

McGuireWoods LLP  
501 Fayetteville St.  
Suite 500  
Raleigh, NC 27601  
Phone: 919.755.6600  
Fax: 919.755.6589  
www.mcguirewoods.com

Mary Lynne Grigg  
Direct: 919.755.6573

McGUIREWOODS

mgrigg@mcguirewoods.com

OFFICIAL COPY

Oct 28 2021

October 28, 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 2021 Fuel Charge Adjustment  
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 Company's Petition to Modify Test Period.

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

Very truly yours,

/s/Mary Lynne Grigg

ARK:kjg

Enclosure

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. E-22, SUB 605

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Application by Virginia Electric and Power )  
Company, d/b/a Dominion Energy North ) PETITION TO MODIFY  
Carolina, for Authority to Adjust its Electric ) TEST PERIOD  
Rates and Charges and Revise its Fuel )  
Factor Pursuant to N.C. Gen. Stat. § 62- )  
133.2 and NCUC Rule R8-55 )

Pursuant to Rule R1-7 and Rule R8-55 of the Rules and Regulations of the North Carolina Utilities Commission (“Commission”), Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (“DENC” or the “Company”), by counsel, hereby requests authority to modify the Test Period in this proceeding to include the Company’s deferral balance for the months of July, August, and September, 2021 (“Petition”). If approved, the Company also requests that an additional public hearing be held following the evidentiary hearing on this matter scheduled for Tuesday, November 22, 2021, so that the Company may comply with the Rule R8-55(g) notice and hearing requirements, and that the Commission approve the Company’s revised notice attached hereto as Attachment A.

In support thereof, the Company respectfully shows the following:

1. On August 10, 2021, the Company filed its Application Pursuant to N.C.G.S. § 62- 133.2 and Commission Rule 8-55 Regarding Fuel and Fuel-Related Cost Adjustments for Electric Utilities (“Application”). Pursuant to Rule R8-55(c), DENC’s Application defined the test period for this proceeding as the 12-month period ending June 30, 2021 (“Test Period”).

2. On August 23, 2021, the Commission issued an *Order Scheduling Hearing, Requiring Filing of Testimony, Establishing Discovery Guidelines, and Requiring Public Notice*, which, among other things, required the Company to publish notice of the hearing on this matter in a newspaper or newspapers having general circulation in DENC's service area once a week for two successive weeks beginning at least 35 days prior to the hearing on this matter.

3. On October 25, 2021, the Public Staff filed a Motion for an Extension of Time to file testimony.

4. On October 26, 2021, the Commission issued an *Order Granting the Public Staff's Motion for Extension of Time*.

5. The Company hereby requests authority to modify the Test Period and add to its recovery request the deferral balance for the months of July, August, and September of 2021 to help mitigate a projected significant under-recovery for the 2022 fuel factor adjustment proceeding due to the recent rise in commodity fuel prices as described in its Supplemental Testimony filed October 28, 2021.

6. N.C. Gen. Stat. § 62-133.2(d) states that, "the Commission shall consider all evidence required under subsection (c) of this section and all other competent evidence that may assist the Commission in reaching its decision including changes in the cost of fuel consumed and fuel-related costs that occur within a reasonable time, as determined by the Commission, after the test period is closed." This section and Rule R8-55(d)(3) further provide that "Upon request of the electric public utility, the Commission shall also incorporate in this determination the experienced over-recovery or under-recovery of costs of fuel and fuel-related costs through the date that is 30 calendar

days prior to the date of the hearing, provided that the reasonableness and prudence of these costs shall be subject to review in the utility's next annual hearing pursuant to this section.”

7. The Company submits that including these additional months of fuel costs in its deferral request in this case is consistent with the above provisions and is in the public interest. Importantly, inclusion of these additional months of fuel costs in the Company's deferral request also mitigates the projected significant under-recovery for the 2022 fuel factor adjustment proceeding due to the recent rise in commodity fuel prices. The inclusion of these months will increase the requested annual fuel revenue increase from approximately \$22 million to \$23 million.<sup>1</sup>

8. Rule R8-55(g) requires DENC to publish notice for two (2) successive weeks in a newspaper or newspapers having general circulation in its service area, at least 30 days prior to the hearing, notifying the public of the hearing before the Commission pursuant to N.C. Gen. Stat. § 62-133.2(b) and setting forth the time and place of the hearing.

9. DENC published notice and its affidavit of publication was filed in this docket on October 27, 2021. If the Commission grants this Petition, the Company proposes to re-notice the proceeding with the updated requested revenue increase.

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<sup>1</sup> On September 29, 2021, the Commission issued its *Order on Petition for Declaratory Ruling* in Docket No. E-22, Sub 601 and determined that the regional greenhouse gas initiative (“RGGI”) costs are not recoverable from North Carolina customers. The Commission also concluded that it was not necessary to reach the second question presented of whether those costs should be recovered through the Company's annual fuel clause rider proceeding. Pursuant to the Commission's order the Company is removing RGGI costs from recovery in this proceeding as described in the supplemental testimony of Company witness Ronnie T. Campbell filed October 28, 2021 in this proceeding. Removing the RGGI costs reduces the requested revenue increase by \$3.2 million; including the three additional months of deferral increases the increase by \$7.5 million, for a total updated increase of \$26 million.

