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March 8, 2010

VIA OVERNIGHT DELIVERY

Ms. Renne Vance, Chief Clerk
North Carolina Utilities Commission
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FILED
MAR 09 2010
Clerk's Office
N.C. Utilities Commission

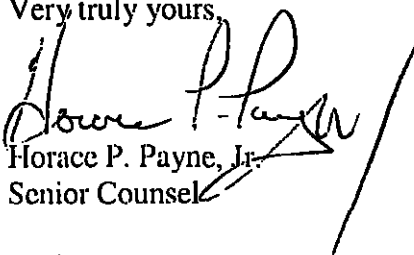
Re: Integrated Resource Plan of Dominion North Carolina Power
Docket No. E-100, Sub 124

Dear Ms. Vance:

Pursuant to the Commission's October 19, 2009 *Order Scheduling Hearings on 2009 Integrated Resource Plans and REPS Compliance Plans and Consolidating Dockets for Decision*, Virginia Electric and Power Company d/b/a Dominion North Carolina Power encloses for filing an original and thirty (30) copies of the Affidavit of Shannon L. Venable in the above-referenced docket.

Please do not hesitate to contact me if you have any questions.

Very truly yours,


Horace P. Payne, Jr.
Senior Counsel

Enclosures

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7Comm Hilborn
Bennink W. Orr
Kirby EC/K
Watsch J. Legal
Heaver J. Legal
Sessoms Econ
Kite 3E/LL
Enc 87

FILED

MAR 09 2010

DOCKET NO. E-100, SUB 124

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Clerk's Office
N.C. Utilities Commission

In the Matter of)
Investigation of Integrated Resource)
Planning in North Carolina – 2009)
AFFIDAVIT OF
SHANNON L. VENABLE

CITY OF RICHMOND
COMMONWEALTH OF VIRGINIA

I, Shannon L. Venable, being duly sworn, do depose and say:

I am the Vice President of Integrated Resource Planning for Virginia Electric and Power Company ("Dominion North Carolina Power" or the "Company"). I am responsible for the development of initiatives that integrate capacity plans and demand-side resources in support of the Company's regulatory and strategic initiatives. As part of my duties, I also oversee the Company's long-term peak demand and energy forecasts and the analysis of demand-side management ("DSM") programs. I caused to be filed direct testimony in support of the Company's 2009 Integrated Resource Plan, ("2009 Plan") on September 1, 2009, as amended September 15, 2009 and December 11, 2009 (which included updates to the 2008 Plan filed in Docket No. E-100, Sub 118). The Company also filed its Renewable Energy and Energy Efficiency Portfolio Standard ("REPS") Compliance Plan on September 1, 2009.

The purpose of my affidavit is to address the testimony and affidavits of the Public Staff and the testimony of the Environmental Defense Fund, the Sierra Club, Southern Alliance for Clean Energy and the Southern Environmental Law Center (collectively, "Environmental Respondents") filed in this proceeding on February 19, 2010.

The Public Staff finds that Dominion North Carolina Power's 2009 Plan meets the requirements of North Carolina statutes and the North Carolina Utility Commission's ("Commission") rules governing integrated resource plans and REPS compliance plans.

**Generating Facilities, Reserve Margin Adequacy, Non-Utility Generation,
Wholesale Power Contracts, Transmission Facilities, Transmission Planning,
Evaluation of Resource Options, and Levelized Busbar Costs**

By affidavit, Public Staff Witness Kennie D. Ellis states he examined the utilities' generating facilities, reserve margin adequacy, non-utility generation, wholesale power contracts, transmission facilities, transmission planning, evaluation of resource options, and levelized busbar costs. Mr. Ellis states that all the utilities, including Dominion North Carolina Power, appear to meet the requirements of R8-60.

Peak Load and Energy Forecasts

Public Staff Witness John R. Hinton pre-filed direct testimony stating he examined the reasonableness of the peak load and energy forecasts of the utilities and their integration of DSM programs in their production simulation models. Mr. Hinton stated he did not have concerns and that Dominion North Carolina Power's 15-year forecasts of its peak demand and total energy sales were reasonable. Mr. Hinton also stated that the assumptions used in the forecasts were reasonable and that the Company's forecasts were accurate. Overall, he concluded the forecasts are valid and reasonable for planning purposes.

Demand-Side Management and Energy Efficiency

In regard to his review of DSM programs, Mr. Hinton stated in his pre-filed direct testimony that increasing activation of load control would not defer or eliminate an additional combustion turbine or combined cycle facility, mainly because the model runs load control to address peak demand. Mr. Hinton observed that air conditioner cycling could reduce peak demand and reduce fuel costs. Similarly, Public Staff Witness Jack L. Floyd, by affidavit, provided his review of Company's DSM and energy efficiency programs. Mr. Floyd stated that he thinks the utilities should consider air conditioner cycling programs. The Company included an air conditioner cycling program in its initial DSM Portfolio modeled for the 2009 Plan (see 2009 Plan at 3-17) and will consider opportunities for lowering fuel costs once the program is formally filed and approved in North Carolina and operational data can be further analyzed.

