

McGuireWoods LLP
434 Fayetteville Street
Suite 2600
PO Box 27507 (27611)
Raleigh, NC 27601
Phone: 919.755.6600
Fax: 919.755.6699
www.mcguirewoods.com
Andrea R. Kells
Direct: 919.755.6614

McGUIREWOODS

akells@mcguirewoods.com

OFFICIAL COPY

Oct 24 2018

October 24, 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 Demand-side Management Programs and Energy Efficiency Measures
Docket No. E-22, Sub 556**

Dear Ms. Jarvis:

Enclosed for filing on behalf of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (the "Company"), is the Corrected Schedule 1 of Company Witness Alan J. Moore, which was initially filed in support of the Company's Application on August 21, 2018. Pages 1 through 3 and 6 of Witness Moore's Schedule 1 have been revised to correct the projected Rider C operating expense revenue requirement, and the resulting Rider C total revenue requirement, which were incorrectly stated on these pages as originally filed. These corrections are consistent with the total projected revenue requirement for the proposed February 1, 2019 – January 30, 2020 rate period as stated on page 17 of Witness Moore's direct testimony. No changes were required to pages 4 or 5 of Schedule 1 or to any of Witness Moore's other schedules.

Thank you for your assistance with this matter, and feel free to contact me with any questions.

Very truly yours,

/s/Andrea R. Kells

ARK:kjg

Enclosure

cc: Heather D. Fennell

**Dominion North Carolina Power
Docket No. E-22, Sub 556
Projected Revenue Requirement for DSM/EE Rider C
For the Rate Period February 1, 2019 - January 31, 2020**

<u>line no.</u>	<u>Rider C</u>	<u>Item Location / Formula</u>
1 Projected Operating Expense Revenue Requirement	\$ 2,071,198	Sch 1, Page 3, Line 5
2 Projected Capital Costs Revenue Requirement	\$ 136,168	Sch 1, Page 3, Line 6 + Line 7 + Line 8
3 Projected Net Lost Revenues	\$ -	Sch 1, Page 3, Line 9
4 Projected Program Performance Incentive Revenue Requirement	<u>\$ 302,935</u>	Sch 1, Page 3, Line 10
5 Total Revenue Requirement	\$ 2,510,301	Line 1 + Line 2 + Line 3 + Line 4

**Dominion Energy North Carolina
Docket No. E-22, Sub 556
Projected Revenue Requirement for DSM/EE Rider C
For the Rate Period February 1, 2019 - January 31, 2020**

