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Oct 17 2022

October 17, 2022

VIA Electronic Filing

Ms. A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

Re: Dominion Energy North Carolina's 2022 Fuel Charge Adjustment
Docket No. E-22, Sub 644

Dear Ms. Dunston:

Enclosed for filing in the above-referenced proceeding on behalf of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (the "Company") is the Company's *Petition to Modify Test Period*.

Thank you for your assistance with this matter. Please call me if additional information is required.

Very truly yours,

/s/Mary Lynne Grigg

MLG:sjg

Enclosures

cc: William Creech
William Freeman

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Oct 17 2022

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-22, SUB 644

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 Authority to Adjust its Electric Rates and Charges and Revise its Fuel Factor Pursuant to N.C. Gen. Stat. § 62-133.2 and NCUC Rule R8-55	)	**PETITION TO MODIFY TEST PERIOD**

Pursuant to Rule R1-7 and Rule R8-55 of the Rules and Regulations of the North Carolina Utilities Commission ("Commission"), Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina ("DENC" or the "Company"), by counsel, hereby requests authority to modify the Test Period in this proceeding to include the Company's deferral balance for the months of July, August, and September, 2022 ("Petition"). If approved, the Company also requests that an additional public hearing be held following the evidentiary hearing on this matter scheduled for Tuesday, November 9, 2022, so that the Company may comply with the Rule R8-55(g) notice and hearing requirements, and that the Commission approve the Company's revised notice attached hereto as Attachment A.

In support thereof, the Company respectfully shows the following:

1. On August 9, 2022, the Company filed its Application Pursuant to N.C.G.S. § 62- 133.2 and Commission Rule 8-55 Regarding Fuel and Fuel-Related Cost Adjustments for Electric Utilities ("Application"). Pursuant to Rule R8-55(c), DENC's Application defined the test period for this proceeding as the 12-month period ending June 30, 2022 ("Test Period").

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2. On September 16, 2022, the Commission issued an *Order Scheduling Hearing, Requiring Filing of Testimony, Establishing Discovery Guidelines, and Requiring Public Notice*, which, among other things, required the Company to publish notice of the hearing on this matter in a newspaper or newspapers having general circulation in DENC's service area once a week for two successive weeks beginning at least 35 days prior to the hearing on this matter.

3. The Company hereby requests authority to modify the Test Period and add to its recovery request the deferral balance for the months of July, August, and September of 2022 to help mitigate a projected significant under-recovery for the 2023 fuel factor adjustment proceeding due to the continued rise in commodity fuel prices as described in its Supplemental Testimony filed October 17, 2022. The Company made a similar request on October 28, 2021 in Docket No. E-22, Sub 605, which was granted by Commission's November 8, 2021, *Order Scheduling Additional Public Hearing and Requiring Public Notice.*

4. N.C. Gen. Stat. § 62-133.2(d) states that, "the Commission shall consider all evidence required under subsection (c) of this section and all other competent evidence that may assist the Commission in reaching its decision including changes in the cost of fuel consumed and fuel-related costs that occur within a reasonable time, as determined by the Commission, after the test period is closed." This section and Rule R8-55(d)(3) further provide that "Upon request of the electric public utility, the Commission shall also incorporate in this determination the experienced over-recovery or under-recovery of costs of fuel and fuel-related costs through the date that is 30 calendar days prior to the date of the hearing, provided that the reasonableness and prudence of

these costs shall be subject to review in the utility's next annual hearing pursuant to this section."

5. The Company submits that including these additional months of fuel costs in its deferral request in this case is consistent with the above provisions and is in the public interest. Importantly, inclusion of these additional months of fuel costs in the Company's deferral request also mitigates the projected significant under-recovery for the 2022 fuel factor adjustment proceeding due to the recent rise in commodity fuel prices. The inclusion of these months will increase the requested annual fuel revenue increase from approximately $57.5 million to $80.5 million.

6. Rule R8-55(g) requires DENC to publish notice for two (2) successive weeks in a newspaper or newspapers having general circulation in its service area, at least 30 days prior to the hearing, notifying the public of the hearing before the Commission pursuant to N.C. Gen. Stat. § 62-133.2(b) and setting forth the time and place of the hearing.

7. DENC published notice of the hearing in this case. If the Commission grants this Petition, the Company proposes to re-notice the proceeding with the updated requested revenue increase.

8. As of the filing of this request, there is not sufficient time before the November 9, 2022 evidentiary hearing for the Company to provide timely notice pursuant to Rule R8-55(g) of the change in fuel rates resulting from inclusion of the months July, August, and September in DENC's recovery request. The Company therefore requests the Commission hold an additional public hearing on this matter following the evidentiary hearing scheduled for November 9, 2022, in order for the

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Company to comply with Rule R8-55(g). The Company also requests approval of its revised notice reflecting these changes and included as Attachment A.

