

December 2, 2021

VIA Electronic Filing

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

*Re: Corrected Exhibit to Stipulation of Settlement, Revised Exhibits to
Testimony, and Revised Joint Late-Filed Exhibit 2
Docket Nos. G-5, Sub 632 and G-5, Sub 634*

Dear Ms. Dunston:

Enclosed for filing in the above-referenced proceedings on behalf of Public Service Company of North Carolina, Inc., d/b/a Dominion Energy North Carolina (PSNC) and the Public Staff – North Carolina Utilities Commission (Public Staff), are the Corrected Exhibit to Stipulation of Settlement, Revised Exhibits to Testimony, and Revised Joint Late-Filed Exhibit 2. Subsequent to filing the Stipulation of Settlement and Settlement Testimony on October 15, 2021, and the Joint Late-Filed Exhibits on November 11, 2021, PSNC discovered errors in the proposed levelized flowback of the federal unprotected excess deferred income tax (EDIT) and state EDIT. When the Company initially provided the per books federal and state EDIT balances to the Public Staff to be levelized in the proposed EDIT riders, the per books amounts provided were already grossed up for taxes. When the Public Staff computed the levelized flowback of the federal unprotected and state EDIT balances in the proposed EDIT Riders, the EDIT amounts were inadvertently grossed up again. The Public Staff and PSNC have corrected these errors in the following revised exhibits, which are submitted for filing:

- 1) Revised Settlement Exhibit 1 to the Settlement Testimony of Sonja R. Johnson
- 2) Revised Perry Exhibit 1, Schedules 1 and 1(a) and Schedules 2 and 2(a) to the Testimony of Julie G. Perry
- 3) Revised Settlement Exhibit K to the Stipulation of Settlement
- 4) Revised Joint Late-Filed Exhibit 2

Counsel for Evergreen Packaging, LLC and Carolina Utilities Customers Association, Inc. have reviewed and consented to the revised exhibits enclosed.

Ms. Shonta Dunston, Chief Clerk
December 2, 2021
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Thank you for your assistance with this matter. If you have any questions regarding this filing, you may reach me at the number shown above.