line no.	Projection Feb-19	Projection Mar-19	Projection Apr-19	Projection May-19	Projection Jun-19	Projection Jul-19	Projection Aug-19	Projection Sep-19	Projection Oct-19	Projection Nov-19	Projection Dec-19	Projection Jan-20	Rate Period Total
1 System Program Projected Operating Expenses	[REDACTED]												
2 Allocate System Common Costs to Programs													
Air Conditioner Cycling Program	\$ 63,369	\$ 63,369	\$ 63,369	\$ 63,369	\$ 63,369	\$ 63,369	\$ 63,369	\$ 63,369	\$ 63,369	\$ 63,369	\$ 63,369	\$ 63,369	\$ 760,430
Residential NC Only Low Income Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial HVAC Upgrade Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Lighting Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Heat Pump Tune-up Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Heat Pump Upgrade Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Duct Testing & Sealing Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Home Energy Check-Up Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Duct Testing & Sealing Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Energy Audit Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Window Film Program	\$ 509	\$ 509	\$ 509	\$ 509	\$ 509	\$ 509	\$ 509	\$ 509	\$ 509	\$ 509	\$ 509	\$ 509	\$ 6,113
Non-Residential Heating & Cooling Efficiency Program	\$ 661	\$ 661	\$ 661	\$ 661	\$ 661	\$ 661	\$ 661	\$ 661	\$ 661	\$ 661	\$ 661	\$ 661	\$ 7,934
Non-Residential Lighting Systems & Controls Program	\$ 1,496	\$ 1,496	\$ 1,496	\$ 1,496	\$ 1,496	\$ 1,496	\$ 1,496	\$ 1,496	\$ 1,496	\$ 1,496	\$ 1,496	\$ 1,496	\$ 17,952
Residential Income and Age Qualifying Home Improvement Program	\$ 28,947	\$ 28,947	\$ 28,947	\$ 28,947	\$ 28,947	\$ 28,947	\$ 28,947	\$ 28,947	\$ 28,947	\$ 28,947	\$ 28,947	\$ 28,947	\$ 347,360
Qualifying Small Business Improvement Program	\$ 53,748	\$ 53,748	\$ 53,748	\$ 53,748	\$ 53,748	\$ 53,748	\$ 53,748	\$ 53,748	\$ 53,748	\$ 53,748	\$ 53,748	\$ 53,748	\$ 644,976
Residential LED Lighting - NC Only	\$ 586	\$ 586	\$ 586	\$ 586	\$ 586	\$ 586	\$ 586	\$ 586	\$ 586	\$ 586	\$ 586	\$ 586	\$ 7,034
Non-Residential Prescriptive Program	\$ 43,872	\$ 43,872	\$ 43,872	\$ 43,872	\$ 43,872	\$ 43,872	\$ 43,872	\$ 43,872	\$ 43,872	\$ 43,872	\$ 43,872	\$ 43,872	\$ 526,460
3 System Projected Operating Expenses Including Allocated Common Costs	[REDACTED]												
4 Jurisdictional Assignment Factors													
Air Conditioner Cycling Program	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%
Commercial HVAC Upgrade Program	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Commercial Lighting Program	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Residential Heat Pump Tune-up Program	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%
Residential Heat Pump Upgrade Program	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%
Residential Duct Testing & Sealing Program	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%
Residential Home Energy Check-Up Program	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%
Non-Residential Duct Testing & Sealing Program	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%
Non-Residential Energy Audit Program	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%
Non-Residential Window Film Program	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%
Non-Residential Heating & Cooling Efficiency Program	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Non-Residential Lighting Systems & Controls Program	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Residential Income and Age Qualifying Home Improvement Program	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%
Qualifying Small Business Improvement Program	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%
Residential LED Lighting - NC Only	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Non-Residential Prescriptive Program	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%	6.0132%

**Dominion Energy North Carolina
Docket No. E-22, Sub 556
Projected Revenue Requirement for DSM/EE Rider C
For the Rate Period February 1, 2019 - January 31, 2020**

