

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 546

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Application by Virginia Electric and Power) Company, d/b/a Dominion Energy North) Carolina Pursuant to G.S. § 62-133.2 and) Commission Rule R8-55 Regarding Fuel and) Fuel-Related Costs Adjustments for Electric) Utilities)	ORDER APPROVING FUEL RIDERS AND NOTICE TO CUSTOMERS OF CHANGE IN RATES
---	---

BY THE CHAIRMAN: On January 25, 2018, the Commission issued its Order Deciding Contested Issues and Requiring Compliance Filing (Fuel Order) in Docket No. E-22, Sub 546. In the Fuel Order, the Commission approved the level of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina's (Company's) system fuel expense, \$1,758,608,978, to be used to set the Company's prospective, or forward-looking, fuel factor (Rider A) for 2018. The Commission also approved the Company's North Carolina retail test period jurisdictional fuel expense over-collection, \$5,450,950, including interest, and to be adjusted as appropriate to reflect an 11-month rate period and the adjusted North Carolina retail jurisdictional test period sales, 4,299,466,351 kilowatt hours (kWh) for purposes of calculating the experience modification factor (EMF) (Rider B), and concluded that it is appropriate to implement the final phase of the Company's under-recovery of \$381,535 EMF (Rider B2) from the mitigation proposal approved by the Commission in Docket No. E-22, Sub 515.

In the Ordering Paragraphs to the Fuel Order, the Commission directed the Company to: (1) recalculate and file proposed fuel factor increments (Rider A), EMF decrements (Rider B), EMF increments (Rider B2), and the total net fuel factors, on a voltage-differentiated basis consistent with the Fuel Order, to be effective for an 11-month period beginning on February 1, 2018; (2) work with the Public Staff—North Carolina Utilities Commission (Public Staff) to verify the accuracy of the increments and decrements to the Company's fuel riders; (3) to prepare a joint proposed notice to customers of the rate rider adjustments approved by the Commission in the Fuel Order; and (4) to file this information in a proposed order approving the proposed riders and customer notice.

Consistent with these directives, on January 29, 2018, the Company made a compliance filing with the Commission that included revised fuel rider tariff sheets reflecting the rates for Rider A and EMF Riders B and B2 for an 11-month period beginning on February 1, 2018, together with supporting workpapers showing the calculation of the proposed riders, and a joint proposed Notice to Customers of Change in Rates (Customer Notice) that was developed by the Company and the Public Staff. The Company's compliance filing stated that the Public Staff agrees with the content of

the Customer Notice and with the calculation of the proposed riders. The Company requested that the Commission issue an order approving the recalculated fuel adjustment riders and the Customer Notice on or before January 30, 2018, to allow the Company to implement the new fuel riders effective February 1, 2018.

As reflected in the Company's compliance filing and proposed Customer Notice, the proper fuel factors (Rider A) for use in this proceeding, including the regulatory fee, are as follows:

<u>Customer Class</u>	<u>Rider A</u>
Residential	0.006 ¢/kWh
SGS & PA	0.006 ¢/kWh
LGS	0.003 ¢/kWh
Schedule NS	0.006 ¢/kWh
6VP	0.006 ¢/kWh
Outdoor Lighting	0.006 ¢/kWh
Traffic	0.006 ¢/kWh

The appropriate EMF (Rider B) for this proceeding, including interest and the regulatory fee, are as follows:

<u>Customer Class</u>	<u>EMF Billing Factor</u>
Residential	(0.141) ¢/kWh
SGS & PA	(0.141) ¢/kWh
LGS	(0.140) ¢/kWh
Schedule NS	(0.136) ¢/kWh
6VP	(0.137) ¢/kWh
Outdoor Lighting	(0.141) ¢/kWh
Traffic	(0.141) ¢/kWh

The appropriate EMF (Rider B2) factors for this proceeding, including the current regulatory fee, are as follows:

<u>Customer Class</u>	<u>EMF Billing Factor</u>
Residential	0.011 ¢/kWh
SGS & PA	0.011 ¢/kWh
LGS	0.010 ¢/kWh
Schedule NS	0.010 ¢/kWh
6VP	0.010 ¢/kWh
Outdoor Lighting	0.011 ¢/kWh
Traffic	0.011 ¢/kWh

Finally, the total net fuel factors (¢/kWh), with regulatory fee, are as follows:

<u>Customer Class</u>	<u>Total Net Fuel Factor</u>
Residential	1.971 ¢/kWh
SGS & PA	1.969 ¢/kWh
LGS	1.952 ¢/kWh
Schedule NS	1.894 ¢/kWh
6VP	1.922 ¢/kWh
Outdoor Lighting	1.971 ¢/kWh
Traffic	1.971 ¢/kWh

Based on the foregoing and the record, the Chairman finds good cause to approve the recalculated fuel factor riders and the Customer Notice filed by the Company on January 29, 2018, and to direct that the Company give notice to its customers using the format of the Customer Notice attached hereto as Attachment A.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 30th day of January, 2018.

NORTH CAROLINA UTILITIES COMMISSION



Linnetta Threatt, Deputy Clerk

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-22, SUB 546

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Virginia Electric and Power)	
Company, d/b/a Dominion Energy North)	NOTICE TO CUSTOMERS OF
Carolina Pursuant to G.S. 62-133.2 and)	CHANGE IN RATES
Commission Rule R8-55 Regarding Fuel)	
and Fuel-Related Costs Adjustments for)	
Electric Utilities)	

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 (Company), to implement an overall increase in its fuel rates and charges paid by customers for retail electric service in North Carolina, as detailed below, to recover an increase in the Company's total fuel expenses, to refund through an experience modification factor (EMF) over-collection of retail fuel expense, and to collect non-base fuel revenues associated with EMF revenues. The Commission's Orders authorizing these rate changes were issued on January 25 and 30, 2018, in Docket No. E-22, Sub 546.

The Commission approved annual non-base fuel rate changes to become effective February 1, 2018, including a projected fuel factor (Rider A), EMF Rider B designed to refund \$5,450,950 (including interest, and to be adjusted as appropriate to reflect an 11-month rate period) due to over-collection in the prior period, and EMF Rider B2 designed to collect \$381,535 in unrecovered expenses related to Docket No. E-22, Sub 515. The overall fuel rate increase was approved by the Commission after review of the Company's fuel expenses and related revenues during the 12-month period ending on June 30, 2017, and represents changes experienced by the Company with respect to its reasonable costs of fuel and the fuel component of purchased power.

The increments in forward fuel factors (Rider A) approved by the Commission are: Residential – 0.006 ¢/kWh; SGS & Public Authority – 0.006 ¢/kWh; LGS – 0.003 ¢/kWh; NS – 0.006 ¢/kWh; 6VP – 0.006 ¢/kWh; Outdoor Lighting – 0.006 ¢/kWh; and Traffic – 0.006 ¢/kWh.

The EMF decrement fuel factors (Rider B) approved by the Commission are: Residential – (0.141) ¢/kWh; SGS & Public Authority – (0.141) ¢/kWh; LGS – (0.140) ¢/kWh; NS – (0.136) ¢/kWh; 6VP – (0.137) ¢/kWh; Outdoor Lighting – (0.141) ¢/kWh; and Traffic – (0.141) ¢/kWh.

The EMF increment fuel factors (Rider B2) approved by the Commission are: Residential – 0.011 ¢/kWh; SGS & Public Authority – 0.011 ¢/kWh; LGS – 0.010 ¢/kWh; NS – 0.010 ¢/kWh; 6VP – 0.010 ¢/kWh; Outdoor Lighting – 0.011 ¢/kWh; and Traffic – 0.0141 ¢/kWh.

All factors are based on an 11-month rate period as directed by the Commission in this proceeding.

The net change in the EMF rates and Fuel Rider A will result in a monthly increase of approximately \$3.49 for a residential customer using 1,000 kWh per month during the period February 1, 2018, through December 31, 2018, as compared to 2017 fuel rates. 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.

Dominion Energy North Carolina's total net fuel factors for each customer class are: Residential – 1.971¢/kWh; SGS & Public Authority – 1.969¢/kWh; LGS – 1.952¢/kWh; NS – 1.894¢/kWh; 6VP – 1.922¢/kWh; Outdoor Lighting – 1.971¢/kWh; and Traffic – 1.971¢/kWh.

The Commission's Order directed the Company to bill these amounts during the period February 1, 2018, through and including December 31, 2018.

ISSUED BY ORDER OF THE COMMISSION.

This the 30th day of January, 2018.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script, reading "Linnetta Threatt".

Linnetta Threatt, Deputy Clerk