

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 694

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Virginia Electric and Power)
Company, d/b/a Dominion Energy North) PUBLIC NOTICE
Carolina for Adjustment of Rates and Charges)
Applicable to Electric Service in North Carolina)

NOTICE IS HEREBY GIVEN that on March 28, 2024, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC), filed an application with the Commission requesting authority to adjust and increase its rates for retail electric service in North Carolina effective May 1, 2024.

In its Application, DENC requests authority to increase its rates and charges to produce additional overall annual North Carolina base revenues of approximately \$56,623,974, an increase of approximately 22.13% over current base revenues. DENC is proposing an increase to its current base fuel revenues in the amount of \$53,833,272, while also proposing an equivalent decrease of the current fuel cost rider (Rider A). Together, the overall increase in revenues will be \$56,623,974, or approximately 14.42%.

The increase in base fuel revenues discussed above produces a new base fuel rate of \$0.034935 per kilowatt-hour that will serve as a “placeholder” until it files its annual fuel charge adjustment application in August 2024, to become effective February 1, 2025. This proposed new base fuel rate represents the sum of the current base fuel rate and the current Rider A rate. This proposed new base fuel rate represents the sum of the current base fuel rate and the current Rider A rate.

The proposed rate increase is based on a test period ending December 31, 2023, with estimates of changes to revenues, expenses, rate base, and cost of capital through June 30, 2024. DENC states that it will file supplemental testimony in August 2024 to replace the estimates with actual amounts. DENC intends to seek implementation of its proposed rates on a temporary basis, subject to refund, on November 1, 2024, under the authority of N.C. Gen. Stat. § 62-135. DENC requests that new permanent base rates become effective on and after February 1, 2025.

DENC states that the primary drivers behind its request to increase rates are the costs incurred for: (1) significant investments in generation, transmission, and distribution infrastructure that DENC has made to ensure reliability, operational excellence, and efficient service for the benefit of its North Carolina customers; (2) maintenance of the DENC nuclear fleet; (3) the significant increase of purchased power expenses; and (4) significant cost pressures from a combination of persistent inflation, high interest rates, and higher costs such as contract labor, material, and pension and other employee benefits, among other factors.

Specifically, DENC states that its request is driven by investments made since its 2019 rate case, including: (1) the addition of ten regulated solar facilities, two utility-scale battery energy storage systems, and the Coastal Virginia Offshore Wind Pilot Project; (2) investments in existing nuclear plants to ensure their continued safe, reliable, and efficient operation and in pursuing Subsequent License Renewals to ensure continued operation of these units; and (3) investments in transmission and distribution improvements to support load growth and to improve reliability.

Additionally, DENC is requesting approval of accounting orders for: (1) deferral of potential future benefits from nuclear production tax credits pursuant to the 2022 Inflation Reduction Act; (2) recognition for ratemaking purposes of certain Asset Retirement Obligation (ARO) costs in the manner that these AROs are recognized for financial and accounting purposes; and (3) a transition from amortizing coal combustion residuals (CCR) expenditures through deferral to incorporating an ongoing annual level of CCR remediation expenses in DENC's cost of service.

DENC is also proposing a new experimental small general service electric vehicle rate schedule to address, promote, and incentivize third party development and investment in electric vehicle charging; a new residential time of use rate schedule, which is intended to improve the accuracy of price signals and alignment between customer charges and usage behaviors; and revisions to DENC's Line Extension Plan in its Terms and Conditions of Service.

Further, DENC is seeking approval of a rate of return on common equity of 10.6%.

On April 15, 2024, the Commission suspended the proposed rate changes for up to 270 days from the proposed effective date of May 1, 2024, and scheduled the Application for investigation and public hearing.

EFFECT OF RATE INCREASE

The following table shows the percentage increase in DENC’s North Carolina retail revenues under its proposed rates, by customer class:

Customer Class	Percentage Revenue Change
Residential	15.10%
Small General Service/Public Authority	16.42%
Large General Service	12.12%
Schedule NS	9.52%
Schedule 6VP	10.59%
Outdoor Lighting	33.84%
Traffic Control	15.80%
Overall	14.42%

Source: Page 1 of 2, Appendix 1 of Application

For customers on Residential Schedule 1, the proposed rates would increase an average monthly bill as follows:

Residential Schedule 1
Monthly Bill Based on 1,000 kWh per Month Usage

Season	Average Bill Under Existing Rates	Average Bill Under Proposed Rates	Increase in Average Bill	Percentage Increase
Winter	\$ 128.27	\$ 146.39	\$ 18.12	14.1%
Summer	\$ 142.78	\$ 163.76	\$ 20.98	14.7%
Average	\$ 133.11	\$ 152.18	\$ 19.07	14.3%

The amounts shown above do not account for any change in the fuel factor to be proposed in DENC’s August 2024 fuel charge adjustment filing.