line no.	Projection Feb-19	Projection Mar-19	Projection Apr-19	Projection May-19	Projection Jun-19	Projection Jul-19	Projection Aug-19	Projection Sep-19	Projection Oct-19	Projection Nov-19	Projection Dec-19	Projection Jan-20	Rate Period Total
5 Projected NC Jurisdiction Operating Expenses (Line 3 * Line 4)													
Air Conditioner Cycling Program													
Commercial HVAC Upgrade Program													
Commercial Lighting Program													
Residential Heat Pump Tune-up Program													
Residential Heat Pump Upgrade Program													
Residential Duct Testing & Sealing Program													
Residential Home Energy Check-Up Program													
Non-Residential Duct Testing & Sealing Program													
Non-Residential Energy Audit Program													
Non-Residential Window Film Program													
Non-Residential Heating & Cooling Efficiency Program													
Non-Residential Lighting Systems & Controls Program													
Residential Income and Age Qualifying Home Improvement Program													
Qualifying Small Business Improvement Program													
Residential LED Lighting - NC Only													
Non-Residential Prescriptive Program													
6 Projected NC Jurisdiction Depreciation Expense (Page 4, Line 5 * Line 10)	\$ 6,506	\$ 6,533	\$ 6,560	\$ 6,587	\$ 6,613	\$ 6,640	\$ 6,667	\$ 6,694	\$ 6,721	\$ 6,748	\$ 6,775	\$ 6,801	\$ 79,845
Air Conditioner Cycling Program													
7 Projected NC Jurisdiction Property Taxes	\$ 789	\$ 789	\$ 789	\$ 789	\$ 789	\$ 789	\$ 789	\$ 789	\$ 789	\$ 789	\$ 789	\$ 789	\$ 9,471
Air Conditioner Cycling Program													
8 Projected NC Jurisdiction Rate Base Costs (Page 4, Line 21)	\$ 3,956	\$ 3,950	\$ 3,944	\$ 3,937	\$ 3,927	\$ 3,917	\$ 3,905	\$ 3,892	\$ 3,878	\$ 3,863	\$ 3,847	\$ 3,836	\$ 46,852
Air Conditioner Cycling Program													
9 NC Jurisdiction Projected Net Lost Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10 NC Jurisdiction Projected Program Performance Incentive (PPI)	\$ 3,388	\$ 3,388	\$ 3,388	\$ 3,388	\$ 3,388	\$ 3,388	\$ 3,388	\$ 3,388	\$ 3,388	\$ 3,388	\$ 3,388	\$ 3,388	\$ 40,653
Residential Lighting (PPI Only)	\$ 559	\$ 559	\$ 559	\$ 559	\$ 559	\$ 559	\$ 559	\$ 559	\$ 559	\$ 559	\$ 559	\$ 559	\$ 6,713
Air Conditioner Cycling Program	\$ 435	\$ 435	\$ 435	\$ 435	\$ 435	\$ 435	\$ 435	\$ 435	\$ 435	\$ 435	\$ 435	\$ 435	\$ 5,215
Commercial HVAC Upgrade Program	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 31,764
Commercial Lighting Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Heat Pump Tune-up Program	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288	\$ 3,455
Residential Heat Pump Upgrade Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Duct Testing & Sealing Program	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 194
Residential Home Energy Check-Up Program	\$ 5,543	\$ 5,543	\$ 5,543	\$ 5,543	\$ 5,543	\$ 5,543	\$ 5,543	\$ 5,543	\$ 5,543	\$ 5,543	\$ 5,543	\$ 5,543	\$ 66,517
Non-Residential Duct Testing & Sealing Program	\$ 527	\$ 527	\$ 527	\$ 527	\$ 527	\$ 527	\$ 527	\$ 527	\$ 527	\$ 527	\$ 527	\$ 527	\$ 6,319
Non-Residential Energy Audit Program	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 813	\$ 9,756
Non-Residential Window Film Program	\$ 3,073	\$ 3,073	\$ 3,073	\$ 3,073	\$ 3,073	\$ 3,073	\$ 3,073	\$ 3,073	\$ 3,073	\$ 3,073	\$ 3,073	\$ 3,073	\$ 36,874
Non-Residential Heating & Cooling Efficiency Program	\$ 4,962	\$ 4,962	\$ 4,962	\$ 4,962	\$ 4,962	\$ 4,962	\$ 4,962	\$ 4,962	\$ 4,962	\$ 4,962	\$ 4,962	\$ 4,962	\$ 59,544
Non-Residential Lighting Systems & Controls Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Income and Age Qualifying Home Improvement Program	\$ 1,037	\$ 1,037	\$ 1,037	\$ 1,037	\$ 1,037	\$ 1,037	\$ 1,037	\$ 1,037	\$ 1,037	\$ 1,037	\$ 1,037	\$ 1,037	\$ 12,445
Qualifying Small Business Improvement Program	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 932	\$ 11,181
Residential LED Lighting - NC Only	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025	\$ 12,304
Non-Residential Prescriptive Program													
11 Projected Revenue Requirement (Sum Lines 5 through 10)	\$ 223,474	\$ 223,495	\$ 190,183	\$ 190,202	\$ 236,018	\$ 236,035	\$ 236,050	\$ 236,064	\$ 184,677	\$ 184,689	\$ 184,699	\$ 184,715	\$ 2,510,301
Residential Lighting (PPI Only)													
Air Conditioner Cycling Program													
Commercial HVAC Upgrade Program													
Commercial Lighting Program													
Residential Heat Pump Tune-up Program													
Residential Heat Pump Upgrade Program													
Residential Duct Testing & Sealing Program													
Residential Home Energy Check-Up Program													
Non-Residential Duct Testing & Sealing Program													
Non-Residential Energy Audit Program													
Non-Residential Window Film Program													
Non-Residential Heating & Cooling Efficiency Program													
Non-Residential Lighting Systems & Controls Program													
Residential Income and Age Qualifying Home Improvement Program													
Qualifying Small Business Improvement Program													
Residential LED Lighting - NC Only													
Non-Residential Prescriptive Program													

