Rate Changes

The foregoing changes to Dominion Energy North Carolina's approved rates and charges relating to renewable energy costs, demand-side management and energy efficiency programs, and fuel expenses are effective on a final basis for usage on and after February 1, 2019. Compared to the rates previously approved by the Commission,

the total aggregate monthly impact of these rate changes for a residential customer using 1,000 kWh per month is an increase of \$5.82, or 5.20%. The total monthly impact for commercial and industrial customers will vary based upon consumption and customers' participation in Dominion Energy North Carolina's demand-side management and energy-efficiency programs.

ISSUED BY ORDER OF THE COMMISSION.

This ____ day of January, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Martha Lynn Jarvis, Chief Clerk

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Notice to Customers of Change in Rates, as filed in Docket Nos. E-22, Sub 556; E-22, Sub 557; and E-22, Sub 558, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 25th day of January, 2019.

/s/Andrea R. Kells

Andrea R. Kells

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