

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH
STAFF CONFERENCE AGENDA - SUPPLEMENTAL
April 22, 2024
Commission Hearing Room 2115, 10:00 a.m.

ELECTRIC

ORDER ACCEPTING NOTICE OF TRANSFER

Dominion Energy North Carolina

1. Docket No. E-22, Sub 703 – Notice of Affiliate Transfer of Emergency Sirens
(Brown/Edmondson)

The Public Staff recommends approval of these agenda items as described above and reflected in proposed orders provided to the Commission Staff.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 703

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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|---------------------------------------|---|--------------------|
| In the Matter of |) | |
| Notice of Virginia Electric and Power |) | ORDER ACCEPTING |
| Company, d/b/a Dominion Energy North |) | NOTICE OF TRANSFER |
| Carolina of Affiliate Transfer of |) | |
| Emergency Sirens |) | |

BY THE COMMISSION: On April 15, 2024, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or the Company), filed pursuant to N.C. Gen. Stat. § 62-153(a) and Regulatory Condition 3.1(a) as approved by the North Carolina Utilities Commission's (Commission) Order Approving Merger Subject to Regulatory Conditions and Code of Conduct issued November 19, 2018, in Docket Nos. E-22, Sub 551 and G-5, Sub 585 (Merger Order) notice (Notice) of a planned sale (Transfer) of two unused emergency sirens (Siren Equipment) from the Company to Dominion Energy Nuclear Connecticut, Inc. (DNC) for use at Millstone Power Station in Waterford, Connecticut.

DNC is a wholly-owned indirect subsidiary of Dominion Energy, Inc. (DEI) and a Delaware corporation that owns and operates the Millstone Power Station. Because DNC is a wholly-owned subsidiary of DEI, of which the Company is an operating subsidiary, it is also an affiliate of the Company as the term "affiliate" is defined in Section I of the Regulatory Conditions approved by the Merger Order.

In the Notice, DENC states that currently the Company owns two unused emergency sirens stored at the Surry Power Station. DENC no longer needs the Siren Equipment as it has transitioned to using a different system, the Integrated Public Alert & Warning System (IPAWS), for emergency alerts. In December 2023, the Company attempted to recoup the value of the unused and still in its original packaging Siren Equipment by engaging an investment recovery supplier to sell the equipment, but there were no bidders.

The Company explains further that as power stations are in large part moving away from the use of emergency siren equipment in favor of IPAWS, the availability and supply of emergency sirens on the market has significantly declined. Consistent with the industry, Millstone Power Station is in the process of transitioning to the use of IPAWS but currently still utilizes the Siren Equipment that the Company no longer needs. The Millstone Power Station needs the Siren Equipment to replace two sirens that were damaged as a result of a motor vehicle accident. Therefore, the Company plans to sell, and DNC plans to purchase, the Siren Equipment for the net book value of the equipment.

According to the Notice, the sale will ensure that Millstone Power Station is not delayed in replacing the needed emergency equipment and is prepared to fully activate emergency sirens if an emergency were to arise. Additionally, since the Company has been unsuccessful in its attempt to sell the Siren Equipment in the market, selling the sirens to DNC will allow the Company to recoup the net book value of the equipment .

The Public Staff has reviewed the application, the Company's responses to data requests, and held discussions with the Company, and agrees the net book value of the Siren Equipment should be used for the transfer of the equipment since it is greater than the fair market value of the equipment. The Public Staff recommends approval of the equipment transfer, subject to certain conditions.

The Public Staff presented this matter at the Commission's Regular Staff Conference on April 22, 2024. The Public Staff stated that based on its investigation and review of the Application, it recommended that the Commission accept the Notice of the Emergency Sirens Transfer subject to the following conditions:

- 1) The Commission's acceptance of the Transfer is limited to the emergency Sirens Equipment and the circumstances discussed in the Notice.
- 2) The Commission's acceptance of the Notice shall have no accounting or ratemaking implications.
- 3) The Commission's acceptance of the Transfer shall not be deemed, in connection with any future proceeding before the Commission, to determine and establish DENC's retail rates or for any other purpose.
- 4) The Commission reserves the right to examine the books and records of DENC and any affiliate in connection with the Transfer, whether or not such affiliate is regulated by this Commission.
- 5) The Company should file a Report on the Transfer with the Commission within 30 days after the Transfer. The Report should include the Transfer closing date, the Transfer consideration, and DENC's accounting entries and the net book value to record the Transfer.
- 6) DENC should include a copy of the Report in its next Annual Report of Affiliate Transactions filed with the Commission in Docket No. E-22, Sub 551A.

Based on the foregoing, the Commission concludes that pursuant to N.C. Gen. Stat. § 62-153(a), the Notice of Transfer should be accepted, subject to the conditions recommended by the Public Staff as set forth above.

IT IS, THEREFORE, ORDERED that the Notice of Transfer is accepted, subject to the conditions recommended by the Public Staff, as enumerated in the body of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of April, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

[Back to Agenda](#)