The increases shown above include a proposed increase in the basic customer charge from \$10.67 to \$14.54 per month. Customers other than those on Residential Schedule 1 would experience increases in their monthly bills based upon their particular rate schedules and usage levels.

DENC also proposes to increase the basic customer charge for most small general service customers (Schedule 5) from \$18.93 to \$22.88 per month and for most large general service customers (Schedule 6P) from \$78.98 to \$108.74 per month.

PROPOSED RATE DESIGN/RATE SCHEDULE CHANGES

DENC is proposing a new experimental small general service electric vehicle rate schedule to address, promote, and incentivize third party development and investment in electric vehicle charging. In addition, DENC is proposing a new residential time of use rate schedule, which is intended to improve the accuracy of price signals and alignment between customer charges and usage behaviors.

The Commission may consider additional or alternative rate design proposals that were not included in DENC's Application and may order increases or decreases in individual rate schedules that differ from those proposed by DENC. In no event, however, will the Commission approve any increase in total revenues beyond the total increase in revenues requested by DENC.

HEARINGS AND OTHER MATTERS

A list of present rates, together with details of the proposed adjustments in rates, can be obtained at the business offices of DENC or at the Office of the Chief Clerk of the North Carolina Utilities Commission, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of the Application is available for review. These materials, as well as pleadings, the prefiled testimony and exhibits of all parties, the transcripts of all hearings, briefs, and proposed orders, may be viewed as they become available on the Commission's website at www.ncuc.gov. Click on "Docket Search" and search for docket number "E-22 Sub 694".

Persons desiring to present testimony for the record should appear at one of the public hearings. Persons desiring to send written statements to inform the Commission of their positions in the matter should address their statements to the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300 and reference Docket No. E-22, Sub 694. Persons may also email the Commission a written statement via the Commission's website at www.ncuc.gov/contactus.html. Written statements will be placed in Docket No. E-22, Sub 694CS, and may be accessed by searching that docket number via the Commission's website. However, such written statements cannot be considered competent evidence unless those persons appear at the hearing and testify concerning the information contained in their written statements.

FURTHER NOTICE IS GIVEN that the North Carolina Utilities Commission has scheduled hearings for the purpose of receiving public witness testimony on DENC's Application as follows:

Manteo: Wednesday, September 25, 2024, at 7:00 p.m.
Dare County Courthouse
962 Marshall C. Collins Drive
District Courtroom B
Manteo, North Carolina 27954

Virtual: Thursday, September 26, 2024, at 6:30 p.m.
Held remotely via Webex

Halifax: Monday, September 30, 2024, at 7:00 p.m.
Halifax County Courthouse
357 Ferrell Lane
Superior Courtroom 1
Halifax, North Carolina 27839

Williamston: Tuesday, October 1, 2024, at 7:00 p.m.
Martin County Courthouse
305 East Main Street
District Courtroom
Williamston, North Carolina 27892

The September 26, 2024 public witness hearing shall be held remotely via Webex, beginning at 6:30 p.m. A link to view the hearing will be available at www.ncuc.gov. Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on September 19, 2024.

To register, please complete the electronic Remote Public Witness Registration form located on the Commission's website at www.ncuc.gov/hearings/remotepublicregister.html. A confirmation email will be sent to the email address provided after the registration form is submitted. Further instructions, including the call-in number, will be provided to you by email approximately one week before the hearing. Witnesses calling from a different number than provided at registration may experience delays or other difficulties in providing their testimony. If assistance is needed, please contact 919-733-0837.

Only the first 20 individuals registered by 5:00 p.m. on September 19, 2024, will be allowed to testify at the September 26, 2024, remote public witness hearing. This hearing will be canceled if no one registers to testify by 5:00 p.m. on September 19, 2024;

The hearings on September 25, 26, 30, and October 1, 2024, will be solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearings pursuant to Commission Rule R1-21(g)(5).

The hearings will resume in Raleigh on October 7, 2024, at 2:00 p.m., solely for the purpose of receiving expert witness testimony from the parties' witnesses and will continue

as required for testimony and cross-examination of expert witnesses for DENC, the Public Staff, and other intervenors.

Persons having an interest in the investigation and desiring to intervene in the matter as formal parties of record may file their petitions to intervene not later than August 30, 2024. These petitions should reference Docket No. E-22, Sub 694, and should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. All parties to this proceeding planning to present expert testimony must prefile their direct testimony and exhibits not later than August 30, 2024.

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 the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to:

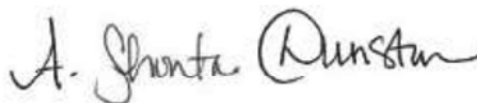
Mr. Christopher J. Ayers
Executive Director
Public Staff – North Carolina Utilities Commission
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

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 of North Carolina
c/o Consumer Protection – Utilities
9001 Mail Service Center
Raleigh, North Carolina 27699-9001

This the 13th day of June, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "A. Shonta Dunston". The signature is written in a cursive, flowing style.

A. Shonta Dunston, Chief Clerk