**Dominion Energy North Carolina
Docket No. E-22, Sub 556
Revenue Requirement for DSM/EE Rider C
Projected Rate Base Cost For the Period June 1, 2018 - January 31, 2020**

line no.	Actual Jun-18	Projection Jul-18	Projection Aug-18	Projection Sep-18	Projection Oct-18	Projection Nov-18	Projection Dec-18	Projection Jan-19	Projection Feb-19	Projection Mar-19	Projection Apr-19	Projection May-19	Projection Jun-19	Projection Jul-19	Projection Aug-19	Projection Sep-19	Projection Oct-19	Projection Nov-19	Projection Dec-19	Projection Jan-20
1 System Level Actual Plant In Service Air Conditioner Cycling Program	\$ 19,514,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Projected Capital Expenditures Air Conditioner Cycling Program	0	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333
3 Cumulative Gross Plant (Line 1 + Line 2) Air Conditioner Cycling Program	\$ 19,514,644	\$ 19,597,977	\$ 19,681,311	\$ 19,764,644	\$ 19,847,977	\$ 19,931,311	\$ 20,014,644	\$ 20,097,977	\$ 20,181,311	\$ 20,264,644	\$ 20,347,977	\$ 20,431,311	\$ 20,514,644	\$ 20,597,977	\$ 20,681,311	\$ 20,764,644	\$ 20,847,977	\$ 20,931,311	\$ 21,014,644	\$ 21,097,977
4 Monthly Depreciation Percentages Air Conditioner Cycling Program	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%	0.5958%
5 Projected System Monthly Depreciation Expense (Line 3 * Line 4) Air Conditioner Cycling Program	\$	\$ 116,771	\$ 117,268	\$ 117,764	\$ 118,261	\$ 118,757	\$ 119,254	\$ 119,750	\$ 120,247	\$ 120,744	\$ 121,240	\$ 121,737	\$ 122,233	\$ 122,730	\$ 123,226	\$ 123,723	\$ 124,219	\$ 124,716	\$ 125,212	\$ 125,709
6 Actual/Projected System Level of Accumulated Depreciation Air Conditioner Cycling Program	\$ 7,186,667	\$ 7,303,438	\$ 7,420,706	\$ 7,538,470	\$ 7,656,731	\$ 7,775,488	\$ 7,894,742	\$ 8,014,493	\$ 8,134,740	\$ 8,255,483	\$ 8,376,723	\$ 8,498,460	\$ 8,620,693	\$ 8,743,422	\$ 8,866,649	\$ 8,990,371	\$ 9,114,590	\$ 9,239,306	\$ 9,364,518	\$ 9,490,227
7 Actual/Projected Cumulative Net Plant (Line 3 - Line 6) Air Conditioner Cycling Program	\$ 12,327,977	\$ 12,294,540	\$ 12,260,605	\$ 12,226,174	\$ 12,191,247	\$ 12,155,822	\$ 12,119,902	\$ 12,083,485	\$ 12,046,571	\$ 12,009,161	\$ 11,971,254	\$ 11,932,851	\$ 11,893,951	\$ 11,854,555	\$ 11,814,662	\$ 11,774,273	\$ 11,733,387	\$ 11,692,005	\$ 11,650,126	\$ 11,607,750
8 Actual/Projected Accumulated Deferred Income Tax Air Conditioner Cycling Program	\$ (2,649,668)	\$ (2,620,263)	\$ (2,590,859)	\$ (2,561,454)	\$ (2,532,049)	\$ (2,502,644)	\$ (2,473,241)	\$ (2,445,654)	\$ (2,420,363)	\$ (2,397,613)	\$ (2,377,322)	\$ (2,359,573)	\$ (2,344,283)	\$ (2,331,534)	\$ (2,321,327)	\$ (2,313,579)	\$ (2,308,372)	\$ (2,305,625)	\$ (2,305,418)	\$ (2,274,770)
