

McGuireWoods LLP
434 Fayetteville Street
Suite 2600
PO Box 27507 (27611)
Raleigh, NC 27601
Phone: 919.755.6600
Fax: 919.755.6699
www.mcguirowoods.com

Andrea R. Kells
Direct: 919.755.6614

McGUIREWOODS

akells@mcguirowoods.com

October 30, 2018

VIA ELECTRONIC FILING

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

Re: *Application of Dominion Energy North Carolina for Approval of Cost
Recovery for Renewable Energy and Energy Efficiency Portfolio Standard
Compliance and Related Costs
Docket No. E-22, Sub 557*

Dear Ms. Jarvis:

Enclosed for filing on behalf of Virginia Electric and Power Company, d/b/a
Dominion Energy North Carolina, is the *Second Supplemental Testimony of George E.
Hitch and Company Second Supplemental Exhibit GEH-1.*

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

Very truly yours,

/s/Andrea R. Kells

ARK:kjg

Enclosures

cc: Robert B. Josey

**SECOND SUPPLEMENTAL TESTIMONY
OF
GEORGE E. HITCH
ON BEHALF OF
DOMINION ENERGY NORTH CAROLINA
BEFORE THE
NORTH CAROLINA UTILITIES COMMISSION
DOCKET NO. E-22, SUB 557**

1 **Q. Please state your name, business address, and position with Virginia**
2 **Electric and Power Company (“Dominion Energy North Carolina” or the**
3 **“Company”).**

4 **A. My name is George E. Hitch, and my business address is 5000 Dominion**
5 **Boulevard, Glen Allen, Virginia. I am a Senior Market Originator for**
6 **Dominion Energy North Carolina and Dominion Energy Virginia.**

7 **Q. Are you the same George E. Hitch who previously prefiled direct**
8 **testimony, including schedules, and supplemental testimony in this**
9 **proceeding?**

10 **A. Yes. I prefiled direct testimony and Company Exhibit GEH-1 which is the**
11 **Company’s 2018 REPS Compliance Report for calendar year 2017 REPS**
12 **compliance and Company Exhibit GEH-2 consisting of two schedules,**
13 **Schedule 1 and 2. (Exhibits GEH 1-2 provided in public and confidential**
14 **versions filed under seal). I also filed supplemental testimony and Company**
15 **Supplemental Exhibit GEH-2 consisting of an updated Schedule 1.**

1 **Q. What is the purpose of your second supplemental testimony in this**
2 **proceeding?**

3 A. The purpose of my second supplemental testimony is to support a change to
4 Figure 1.3 of my Company Exhibit GEH-1 that the Company is making to
5 recognize the effects of adjustments made to the Company's Evaluation,
6 Measurement & Verification ("EM&V") Report filed with the Commission on
7 October 25, 2018, in Docket No. E-22, Sub 545. The corrected EM&V Report
8 adjusted the kWh/year savings associated with the Company's Residential
9 Retail LED Lighting Program for the 2017 compliance year, which resulted in
10 a decrease of 488 energy efficiency credits ("EECs") for 2017. In order to
11 reflect that adjustment for purposes of the Company's 2018 REPS
12 Compliance Report, DENC will place 488 additional general RECs in its NC-
13 RETS 2017 compliance sub-account to account for the decrease of 488 EECs.

14 **Q. Mr. Hitch, are you sponsoring any exhibits or schedules in connection**
15 **with your rebuttal testimony?**

16 A. Yes. Company Second Supplemental Exhibit GEH-1, consisting of page 3 of
17 Company Exhibit GEH-1 with an updated Figure 1.3 (provided in public
18 version and confidential version filed under seal), was prepared under my
19 supervision and direction and is accurate and complete to the best of my
20 knowledge and belief.

21 **Q. Mr. Hitch, are you presenting any changes to the rates or revenue**
22 **requirements at this time?**

1 A. No, the Company is not proposing any changes to the rates or revenue
2 requirements.

3 **Q. What effect does the change identified above have on the Company's cost**
4 **recovery in this proceeding?**

5 A. The change I have described above has no effect on the Company's cost
6 recovery request in this case.

7 **Q. Does this conclude your second supplemental testimony?**

8 A. Yes, it does.

CONFIDENTIAL INFORMATION REDACTED

Figure 1.2 RECs Used for 2017 Poultry Waste Set-Aside Compliance

	Quantity	Price / MWh	REC Cost
For DENC (Requirement)	5,628		
	5,628		
For Town of Windsor (Requirement)	65		
	16		
	16		
	10		
	23		
Total Volume	5,693	Total REC Cost	\$134,441.18

CONFIDENTIAL INFORMATION REDACTED

Figure 1.3 RECs Used for 2017 General REPS Compliance

	Quantity	Price / MWh	REC Cost
For DENC (Requirement)	246,004		
	17,417		
	8,519		
	9,693		
	3,785		
	188,647		
DENC Energy Efficiency ¹	17,943	N/A ²	N/A ²
For Town of Windsor (Requirement)	2,805		
	247		
	1,858		
	700		
Total Volume	246,704	Total REC Cost	\$74,935.23

1) Vintage 2017 energy efficiency credits (“EECs”) are derived from Appendix C of the Company’s 2018 Evaluation, Measurement, and Verification Report, as filed in Docket No. E-22, Sub 545, on May 1, 2018, and corrected on October 25, 2018.

2) The cost of EECs is based upon the Company’s EE program deployment cost approved annually by the Commission for recovery pursuant to N.C.G.S. § 62-133.9.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing *Second Supplemental Testimony of George E. Hitch and Company Second Supplemental Exhibit GEH-1*, filed in Docket No. E-22, Sub 557, were served electronically or via U.S. mail, first-class postage prepaid, upon all parties of record.

This the 30th day of October, 2018.

/s/Andrea R. Kells

Andrea R. Kells
McGuireWoods LLP
434 Fayetteville Street, Suite 2600
Raleigh, North Carolina 27601
(919) 755-6614
akells@mcguirewoods.com

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