REPS Compliance Plan

Public Staff Witness Jay B. Lucas stated that, consistent with Commission Rule R8-67 (i) (7), the Company filed its assessment of existing and potential alternative supply-side energy resources; the Company provided information on changes to methods and assumptions used in assessments; and, pursuant to G.S. § 62-133.8, the Company provided specific percentages of retail sales using renewable energy resources, energy conservation, and energy efficiency. Mr. Lucas also stated that the Company provided its REPS Compliance Plan to meet the REPS requirements of G.S. § 62-133.8 (b), (c), (d), (e), and (f) for 2009, 2010 and 2011.

Mr. Lucas is correct that the Company did not mention a problem finding poultry and swine renewable energy or RECs in its REPS Compliance Plan. The Company has been having difficulty obtaining those resources, however, and participated as a joint movant on assignment and implementation issues for swine and poultry waste issues in Docket No. E-100, Sub 113.

Mr. Lucas stated that the Company complied with Rule R8-67 (b) (1) (iv) regarding customer counts and projections and Rule R8-67 (b) (1) (vi) and (vii) on projected total costs anticipated to implement the REPS Compliance Plan for 2009-2011 and a comparison to the cost caps. Mr. Lucas concludes by stating that the utilities,

including Dominion North Carolina Power “can meet their REPS requirements for the time period covered by their REPS Compliance Plans (2009, 2010, and 2011). Lucas at 9.

Environmental Respondents

On behalf of the Environmental Respondents, John D. Wilson stated in his pre-filed direct testimony that the Company failed to describe “capacity, energy, number of customers and other required information” for its DSM programs. See Testimony of John D. Wilson at 23-24. The Company notes that this information is included in the Appendix to the 2009 Plan. See Appendix, Proposed Programs at AP-38 through AP-41; Future Programs at AP-107 through AP-110.

Citing Rule R8-60 (c) (1), Mr. Wilson suggests that the Commercial Distributed Generation (“Commercial DG”) Program should be characterized as a supply-side resource. The Company does not agree with this statement. The Company has classified the proposed Commercial DG Program as a demand-side resource because it has the attributes of a demand-side program.

- The Commercial DG Program reduces load on the system;
- The generator is located behind the customer’s meter and it is not a Company-owned resource; and
- The Company pays the customer an incentive for using the generator on their premises, which would classify the resource as a demand-side resource, not a supply-side resource.

In addition, because Commercial DGs are located at the customer location, they can provide avoided cost benefits resulting from reductions in future transmission and distribution costs as well as reductions in system transmission and distribution losses consistent with being a demand-side resource. Supply-side options generally do not produce these types of benefits.

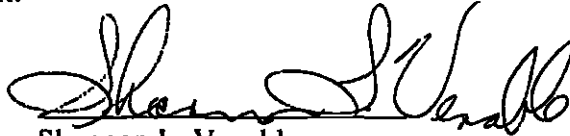
As to Mr. Wilson’s suggestion that the utilities should meet an annual energy savings goal of 1%, this is not the standard established by Senate Bill 3. See Testimony of John D. Wilson at 28. The Company is committed to pursuing energy efficiency that is cost-effective and appropriate for its customers.

The Company does not support the creation of a regional energy efficiency database and collaboration process. However, the Company is in support of an inclusive stakeholder process

Conclusion

The Company respectfully requests the Commission to issue an order approving Dominion North Carolina Power's 2008 and 2009 Integrated Resource Plans.

This completes my affidavit.



Shannon L. Venable

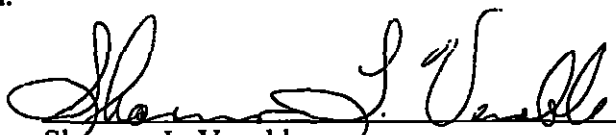
DOCKET NO. E-100, SUB 124

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)
Investigation of Integrated Resource) AFFIDAVIT OF
Planning in North Carolina – 2009) SHANNON L. VENABLE

CITY OF RICHMOND
COMMONWEALTH OF VIRGINIA

I, Shannon L. Venable, Vice President of Integrated Resource Planning for Virginia Electric and Power Company ("Dominion North Carolina Power" or the "Company"), do solemnly swear that the facts stated in the foregoing affidavit, insofar as they relate to Dominion North Carolina Power, are true and correct to the best of my knowledge and belief and are based on the testimony and exhibits filed with the 2009 Plan.


Shannon L. Venable

COMMONWEALTH OF VIRGINIA)
City of Richmond) to wit:

The foregoing instrument was sworn to and acknowledged before me this 8th day of March, 2010.


Notary Public

My registration number is 312166 and my commission expires:

9-30-13



CERTIFICATE OF SERVICE
DOCKET NO. E-100, SUB 124

I hereby certify that a copy of the Affidavit of Shannon L. Venable on behalf of Dominion North Carolina Power was mailed, first-class, postage prepaid, to each of the following:

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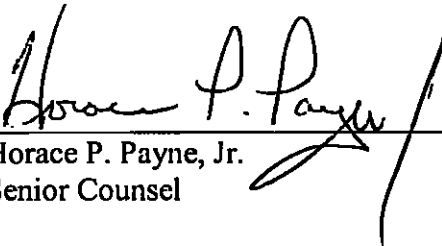
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This the 9th day of March, 2010.



Horace P. Payne, Jr.
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