9 Monthly Actual/Projected Rate Base (Line 7 + Line 8): Air Conditioner Cycling Program	\$ 9,678,310	\$ 9,674,277	\$ 9,669,746	\$ 9,664,720	\$ 9,659,198	\$ 9,653,179	\$ 9,646,661	\$ 9,637,831	\$ 9,626,208	\$ 9,611,548	\$ 9,593,932	\$ 9,573,278	\$ 9,549,668	\$ 9,523,021	\$ 9,493,335	\$ 9,460,694	\$ 9,425,015	\$ 9,386,380	\$ 9,344,708	\$ 9,332,980
10 Jurisdictional Allocation Factors Air Conditioner Cycling Program	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%	5.4105%
11 North Carolina Actual/Projected Rate Base (Line 9 x Line 10) Air Conditioner Cycling Program	\$ 523,645	\$ 523,427	\$ 523,182	\$ 522,910	\$ 522,611	\$ 522,285	\$ 521,933	\$ 521,455	\$ 520,826	\$ 520,033	\$ 519,080	\$ 517,962	\$ 516,685	\$ 515,243	\$ 513,637	\$ 511,871	\$ 509,940	\$ 507,850	\$ 505,595	\$ 504,961
12 Rate Base (2 month average) 13 Cost of Capital	\$ 521,140	\$ 520,429	\$ 519,556	\$ 518,521	\$ 517,324	\$ 515,964	\$ 514,440	\$ 512,754	\$ 510,906	\$ 508,895	\$ 506,723	\$ 505,278	\$ 503,610	\$ 501,799	\$ 499,806	\$ 497,634	\$ 495,282	\$ 492,750	\$ 490,138	\$ 487,456
14 Net Operating Income Less Interest Expense LTD 15 Weighted Cost of Debt 16 Rate Base	\$ 3,183	\$ 3,178	\$ 3,173	\$ 3,167	\$ 3,159	\$ 3,151	\$ 3,142	\$ 3,131	\$ 3,120	\$ 3,108	\$ 3,095	\$ 3,086	\$ 3,075	\$ 3,064	\$ 3,053	\$ 3,042	\$ 3,031	\$ 3,020	\$ 3,009	\$ 3,000
17 Revenue Requirement - Interest Expense on Debt	\$ 938	\$ 936	\$ 935	\$ 933	\$ 931	\$ 928	\$ 926	\$ 923	\$ 919	\$ 916	\$ 912	\$ 909	\$ 905	\$ 901	\$ 897	\$ 892	\$ 887	\$ 882	\$ 877	\$ 873
18 Net Income Related to Common Equity	\$ 2,245	\$ 2,242	\$ 2,238	\$ 2,234	\$ 2,228	\$ 2,223	\$ 2,216	\$ 2,208	\$ 2,201	\$ 2,192	\$ 2,183	\$ 2,177	\$ 2,168	\$ 2,159	\$ 2,150	\$ 2,141	\$ 2,132	\$ 2,123	\$ 2,114	\$ 2,106
19 North Carolina Jurisdictional Income Tax Gross-up Factor	74.38%	74.38%	74.38%	74.38%	74.38%	74.38%	74.38%	74.38%	74.38%	74.38%	74.38%	74.38%	74.38%	74.38%	74.38%	74.38%	74.38%	74.38%	74.38%	74.38%
20 Revenue Requirement - Common Equity Including Income Taxes	\$ 3,018	\$ 3,014	\$ 3,009	\$ 3,004	\$ 2,996	\$ 2,989	\$ 2,979	\$ 2,969	\$ 2,959	\$ 2,947	\$ 2,935	\$ 2,927	\$ 2,916	\$ 2,905	\$ 2,894	\$ 2,883	\$ 2,872	\$ 2,861	\$ 2,850	\$ 2,840
21 Revenue Requirement on Rate Base (Line 17 + Line 20)	\$ 3,956	\$ 3,950	\$ 3,944	\$ 3,937	\$ 3,927	\$ 3,917	\$ 3,905	\$ 3,892	\$ 3,878	\$ 3,863	\$ 3,847	\$ 3,836	\$ 3,824	\$ 3,812	\$ 3,800	\$ 3,788	\$ 3,776	\$ 3,764	\$ 3,752	\$ 3,741