Sincerely,

/s/Mary Lynne Grigg

MLG:kjg

Enclosures

Public Service Company of North Carolina
Docket No. G-5, Sub 632

SUMMARY OF SETTLEMENT ADJUSTMENTS

For The Test Year Ended December 31, 2020

Line No.	Item	Original Settlement Amount	Revised Settlement Amount	Difference
1	Increase in revenue requirement requested by the Company due to June Update	\$53,145,455	\$53,145,455	\$0
2	Company Filed June Update	(3,480,735)	(3,480,735)	0
3	Increase in revenue requirement requested by the Company due to June Update	\$49,664,720	\$49,664,720	\$0
	Settlement Adjustments:			
4	Change in equity ratio from 54.86% to 51.60%	(4,918,525)	(4,918,525)	0
5	Change in cost of long-term debt from 4.48% to 4.48%	0	0	0
6	Change in cost of short-term debt from 0.25% to 0.25%	0	0	0
7	Change in return on equity from 10.25% to 9.60%	(7,442,474)	(7,442,474)	0
8	Change in retention factor - uncollectibles	(19,901)	(19,901)	0
9	Plant in Service Updates and Related Items at June 30, 2021 - Including Depreciation Study	30,530	30,530	0
10	Working Capital Updates at June 30, 2021	(38,489)	(38,489)	0
11	Update gas in storage through June 2021	(213,251)	(213,251)	0
12	Update materials and supplies through June 2021	162,880	162,880	0
13	Adjust working capital for lead lag to reflect Public Staff adjustments	(40,466)	(40,466)	0
14	Adjustment to end of period revenue - weather and growth	(240,302)	(240,302)	0
15	Adjustment to other operating revenues - 4 year average	(744,252)	(744,252)	0
16	Special Contract - remove PIS associated with Asheville facilities	(498,090)	(498,090)	0
17	Payroll and Related Expenses updated to June 30, 2021	(491,312)	(491,312)	0
18	Bonus accruals - removed earnings portion for executives - Additional information provided	(1,653,408)	(1,653,408)	0
19	Employee Benefits Percentage - Company percentage and applied to payroll adjustment	(66,473)	(66,473)	0
20	Board Expenses - removed 50%	(94,671)	(94,671)	0
21	Executive Compensation Adjustment - removed 50% of test year	(437,871)	(437,871)	0
22	Removed Severance associated with retirements - Reversed adjustment - below the line	0	0	0
23	Nonutility Adjustment - adjusted O&M expenses using PSNC factors	(106,278)	(106,278)	0
24	Adjustment to Pension and OPEB - updated as of June 30, 2021	(1,055,624)	(1,055,624)	0
25	Inflation Adjustment - removed PS adjusted expenses and updated inflation factor	147,390	147,390	0
26	Rate Case Expenses - 3 year amortization	11,959	11,959	0
27	Adjustment to Sponsorships and Dues - Additional information provided	(20,691)	(20,691)	0
28	Uncollectibles - 4 year average	(126,397)	(126,397)	0
29	Regulatory Fee @ 0.13%	(1,505)	(1,505)	0
30	Adjustment to remove transmission O&M expense - Additional information provided	(119,774)	(119,774)	0
31	TIMP Costs - updated through June 30, 2021 w/ 4 year amortization	(13,021)	(13,021)	0
32	DIIMP Costs - updated through June 30, 2021 w/ 4 year amortization	(5,677)	(5,677)	0
33	R&D O&M Expenses - Additional information provided	(159,281)	(159,281)	0
34	Advertising - remove promotional, image, & competitive - Additional information provided	(385,799)	(385,799)	0
35	Update Interest on Customer Deposits through June 2021	30,657	30,657	0
36	Service Company Charges - 12 months ended June 30, 2021 - Additional information provided	(1,116,309)	(1,116,309)	0
37	Customer Accounts Expense - removed postage exp	(43,377)	(43,377)	0
38	Adjustment for Durham Incident - removed & regulatory asset treatment	(800,921)	(800,921)	0
39	Adjustment to remove lobbying expenses - Additional information provided	0	0	0
40	Adjustment to remove CNG Tax Credit - Reversed adjustment	0	0	0
41	Energy Efficiency Rate Discount Program Costs - 5 year average	424,223	424,223	0
42	Adjust cash working capital for revenue impact of Public Staff adjustments	(147,619)	(147,619)	0
43	Rounding	(6,248)	(6,248)	0
44	Settlement Adjustments	(20,200,367)	(20,200,367)	\$0
45	Recommended Change in Margin	\$29,464,353	\$29,464,353	\$0
46	Fixed Gas Cost Adjustment	(433,223)	(433,223)	0
47	LAUF Rate Change	433,223	433,223	0
48	Total Gas Cost-Related Change in Revenue Requirement	0	0	\$0
49	Recommended Change in Revenue Requirement per Settlement	\$29,464,353	\$29,464,353	\$0
	EDIT Rider impacts on Revenue Requirement:			
50	Annual Federal Unprotected EDIT Rider, 5 year flow back	(3,768,004)	(\$2,902,305)	865,699
51	Annual State EDIT Rider, 2 year flow back	(2,563,093)	(2,067,177)	495,915
52	Deferred Over-Collected Revenues, 1 year flow back	(18,690,999)	(18,690,999)	0
53	Annual EDIT Rider Impact (Sum of Lines 49 - 51)	(\$25,022,095)	(\$23,660,481)	\$1,361,614
54	Change in Revenue Requirement for Year 1, including EDIT Rider Impact [1]	\$4,442,258	\$5,803,872	\$1,361,614
55	Change in Revenue Requirement for Year 2, including EDIT Rider Impact [1]	\$23,133,256	\$24,494,871	\$1,361,614
56	Change in Revenue Requirement for Years 3-5, including EDIT Rider Impact [1]	\$25,696,349	\$26,562,048	\$865,699
57	Change in Revenue Requirement for Year 6, including EDIT Rider Impact [1]	\$29,464,353	\$29,464,353	\$0

[1] Year 1 = Nov 1, 2021 thru Oct 31, 2022
Year 2 = Nov 1, 2022 thru Oct 31, 2023
Year 3 = Nov 1, 2023 thru Oct 31, 2024
Year 4 = Nov 1, 2024 thru Oct 31, 2025
Year 5 = Nov 1, 2025 thru Oct 31, 2026
Year 6 = Nov 1, 2026 thru Oct 31, 2027

