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OFFICIAL COPY

Dec 28 2017

December 28, 2017

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 544
Docket No. E-22, Sub 545

Dear Ms. Jarvis:

Enclosed for filing in the above-referenced dockets on behalf of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (the "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 December 13, 2017, and on December 21, 2017, respectively.

As directed by the Commission, 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 if you have any questions. Thank you for your assistance in this matter.

Very truly yours,

/s/E. Brett Breitschwerdt

EBB:kjg

Enclosure

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 544

DOCKET NO. E-22, SUB 545

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)
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 by Virginia Electric and)
Power Company, d/b/a Dominion)
Energy North Carolina for Authority to)
Adjust its Electric Rates and Charges)
Pursuant to G.S. 62-133.9 and)
Commission Rule R8-69)

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 to adjust its rates and charges effective for usage on and after January 1, 2018 to recover changes in the Company’s cost of purchasing renewable energy, as well as the Company’s costs and utility incentives associated with offering Commission-authorized programs to encourage more efficient use of electricity by its customers. The Commission’s orders authorizing these rate changes were issued on December 13, 2017, in Docket No. E-22, Sub 544 and on December 21, 2017, in Docket No. E-22, Sub 545.

Renewable Energy and Energy Efficiency Portfolio Standard Rate Decrease

On December 13, 2017, the Commission approved Dominion Energy North Carolina's updated Riders RP and RPE to become effective for usage on and after January 1, 2018, which are designed to recover annual North Carolina retail revenues of \$1,185,725 associated with the Company's obligation to purchase electricity produced by renewable energy resources under North Carolina's Renewable Energy Portfolio and Energy Efficiency Standard ("REPS"). The combined Rider RP and Rider RPE charges result in the following monthly per-account customer charges for usage during calendar year 2018: Residential - \$0.49; Commercial - \$2.71; and Industrial - \$18.12. The change in the REPS charges will result in a monthly decrease of \$0.39 for a residential customer during calendar year 2018. 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 December 21, 2017, the Commission approved rates to become effective for usage on and after January 1, 2018, that are designed to collect \$3,341,013 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 calendar year 2018 and a true-up of calendar year 2016 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 calendar year 2018: Residential – 0.120 ¢/kWh; SGS & Public Authority – 0.154 ¢/kWh; LGS – 0.118 ¢/kWh; 6VP – 0.000 ¢/kWh; NS – 0.000 ¢/kWh; Outdoor Lighting – 0.000 ¢/kWh; and Traffic – 0.000 ¢/kWh. The change in the DSM and EE rates will result in a monthly increase of approximately \$0.58 for a residential customer using 1,000 kWh per month during calendar year 2018. 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/dsm-energy-efficiency-program-opt-out for additional details on DSM/EE opt out eligibility.

Summary of Rate Changes

The foregoing changes to Dominion Energy North Carolina's approved rates and charges relating to renewable energy costs and demand-side management and energy efficiency programs are effective or usage on and after January 1, 2018. Compared to the rates previously approved by the Commission effective prior to January 1, 2018, the total aggregate monthly impact of these rate changes for a residential customer using 1,000 kWh per month is an increase of \$0.19, or 0.18%. 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 December, 2017.

NORTH CAROLINA UTILITIES COMMISSION

Martha Lynn Jarvis, Chief Clerk

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Notice to Customers of Change in Rates, as filed in Docket No. E-22, Subs 544 and 545, was served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 28th day of December, 2017.

/s/E. Brett Breitschwerdt

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