WHEREFORE, Dominion Energy North Carolina respectfully requests that the Commission: (1) grant the Company authority to include in its request for recovery the deferral balance for the months of July, August, and September of 2022; (2) schedule an additional public hearing following the evidentiary hearing on this matter scheduled for November 9, 2022 in order for the Company to comply with Rule R8-55(g); (3) approve the Company's revised notice included as Attachment A, and (4) grant any other relief the Commission deems just and proper.

Respectfully submitted, this the 17th day of October, 2022.

DOMINION ENERGY NORTH CAROLINA

By: */s/Mary Lynne Grigg*

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STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-22, SUB 644

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 Authority to Adjust its Electric Rates and Charges and Revise its Fuel Factor under N.C. Gen. Stat. § 62-133.2 and Commission Rule R8-55	)	PUBLIC NOTICE

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has scheduled a public hearing in the annual fuel charge adjustment cost recovery proceeding for Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC). The public hearing has been scheduled to begin immediately following the hearing in Docket No. E-22, Sub 643, which is scheduled to begin on Wednesday, November 9, 2022, at 10:00 a.m., in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina. This proceeding is being held pursuant to the provisions of N.C. Gen. Stat. § 62-133.2 and Commission Rule R8-55 for the purpose of determining whether an increment or decrement rider is required to allow DENC to recover all reasonable and prudently incurred fuel and fuel related costs. Public witness testimony will be received in accordance with Commission Rule R1-21(g).

On August 9, 2022, DENC filed its application for approval of its fuel and fuel-related cost recovery pursuant to N.C.G.S. § 62-133.2 and Commission Rule R8-55. By its application, DENC requests a change in its fuel charges effective for service rendered on and after February 1, 2023. Due to the significance of the under recovery of its fuel costs during the Test Period and recognizing the impact of such a proposed increase in fuel rates upon customers during the Rate Year, DENC proposes two rate adjustments for the Commission's consideration: a Full Recovery rate and a Stepped Mitigation rate.

Now DENC provides a supplemental update to both the Full Recovery rate and Stepped Mitigation rate as presented in its application filed August 9, 2022. DENC also presents Alternative Rider B Stepped Mitigation Proposal.

DENC's supplemental update to the Full Recovery request, if approved and inclusive of the regulatory fee, would result in the following increases for DENC's customers: 2.5909 cents per kilowatt- hour (kWh) for residential customers; 2.5870 cents per kWh for small general service and public authority customers; 2.5699 cents per kWh for large general service customers; 2.4909 cents per kWh for rate schedule NS customers; 2.5266 cents per kWh for rate schedule 6VP customers; and 2.5909 cents per kWh for outdoor lighting and traffic customers. The net effect of this request would increase the monthly bill of a residential customer using 1,000 kWh of electricity by $25.91 – an increase of approximately 23%.

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DENC's supplemental update to the Stepped Mitigation request, if approved and inclusive of the regulatory fee, would result in the following increases for DENC's customers for the period of February 1, 2023, through July 31, 2023: 1.2955 cents per kilowatt-hour (kWh) for residential customers; 1.2935 cents per kWh for small general service and public authority customers; 1.2850 cents per kWh for large general service customers; 1.2455 cents per kWh for rate schedule NS customers; 1.2633 cents per kWh for rate schedule 6VP customers; and 1.2955 cents per kWh for outdoor lighting and traffic customers. The net effect of this request would increase the monthly bill of a residential customer using 1,000 kWh of electricity during this period by $12.95 – an increase of approximately 12%. The Stepped Mitigation approach would then increase to the same per kWh rates for the period of August 1, 2023, through January 31, 2024, as those listed above for DENC's Full Recovery request. In its next fuel proceeding (which will be filed next year) the Company intends to propose rates to recover the balance resulting from the use of the Stepped Mitigation approach.

Specific information may be obtained from the Office of the Chief Clerk, North Carolina Utilities Commission, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of DENC's application is available for review by the public, and on the Commission's website at www.ncuc.net.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any information that the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to Christopher J. Ayers, Executive Director, Public Staff 4326 Mail Service Center, Raleigh, North Carolina 27699-4300.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, c/o Consumer Protection-Utilities, 9001 Mail Service Center, Raleigh, North Carolina, 27699-9001. Written statements may be emailed to utilityAGO@ncdoj.gov.

Written statements are not evidence unless the persons appear at a public hearing and testify concerning the information contained in their written statements.

Any person desiring to intervene in the proceeding as a formal party of record should file a petition under North Carolina Utilities Commission Rules R1-5 and R1-19 on or before Wednesday, October 19, 2022. Such petitions should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. The direct testimony and exhibits of expert witnesses to be presented by intervenors should also be filed with the Commission on or before Wednesday, October 19, 2022.

This the 17th day of October, 2022.

NORTH CAROLINA UTILITIES COMMISSION

Erica N. Green, Deputy Clerk

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing *Petition to Modify Test Period* filed in Docket No. E-22, Sub 644 was served electronically or via U.S. Mail, first-class postage prepaid, upon all parties of record.

This, the 17th day of October, 2022.

/s/Mary Lynne Grigg
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