Public Service Company of North Carolina
Docket No. G-5, Sub 632
**CALCULATION OF LEVELIZED FEDERAL UNPROTECTED EDIT
RIDER CREDIT**
For The Test Year Ended December 31, 2020

Line No.	Item	Year 1 Revenue Requirement (a)	Year 2 Revenue Requirement (b)	Year 3 Revenue Requirement (c)	Year 4 Revenue Requirement (d)	Year 5 Revenue Requirement (e)	Total Revenue Requirement (f)
Annuity Factor							
1	Number of years	5	1/				
2	Payment per period	1					
3	After tax rate of return	6.570%	2/				
4	Present value of 1 dollar over number of years with						
5	with 1 payment per year	4.1478					
6	1 plus (interest rate divided by two)	1.0329					
7	Annuity factor (L5 x L6)	<u>4.2843</u>					
8	Total NC retail regulatory liability to be amortized	<u>(\$9,545,972)</u>	<u>3/</u>	<u>(\$9,545,972)</u>	<u>3/</u>	<u>(\$9,545,972)</u>	<u>3/</u>
9	Line 7	<u>4.2843</u>	<u>4.2843</u>	<u>4.2843</u>	<u>4.2843</u>	<u>4.2843</u>	
10	Levelized rider federal EDIT regulatory liability (L8 / L9)	<u>(2,228,129)</u>	<u>(2,228,129)</u>	<u>(2,228,129)</u>	<u>(2,228,129)</u>	<u>(2,228,129)</u>	<u>(11,140,645)</u>
11	Retention factor	<u>0.7677101</u>	<u>4/</u>	<u>0.7677101</u>	<u>4/</u>	<u>0.7677101</u>	<u>0.7677101</u>
12	Levelized rider federal EDIT credit (L10 / L11)	<u>(\$2,902,305)</u>	<u>(\$2,902,305)</u>	<u>(\$2,902,305)</u>	<u>(\$2,902,305)</u>	<u>(\$2,902,305)</u>	<u>(\$14,511,526)</u>

- 1/ Rider period recommended by Public Staff.
- 2/ Perry Settlement Exhibit I, Schedule 1(a), Line 3.
- 3/ Per Data Request Responses to DR 59 and Item 4a11B - EDIT - 2021 - June Excel file - **Net of gross-up.**
- 4/ Settlement Exhibit I, Schedule 5(a), Line 13.
- 5/ Sum of Column (a) through (e).

Public Service Company of North Carolina
Docket No. G-5, Sub 632
CALCULATION OF ANNUITY FACTOR FOR EDIT LIABILITY
RIDER

For The Test Year Ended December 31, 2020

<u>Line No.</u>	<u>Item</u>					<u>Amount</u>
<u>Annuity Factor</u>						
1	Number of years					5 ^{1/}
2	Payment per period					1
3	After tax rate of return (L9)					6.570%
4	Present value of 1 dollar over number of years with with 1 payment per year					4.1478
5	1 plus (interest rate divided by two)					1.0329
6	Annuity factor (L4 x L5)					<u>4.2843</u>
		<u>Capital Structure</u>	<u>Cost Rates</u>	<u>Overall Rate of Return</u> ^{8/}	<u>Net of Tax Rate</u>	
		(a)	(b)	(c)	(d)	
<u>After Tax Rate of Return</u>						
7	Long-term debt	47.06% ^{2/}	4.48% ^{5/}	2.11%	1.62% ^{9/}	
8	Short-term debt	1.34% ^{3/}	0.25% ^{6/}	0.00%	0.00% ^{9/}	
9	Common equity	51.60% ^{4/}	9.60% ^{7/}	4.95%	4.95% ^{10/}	
10	Total	<u>100.00%</u>		<u>7.07%</u>	<u>6.57%</u>	

- 1/ Rider period recommended by Public Staff.
- 2/ Settlement Exhibit I, Schedule 5(a), Column (a), Line 1.
- 3/ Settlement Exhibit I, Schedule 5(a), Column (a), Line 2.
- 4/ Settlement Exhibit I, Schedule 5(a), Column (a), Line 3.
- 5/ Settlement Exhibit I, Schedule 5(a), Column (b), Line 1.
- 6/ Settlement Exhibit I, Schedule 5(a), Column (b), Line 2.
- 7/ Settlement Exhibit I, Schedule 5(a), Column (b), Line 3.
- 8/ Column (a) times Column (b).
- 9/ Column (c) times (1 minus combined income tax rate of 22.975%)
- 10/ Amount from Column (c).