Dominion Energy North Carolina
 Docket No. E-22, Sub 556

For Collection During the Rate Period February 1, 2019 - January 31, 2020

**Cost of Capital and Capital Structure (000s)
 As of June 30, 2018**

line
 no.

Description	Average Capitalization	Average Capitalization Ratio	Average Embedded Cost%	Overall Cost Rate
1 Total Long-Term Debt	\$11,087,822	47.787%	4.519%	2.159%
2 Total Preferred Stock	\$0	0.000%	0.000%	0.000%
3 Common Equity	\$12,114,780	52.213%	9.900%	5.169%
4 Total	<u>\$23,202,602</u>	<u>100.000%</u>		<u>7.328%</u>

**Dominion Energy North Carolina
Docket No. E-22, Sub 556
Projected Revenue Requirement For DSM/EE Rider C
For the Rate Period February 1, 2019 - January 31, 2020**

R8-69 (f)(1)(ii)(a) System Rate Period Revenue Requirement per Program (excludes net lost revenue)

Program	O&M (1)	Depreciation Expense	Cost of Capital	Utility Incentives	Total Costs and Incentives
Air Conditioner Cycling Program		\$1,475,735	\$865,945	\$124,071	
Residential NC Only Low Income Program		\$0	\$0	\$0	
Commercial HVAC Upgrade Program		\$0	\$0	\$5,215	
Commercial Lighting Program		\$0	\$0	\$31,764	
Residential Heat Pump Tune-up Program		\$0	\$0	\$0	
Residential Heat Pump Upgrade Program		\$0	\$0	\$57,450	
Residential Duct Testing & Sealing Program		\$0	\$0	\$0	
Residential Home Energy Check-Up Program		\$0	\$0	\$3,233	
Non-Residential Duct Testing & Sealing Program		\$0	\$0	\$1,106,191	
Non-Residential Energy Audit Program		\$0	\$0	\$105,081	
Non-Residential Window Film Program		\$0	\$0	\$162,239	
Non-Residential Heating & Cooling Efficiency Program		\$0	\$0	\$36,874	
Non-Residential Lighting Systems & Controls Program		\$0	\$0	\$59,544	
Residential Income and Age Qualifying Home Improvement Program		\$0	\$0	\$0	
Qualifying Small Business Improvement Program		\$0	\$0	\$206,962	
Residential LED Lighting - NC Only		\$0	\$0	\$11,181	
Non-Residential Prescriptive Program		\$0	\$0	\$204,625	
Common Costs	\$2,318,260				\$2,318,260

R8-69 (f)(1)(ii)(a) North Carolina Jurisdictional Rate Period Revenue Requirement per Program (excludes net lost revenue)

Program	O&M (1)	Depreciation Expense	Cost of Capital	Utility Incentives	Total Costs and Incentives
Residential Lighting Program (PPI Only)		\$0	\$0	\$40,653	
Air Conditioner Cycling Program		\$79,845	\$46,852	\$6,713	
Residential NC Only Low Income Program		\$0	\$0	\$0	
Commercial HVAC Upgrade Program		\$0	\$0	\$5,215	
Commercial Lighting Program		\$0	\$0	\$31,764	
Residential Heat Pump Tune-up Program		\$0	\$0	\$0	
Residential Heat Pump Upgrade Program		\$0	\$0	\$3,455	
Residential Duct Testing & Sealing Program		\$0	\$0	\$0	
Residential Home Energy Check-Up Program		\$0	\$0	\$194	
Non-Residential Duct Testing & Sealing Program		\$0	\$0	\$66,517	
Non-Residential Energy Audit Program		\$0	\$0	\$6,319	
Non-Residential Window Film Program		\$0	\$0	\$9,756	
Non-Residential Heating & Cooling Efficiency Program		\$0	\$0	\$36,874	
Non-Residential Lighting Systems & Controls Program		\$0	\$0	\$59,544	
Residential Income and Age Qualifying Home Improvement Program		\$0	\$0	\$0	
Qualifying Small Business Improvement Program		\$0	\$0	\$12,445	
Residential LED Lighting - NC Only		\$0	\$0	\$11,181	
Non-Residential Prescriptive Program		\$0	\$0	\$12,304	

(1) O&M Includes AC Cycling Property Taxes

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Corrected Schedule 1 of Company Witness Alan J. Moore, as filed in Docket No. E-22, Sub 556, was served via electronic delivery or mailed, first-class, postage prepaid, upon all parties of record.

This, the 24th day of October, 2018.

/s/Andrea R. Kells

Andrea R. Kells

McGuireWoods LLP

434 Fayetteville Street, Suite 2600

PO Box 27507 (27611)

Raleigh, North Carolina 27601

Phone: (919) 755-6614

akells@mcguirewoods.com

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