10. As of the filing of this request, there is not sufficient time before the November 22, 2021 evidentiary hearing for the Company to provide timely notice pursuant to Rule R8-55(g) of the change in fuel rates resulting from inclusion of the months July, August, and September in DENC's recovery request. The Company therefore requests the Commission hold an additional public hearing on this matter following the evidentiary hearing schedule for November 22, 2021, in order for the Company to comply with Rule R8-55(g). The Company also requests approval of its revised notice reflecting these changes and included as Attachment A.

WHEREFORE, Dominion Energy North Carolina respectfully requests that the Commission: (1) grant the Company authority to include in its request for recovery the deferral balance for the months of July, August, and September of 2021; (2) schedule an additional public hearing following the evidentiary hearing on this matter scheduled for November 22, 2021 in order for the Company to comply with Rule R8-55(g); (3) approve the Company's revised notice included as Attachment A, and (4) grant any other relief the Commission deems just and proper.

Respectfully submitted, this the 28<sup>th</sup> day of October, 2021.

DOMINION ENERGY NORTH CAROLINA

By: /s/Mary Lynne Grigg

Paul E. Pfeffer  
Lauren W. Biskie  
Dominion Energy Services, Inc.  
Legal Department  
120 Tredegar Street, RS-2  
Richmond, Virginia 23219  
(804) 787-5607 (PEP phone)  
(804) 819-2396 (LWB phone)  
paul.e.pfeffer@dominionenergy.com  
lauren.w.biskie@dominionenergy.com

Mary Lynne Grigg  
Andrea R. Kells  
McGuireWoods LLP  
501 Fayetteville Street, Suite 500  
PO Box 27507 (27611)  
Raleigh, North Carolina 27601  
(919) 755-6573 (MLG phone)  
(919) 755-6614 (ARK phone)  
mgrigg@mcguirewoods.com  
akells@mcguirewoods.com

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

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-22, SUB 605

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 Authority to Adjust its ) PUBLIC NOTICE  
Electric Rates and Charges and Revise )  
its Fuel Factor Pursuant to N.C. Gen. )  
Stat. § 62-133.2 and NCUC Rule R8-55 )

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has scheduled a public hearing in the annual fuel charge adjustment cost recovery proceeding for Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC). The public hearing has been scheduled to begin immediately following the hearings in Docket Nos. E-22, Subs 603 and 604, which are scheduled to begin on Tuesday, November 22, 2021, at 1:30 p.m., in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina and on \_\_\_\_\_, December \_\_, 2021 at \_\_\_\_ Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina. This proceeding is being held pursuant to the provisions of N.C. Gen. Stat. § 62-133.2 and Commission Rule R8-55 for the purpose of determining whether an increment or decrement rider is required to allow DENC to recover all reasonable and prudently incurred fuel and fuel related costs. Public witness testimony will be received in accordance with Commission Rule R1-21(g).

On August 10, 2021, DENC filed its application for approval of its fuel and fuel-related cost recovery pursuant to N.C.G.S. § 62-133.2 and Commission Rule R8-55. By its application, DENC requests revisions to its fuel and fuel-related recovery rider effective for service rendered on and after February 1, 2022. According to its application, DENC is requesting a total annual fuel revenue increase of approximately \$26 million from the fuel and fuel-related costs currently in effect.

DENC's proposed fuel revenue increase, including regulatory fee, would result in the following increases for DENC's customers: 0.6094 cents per kilowatt-hour (kWh) for residential, outdoor lighting and traffic lighting customers; 0.6077 cents per kWh for small general service and public authority customers; 0.6026 cents per kWh for large general service customers; 0.5845 cents per kWh for rate schedule NS customers; and 0.5941 cents per kWh for rate schedule 6VP customers. The net effect of this request would increase the monthly bill of a residential customer using 1,000 kWh of electricity by \$6.09.

Specific information may be obtained from the Office of the Chief Clerk, North Carolina Utilities Commission, Raleigh, North Carolina, where a copy of DENC's

application is available for review by the public, and on the Commission's website at [www.ncuc.net](http://www.ncuc.net).

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 that the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to Christopher J. Ayers, Executive Director, Public Staff 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, c/o Consumer Protection-Utilities, 9001 Mail Service Center, Raleigh, North Carolina, 27699-9001. Written statements may be emailed to [utility.AGO@ncdoj.gov](mailto:utility.AGO@ncdoj.gov).

Written statements are not evidence unless the persons appear at a public hearing and testify concerning the information contained in their written statements.

Any person desiring to intervene in the proceeding as a formal party of record should file a petition under North Carolina Utilities Commission Rules R1-5 and R1-19 on or before Tuesday, October 26, 2021. Such petitions should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. The direct testimony and exhibits of expert witnesses to be presented by intervenors should also be filed with the Commission on or before Tuesday, November 5, 2021.

ISSUED BY ORDER OF THE COMMISSION.

This the\_\_ day of October, 2021.

NORTH CAROLINA UTILITIES COMMISSION



Joann R. Snyder, Deputy Clerk



**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing *Petition to Modify Test Period*, 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 28<sup>th</sup> day of October, 2021.

/s/Mary Lynne Grigg  
Mary Lynne Grigg  
McGuireWoods LLP  
501 Fayetteville Street, Suite 500  
PO Box 27507 (27611)  
Raleigh, North Carolina 27601  
Telephone: (919) 755-6573  
mgrigg@mcguirewoods.com

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