Public Service Company of North Carolina
Docket No. G-5, Sub 632
CALCULATION OF LEVELIZED STATE EDIT RIDER CREDIT
For The Test Year Ended December 31, 2020

<u>Line No.</u>	<u>Item</u>	<u>Year 1 Revenue Requirement</u> (a)	<u>Year 2 Revenue Requirement</u> (b)	<u>Total Revenue Requirement</u> (c) ^{4/}
1	Total NC retail regulatory liability to be amortized	(\$2,981,483) ^{1/}	(\$2,981,483) ^{1/}	
2	Annuity factor	1.8787 ^{2/}	1.8787 ^{2/}	
3	Levelized rider EDIT regulatory liability (L1 / L2)	<u>(1,586,993)</u>	<u>(1,586,993)</u>	(\$3,173,986)
4	Retention factor	0.7677101 ^{3/}	0.7677101 ^{3/}	0.7677101 ^{3/}
5	Levelized rider EDIT credit (L3 / L4)	<u>(\$2,067,177)</u>	<u>(\$2,067,177)</u>	<u>(\$4,134,355)</u>

- 1/ Per Data Request Responses to DR 59 and Item 4a11B - EDIT - 2021 - June Excel file - **net of gross-up.**
- 2/ Perry Settlement Exhibit I, Schedule 2(a), Line 3.
- 3/ Settlement Exhibit I, Schedule 5(a), Line 13.
- 4/ Column (a) plus Column (b).

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Public Service Company of North Carolina
Docket No. G-5, Sub 632
CALCULATION OF ANNUITY FACTOR FOR EDIT LIABILITY RIDER
For The Test Year Ended December 31, 2020

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
	<u>Annuity Factor</u>	
1	Number of years	2 1/
2	Payment per period	1
3	After tax rate of return (L9)	6.570%
4	Present value of 1 dollar over number of years with with 1 payment per year	1.8189
5	1 plus (interest rate divided by two)	1.0329
6	Annuity factor (L4 x L5)	<u>1.8787</u>

	<u>Capital Structure</u>	<u>Cost Rates</u>	<u>Overall Rate of Return</u> 8/	<u>Net of Tax Rate</u>
	(a)	(b)	(c)	(d)
	<u>After Tax Rate of Return</u>			
7	Long-term debt	47.06% 2/	4.48% 5/	2.11%
8	Short-term debt	1.34% 3/	0.25% 6/	0.00%
9	Common equity	51.60% 4/	9.60% 7/	4.95%
10	Total	<u>100.00%</u>	<u>7.07%</u>	<u>6.57%</u>

- 1/ Rider period recommended by Public Staff.
- 2/ Settlement Exhibit I, Schedule 5(a), Column (a), Line 1.
- 3/ Settlement Exhibit I, Schedule 5(a), Column (a), Line 2.
- 4/ Settlement Exhibit I, Schedule 5(a), Column (a), Line 3.
- 5/ Settlement Exhibit I, Schedule 5(a), Column (b), Line 1.
- 6/ Settlement Exhibit I, Schedule 5(a), Column (b), Line 2.
- 7/ Settlement Exhibit I, Schedule 5(a), Column (b), Line 3.
- 8/ Column (a) times Column (b).
- 9/ Column (c) times (1 minus combined income tax rate of 22.975%)
- 10/ Amount from Column (c).

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
Docket No. G-5, Sub 632
COMPUTATION OF TAX RIDER RATES
For The Test Year Ended December 31, 2020

Federal EDIT, Unprotected

Line No.	Rate Class (a)	Allocation %	Original Annual Refund (b)	Annual Therms (c)	Original Rate per Therm (d)	Revised Annual Refund	Revised Rate per Therm	Difference
1.	Residential - (101, 102, 115)	71.33%	\$ (2,687,718)	332,441,182	\$ (0.00808)	\$ (2,070,214)	\$ (0.00623)	\$ 0.00186
2.	SGS & MGS - (125, 126, 127,140)	18.87%	\$ (711,022)	172,905,640	\$ (0.00411)	\$ (547,665)	\$ (0.00317)	\$ 0.00094
4.	Firm Large General - (145, 175)	7.45%	\$ (280,716)	256,721,533	\$ (0.00109)	\$ (216,222)	\$ (0.00084)	\$ 0.00025
5.	Interruptible Large General - (135, 150, 180)	2.35%	\$ (88,548)	143,316,551	\$ (0.00062)	\$ (68,204)	\$ (0.00048)	\$ 0.00014
6.	Total	100.00%	\$ (3,768,004)			\$ (2,902,305)		

Tax Act Revenue Deferred from Overcollections

Line No.	Rate Class (a)	Allocation %	Annual Refund (b)	Annual Therms (c)	Rate per Therm (d)	Annual Refund	Rate per Therm	Difference
1.	Residential - (101, 102, 115)	71.33%	\$ (13,332,290)	332,441,182	\$ (0.04010)	\$ (13,332,290)	\$ (0.04010)	\$ -
2.	SGS & MGS - (125, 126, 127,140)	18.87%	\$ (3,526,992)	172,905,640	\$ (0.02040)	\$ (3,526,992)	\$ (0.02040)	\$ -
3.	Firm Large General - (145, 175)	7.45%	\$ (1,392,479)	256,721,533	\$ (0.00542)	\$ (1,392,479)	\$ (0.00542)	\$ -
4.	Interruptible Large General - (135, 150, 180)	2.35%	\$ (439,238)	143,316,551	\$ (0.00306)	\$ (439,238)	\$ (0.00306)	\$ -
5.	Total	100.00%	\$ (18,690,999)			\$ (18,690,999)		

North Carolina State EDIT

Line No.	Rate Class (a)	Allocation %	Annual Refund (b)	Annual Therms (c)	Rate per Therm (d)	Annual Refund	Rate per Therm	Difference
1.	Residential - (101, 102, 115)	71.33%	\$ (1,828,254)	332,441,182	\$ (0.00550)	\$ (1,474,517)	\$ (0.00444)	\$ 0.00106
2.	SGS & MGS - (125, 126, 127,140)	18.87%	\$ (483,656)	172,905,640	\$ (0.00280)	\$ (390,076)	\$ (0.00226)	\$ 0.00054
3.	Firm Large General - (145, 175)	7.45%	\$ (190,950)	256,721,533	\$ (0.00074)	\$ (154,005)	\$ (0.00060)	\$ 0.00014
4.	Interruptible Large General - (135, 150, 180)	2.35%	\$ (60,233)	143,316,551	\$ (0.00042)	\$ (48,579)	\$ (0.00034)	\$ 0.00008
5.	Total	100.00%	\$ (2,563,093)			\$ (2,067,177)		
			\$ (25,022,095)			\$ (23,660,481)		\$ 1,361,614
					\$ (0.00726)		\$ (0.006866)	\$ (0.000395)

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
 Docket No. G-5, Sub 632
PERCENT INCREASE AND BILL INCREASE FOR AVERAGE CUSTOMER PER MONTH
 For the Test Year Ended December 31, 2020

<u>Years</u>	Original		Revised		Difference	
	Average Monthly Residential [1]		Average Monthly Residential [1]		Average Monthly Residential [1]	
	<u>% Increase</u>	<u>Bill Increase</u>	<u>% Increase</u>	<u>Bill Increase</u>	<u>% Increase</u>	<u>Bill Increase</u>
Year 1	0.99%	\$0.52	1.26%	\$0.67	0.27%	\$0.14
Year 2	4.69%	\$2.48	4.96%	\$2.63	0.27%	\$0.14
Year 3	5.20%	\$2.75	5.37%	\$2.84	0.17%	\$0.09
Year 4	5.20%	\$2.75	5.37%	\$2.84	0.17%	\$0.09
Year 5	5.20%	\$2.75	5.37%	\$2.84	0.17%	\$0.09

[1] Compared to current rates

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Corrected Exhibit to Stipulation of Settlement, Revised Exhibits to Testimony, and Revised Joint Late-Filed Exhibit 2, as filed in Docket Nos. G-5, Sub 632 and G-5, Sub 634, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 2nd day of December, 2021.

/s/Mary Lynne Grigg

Mary Lynne Grigg

McGuireWoods LLP

501 Fayetteville Street, Suite 500

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Raleigh, North Carolina 27601

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Attorney for Public Service Company of North Carolina, Inc., d/b/a Dominion Energy North Carolina